

(2019) 05 DEL CK 0155

Delhi High Court

Case No: Civil Suit (COMM) No. 1067 Of 2016

M/S Allied Blenders And Distillers
Pvt Ltd & Ors

APPELLANT

Vs

Amit Dahanukar & Anr

RESPONDENT

Date of Decision: May 30, 2019

Acts Referred:

- Code Of Civil Procedure, 1908 - Section 10, 11, Order 39 Rule 1, Order 2 Rule 2, Order 39 Rule 2

Citation: (2019) 261 DLT 692 : (2019) 79 PTC 126

Hon'ble Judges: Jayant Nath, J

Bench: Single Bench

Advocate: Rajiv Nayyar, Shrawan Chopra, Sanjay Chhabra, Pundreek Dwivedi, Hemant Singh, Mamta Jha, Waseem Shuaib Ahmed, Saumya Gupta

Judgement

Jayant Nath, J

IA Nos.8795/2017 & 14016/2015

1. The suit is filed by the plaintiff seeking a decree of permanent injunction to restrain defendants etc. from manufacturing, selling, etc. alcoholic

beverages especially IMFL and/or goods of any description bearing the trademark MANSION HOUSE and SAVOY CLUB or any other mark

which is deceptively similar to the plaintiff's said registered trademarks. Other connected reliefs are also sought.

2. IA No.14016/2015 is filed by the defendant for dismissal of the suit under Order 2 Rule 2 CPC. IA No.8795/2017 is filed by the plaintiffs under

Order 39 Rules 1 and 2 CPC to restrain the defendants from creating any third rights in the trademarks MANSON HOUSE and SAVOY CLUB

during pendency of the present dispute.

IA No.8795/2017

I will first deal with the above application for injunction. I may note that when this matter came up for hearing on the first date on 13.10.2014 only

notice was issued on the stay application i.e. IA. No. 19963/2014 and no ex parte injunction was passed. IA No. 19963/2014 is still pending.

Thereafter IA No.8795/2017 was filed by the plaintiff. In the said application being IA No.8795/2017 it is stated that recently plaintiff No.1 became

aware that defendant No.2 has informed stock exchanges that a company Edelweiss Asset Reconstruction Company Ltd. has acquired part of the

debt of the defendants. It is further claimed that the plaintiffs has rights in the trademarks MANSION HOUSE and SAVOY CLUB. It is further

stated that the plaintiffs apprehend that defendants would create third party rights in the said trademarks and the plaintiffs would suffer great prejudice

and irreparable injury. On 13.11.2017 the court directed that status quo qua transfer of the subject trademark will be maintained by all the parties till

the next date of hearing. The matter was heard on more than 8 different dates and judgment was reserved.

3. The case of the plaintiff as stated in the plaint is that the plaintiff No.2 is said to be an affiliate company of plaintiff No.3 and a part of the

UTO/Harman Jansen Group of Companies. The groups are producers, sellers and distributors of various spirits and liquors including whiskies, gin, etc.

tracing their origin back to 1777. Present suit concerns the trademarks MANSION HOUSE, MH and SAVOY CLUB for alcoholic beverages. It is

the case of the plaintiff that through their predecessors they have been using the above marks for more than 70 years and their extensive use has

spread over several countries. It is pleaded that in 2014 plaintiffs No.1 and 2 acquired ownership in the above trademarks for India and other

neighbouring countries as stated in the Assignment Deed from plaintiff No.3 and its other group companies.

4. It is pleaded that the plaintiff's predecessors have been using the trademark MANSION HOUSE since 1912. In India it is stated that plaintiff

No.3 is the registered proprietor of the trademark MANSION HOUSE which dates back to 1983.

5. The plaintiff's use of the trademark SAVOY CLUB dates back to 1947. In India plaintiff No.3 is the registered proprietor of SAVOY CLUB

trademark. It is pleaded that the plaintiffs enjoy vast reputation and goodwill in the said trademarks and is recognized as proprietor of the said trademarks globally.

6. Pursuant to a request from defendant No.2 plaintiff No.3 granted a license to defendant No.2 on 7.7.1983 to use the plaintiff's said trademarks

MANSION HOUSE and SAVOY CLUB for alcoholic beverages in India. It is further stated that a dispute that arose between Scotch Whisky

Association and plaintiff No.3 over the use of the term SCOTCH. Certain proceedings commenced against plaintiff No.3 in a Dutch Court. It was

suggested by defendant No.2 that the said trademarks in India be temporarily transferred to the defendant so that the Plaintiff was not liable for its use

in India. Another agreement was entered into between the parties on 23.2.1987. It is claimed that plaintiff No.3 retained ownership of the trademarks

and all goodwill therein.

7. In terms of the agreement dated 23.02.1987 defendant No.2 was obliged to buy concentrate of plaintiff No.3. As there was a breach of the said

term by the defendant No.2, it is stated that on 7.8.2003 the plaintiff through its lawyers terminated the Agreement between the parties unless an

acceptable compromise was reached. It is stated that the plaintiff also learnt that the defendant has surreptitiously applied for the trademark and

copyright registrations and excise approvals for the said trademarks in India in its own name. It is stated that the plaintiff has filed rectifications and

oppositions against the defendant's impugned registrations and applications.

8. In the meantime plaintiff No.3 is said to have entered into an Agreement with Titlis Distilleries Pvt. Ltd. for manufacturing and distributing its

MANSION HOUSE and SAVOY CLUB products in India. This resulted in litigation between the defendants and Titlis Distilleries in Hyderabad and

Bangalore.

9. Plaintiff No.3 and its group of companies also filed a suit before the Bombay High Court in 2009 against defendant No.2 to restrain passing off of

the said suit trademarks by defendants and infringement of the copyright by the defendants. It is pleaded that after termination of the license by the

plaintiffs the usage by the defendants amounts to violation of the plaintiff's trademark. Plaintiff No.3's notice of motion for interim injunction was dismissed on 22.12.2011. Against the said order an appeal was filed which is said to be pending. Defendant has also filed a counter-claim in the said suit claiming that plaintiff No.3 was passing off the said trademark and was infringing the copyright of the defendant herein. An interim order was passed in the counter-claim on 30.9.2014 restraining the plaintiffs herein to introduce any products with the said trademarks in the market without the leave of the court.

10. It is, hence, pleaded that the use of the said trademark by the defendants after termination of the license amounts to infringement of the plaintiff's trademark MANSION HOUSE and SAVOY CLUB. It is also claimed that the defendants are guilty of dilution and unfair competition Tortuous interference, defamation etc.

11. Defendants in their written statement/replies have stated that the agreement dated 7.7.1983 created rights in the two trademarks in favour of the defendant. Further, in order to fulfil its obligations with the Scotch Whisky Association and to deal with the restrictions imposed by the said Association on the plaintiff No.3 and so that plaintiff No.3 would not be liable for use of the two trademarks MANSION HOUSE and SAVOY CLUB, plaintiff No.3 by writing dated 23.2.1987 absolutely ceded and transferred the proprietorship of the said two trademarks MANSION HOUSE and SAVOY CLUB to the defendants. Further, in 1992-93 the defendant developed its own concentrate for use in alcoholic beverages sold under the said trademarks and started manufacturing the said alcoholic beverages by using its indigenously made concentrate. Thereafter the said trademarks have been used in relation to alcoholic beverages made from its own concentrate. Plaintiff No.3 was fully aware of this position and never objected except that the said plaintiff tried to persuade the defendant to buy the concentrate of plaintiff No.3. On 22.11.1993 defendants made three applications for registration of the said trademark labels containing the word MANSION HOUSE and/or MH. As there was no objection the same were duly registered on 28.10.2003. The said trademark is valid and subsisting upto 22.11.2023. On 28.2.1994 defendant made three applications for

registration of the trademark labels containing the word SAVOY CLUB in respect of alcoholic beverages. Said applications were opposed by plaintiff

No.3. However, plaintiff No.3 withdrew the opposition vide its letter dated 21.6.2005 and thereafter the defendant received certificates of registration

of all the marks but is yet to receive the certificate or registration in respect of trademark No.620650. Hence, it is claimed that the defendant has

common law and/or statutory rights in exclusive use of the trademark MANSION HOUSE, MH and SAVOY CLUB. It is pleaded that during all

these years plaintiff No.3 had full knowledge of the activities of the defendant and accepted the defendant's proprietary rights in the said

trademarks. It has allowed the defendants to expend huge sums of money for establishing the said trademarks. Plaintiff No.3 never acted as the

“Licensor” of the said trademarks during the aforesaid period and the defendant had full freedom to use the said trademark as its own.

12. It has been strongly pleaded that the plaintiffs are guilty of Forum Shopping and abuse of process of law. They have in March 2009 filed a suit

against the defendant before the Bombay High Court where they sought permanent injunction to restrain the defendant from using the subject

trademarks and artistic labels incorporating the said trademarks. Their interim injunction application was dismissed by the Bombay High Court on

22.12.2011 giving a clear and definitive finding of entitlement to proprietorship in favour of the defendants. Further on 10.9.2014 the Bombay High

Court passed interim orders in the counter-claim of the defendant herein restraining the plaintiffs therein from introducing any products with the

subject trademarks in the market without the leave of the Bombay High Court. It is pleaded that the present suit has been filed to overreach the orders

of the Bombay High Court and is an abuse of the process of law. It is also pleaded that the conduct of the plaintiffs is dishonest and fraudulent. It has

been strongly urged that on the Principle of Comity this court ought not to pass any interim orders in favour of the plaintiff.

13. I have heard Mr.Rajiv Nayyar, learned senior counsel for the plaintiffs and Mr.Hemant Singh, learned counsel for the defendants.

14. Learned senior counsel for the plaintiffs has stated as follows:-

(i) The plaintiffs are prior adopters and users of the trademark MANSION HOUSE and SAVOY CLUB Alcohol beverages. The registration of the trademark MANSION HOUSE and SAVOY CLUB dates back to 1983. The said trademarks were only licensed to defendant No.2. License of defendant No.2 has been terminated. Hence, the defendants have no right to use the same. It is also strongly urged that the plaintiff never ceded the trademark to the defendants. Reliance is placed on various communications and various documents to plead that there was, at no stage, any ceding of the trademarks in favour of the defendants.

(ii) Despite the above clear position the defendants have surreptitiously applied for registration of the impugned trademarks. The plaintiffs have taken appropriate steps in this regard.

(iii) It is pleaded that the issues raised in the present suit and the Bombay suit are not the same or substantially similar. The reliefs sought are different.

Plaintiff is dominus litus and is entitled to file a suit before a court having territorial jurisdiction.

15. Learned counsel for the defendant has stated as follows:-

(i) It is pleaded that the Agreements dated 7.7.1983 and 23.2.1987 clearly show that the defendant No.2 had exclusive and irrevocable rights with regard to the subject trademarks in respect of alcoholic beverages in India. In 1986 disputes arose between Scotch Whisky Association and plaintiff No.3 whereby plaintiff No.3 was restrained by the Rotterdam District Court, Netherland from holding their products to be Scotch Whisky as they did not fulfill the requirement of the Scotch Whisky Association. It was in those facts to fulfill their obligations with the said Scotch Whisky Association and to ensure that plaintiff No.3 would not be liable for use of the said trademarks MANSION HOUSE and SAVOY CLUB and the labels of defendant No.2, plaintiff No.3 absolutely ceded proprietorship of the said trademarks to the defendant No.2.

(ii) In 1992-93 defendant No.2 had developed its own concentrate for use in alcoholic beverages sold under the said trademark and started manufacturing the said alcoholic beverages. Plaintiff No.3 was always aware of this position but did not chose to object till 2002 during which period the business of the defendants grew significantly.

(iii) It is reiterated that the conduct of the plaintiff is dishonest and amounts to Forum Shopping. Bombay High Court has already based on the virtually identical facts has dismissed the injunction application of the plaintiff. It is urged that this court would follow the Principle of Comity. Reliance is

placed on judgments of the Supreme Court in India Household and Healthcare Ltd. vs. LG Household and Healthcare Ltd., (2007) 5 SCC 51 0and

Neon Laboratories Ltd. vs. Medical Technologies Ltd. & Ors.,(2016) 2 SCC 672.

(iv) It is further pleaded that plaintiffs are not entitled to any equitable relief on account of Forum Shopping and overreach.

16. The two important documents around which the controversy in issue revolves are the agreements dated 7.7.1983(Ex.P-1) and 23.2.1987(Ex.P-4).

I may first look at these documents. The relevant part of Agreement dated 7.7.1983 reads as follows:-

“This license and authority is given to Tilaknagar Distilleries & Industries Ltd. exclusively in India and/or its associate group companies on an

irrevocable basis based on the procurement of specified minimum quantities and subject to the condition that the said Tilaknagar Distilleries &

Industries Ltd. shall procure through UTO Nederland B.V. all required concentrates for producing and selling Whisky, Brandy, Gin and rum under the

brand names Mansion House and Savoy Club in India.”

17. The Agreement dated 23.02.1987 reads as follow:-

Dear Mr. Dahanukar,

We herewith cede our brandnames MANSION HOUSE and SAVOY CLUB to Tilaknagar Distilleries.

The above mentioned brands must go back to UTO (NED) B.V. if due to Dutch, Indian or International Law UTO (NED) B.V. can no longer supply

the concentrates to Tilaknagar Distilleries and Industries Ltd. to which Tilaknagar agrees.

UTO NEDERLAND B.V.”

18. The issue centers around interpretation of the phrase used in the aforesaid communication dated 23.2.1987, i.e. “We herewith cede our

brandname MANSION HOUSE and SAVOY CLUB to Tilaknagar Distilleries”

19. Learned senior counsel for the plaintiff has taken me through large number of documents to plead that the conduct of the parties was such that the parties interpreted the aforementioned document dated 23.2.1987 to imply that no rights were permanently ceded in the said trademark in favour of the defendants. However, I do not wish to go into a detailed examination of the documents relied upon by learned senior counsel for the plaintiff, at this stage, when the court is only considering grant of an interim injunction. This is specially so as there are other important factors why in my opinion, no interim relief ought to be granted to the plaintiff.

20. The plaintiff in 2009 filed suit No.632/2009 against defendant No.2 before the High Court of Judicature at Bombay seeking injunction to restrain defendant No.2 herein by perpetual injunction from printing, publishing etc. the labels or other literary work thereby committing infringement of the copyright of the plaintiff. Injunction was also sought to restrain the defendant therein (defendant No.2 herein) from using the trademarks in question i.e. MANSION HOUSE, MH, SAVOY CLUB and MHB. Other connected reliefs were also sought.

21. On 22.12.2011 while hearing a notice of motion seeking interim injunction the Bombay High Court rejected the motion and recorded a detailed finding and held as follows:-

“88. During these sixteen years, the plaintiffs proceeded on the basis that by the documents dated 23rd February, 1987, the trademarks had been transferred or assigned to the defendant. The plaintiffs knew at least from the year 1994 that the defendant had not purchased the concentrates from them. I have disbelieved the case in paragraph 27 of the plaint regarding the defendant having represented that it was manufacturing the products sold under the said marks utilizing the concentrates purchased from the plaintiffs as it had an adequate stock thereof. This is clear, inter-alia, from the plaintiffs advocate's letter dated 7th August, 2003. It was, therefore, clear to the plaintiffs that the defendant was manufacturing products sold under the said marks contrary to the terms and conditions of the arrangement contained in the document dated 7th July, 1983 as well as the documents dated 23rd February, 1987. The plaintiffs did nothing to prevent the defendant from doing so. Nor did the plaintiffs call upon the defendant to cease and

desist doing so. The inference is that the plaintiffs did not do so as they had considered their having transferred or assigned the marks to the defendant. What is, however, more important is that their failure to do so indicates that they had abandoned their rights under the documents dated 23rd February, 1987, especially the right to have the defendant purchase the concentrates from them and to use the same in the products sold under the said marks. The reason for the plaintiffs not having even insisted upon their rights is immaterial. However, the fact that they did not enforce their rights or even insist upon the same from 1994 to the year 2003 indicates a strong prima facie case in favour of the defendant that this was due to the plaintiffs having lost interest in the Indian market probably due to the economic scenario and the laws regarding prohibition in India or the enforcement thereof during that period. Whatever be the reasons, the fact is that the plaintiffs from the year 1994 to 2003 permitted the defendant to sell their products under the said marks without, in turn, insisting upon the defendant fulfilling the terms and conditions thereof in favour of the plaintiffs. The alleged breaches by the defendant of the documents dated 23rd February, 1987, were, therefore, waived by the plaintiffs.â€

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95. In view of these facts, it is sufficient to refer to the judgment of the Supreme Court in *M/s. Power Control Appliance v. Sumeet Machines Pvt.*

Ltd., (1994) 2 SCC 448. The Supreme Court held on facts that the appellant was disentitled to the equitable relief of injunction by reason of the unexplained delay and that the balance of convenience was also overwhelming in favour of the respondent. It was also held that under section 30(b), it is open to the defendant to show that he has been impliedly permitted to use the trade mark.

The facts of the present case establishes that the plaintiffs acquiesced in the defendant using the marks. The plaintiffs sat by while the defendant did so and spent money on it. The defendant's conduct in the present case is also consistent with the claim of exclusive rights in the said marks. In the course of the correspondence, it stoutly denied the plaintiffs' claim to the said marks, asserted its rights in respect thereof and continued to use the

marks as the proprietor thereof. Even in response to the letter of termination, the defendant contended that it was entitled to use the marks. The plaintiffs stood by knowingly and let the defendant build up an important trade. It is only thereafter, that the plaintiffs thought it necessary to adopt proceedings to crush the same. For a crucial period, the plaintiffs acquiescence virtually amounted to their consenting to the defendant's using the said marks. The plaintiffs do not state that they were ignorant of the fact that they had a rights in respect of such marks as well as the means to assert the same.

The present case therefore, falls squarely within the ratio of the judgment of the Supreme Court.â€

22. Having observed as above, the Bombay High Court dismissed the notice of motion. An appeal has been filed by the plaintiff against the said order which is pending.

23. Similarly, in the Counter-claim filed by defendant No.2 herein before the Bombay High Court in the said suit on 10.09.2014 the Bombay High Court directed that the defendants to the counter-claim (plaintiffs herein) would not introduce any products with the said trademark into the market without leave of the court.

24. Contemporaneously the plaintiff on 10.10.2014 filed the present suit which came up for hearing on 13.10.2014. On 14.10.2014 the Bombay High Court noted that a very disturbing circumstance had arisen which require passing of urgent order. The court noted the action of the plaintiff herein in filing of the suit before this Court when the matter was pending before the Bombay High Court and interim order had been declined by the judgment of the Bombay High Court dated 22.12.2011. The court noted that it is the most brazen form of Forum Shopping and restrained the plaintiffs from taking any steps in the present proceedings till 7.11.2014. The said order was modified on 14.11.2014.

25. The issue would be as to whether the plaintiff can be permitted to now all over agitate the same facts to seek interim orders against defendant No.2 before this court by filing the present suit and interim injunction application which relief was declined by the Bombay High Court and appeal

against which order is pending. It may be noted that parties to the two proceedings namely, the plaintiff and the defendant are virtually identical.

Before this Court, the plaintiffs have, needlessly, impleaded the Managing Director of the defendant No.2 as Defendant No.1. In the present suit,

plaintiffs No.1 and 2 claim that they have acquired ownership in the said trademark in India and other neighbouring countries in 2014 from plaintiff

No.3.

In the Bombay suit, the plaintiff No.3 in the present suit is plaintiff No.2 in the suit before Bombay High Court. The said suit is filed along with one

UTO Nederland B.V. in Bombay. Plaintiff No.3 herein and UTO Nederland B.V. are admittedly wholly owned subsidiaries of UTO Holding B.V.,

i.e., belong to the same Group of Companies. Both the suits virtually claim the same relief i.e., to restrain the defendant from manufacturing, selling,

offering for sale, distributing, advertising etc. the beverages, especially IMFL or any goods bearing the trade mark SAVOY CLUB or MANSION

HOUSE.

26. Reference in this context may be had to the judgment of the Supreme Court in India Household and Healthcare Ltd. vs. LG Household and

Healthcare Private Ltd., (supra) wherein the court held as under:-

“17. This aspect of the matter has been considered in A Treatise on the Law Governing Injunctions by Spelling and Lewis wherein it is stated:

“Section 8. Conflict and loss of jurisdiction.- Where a court having general jurisdiction and having acquired jurisdiction of the subject-matter has

issued an injunction, a court of concurrent jurisdiction will usually refuse to interfere by issuance of a second injunction. There is no established rule of

exclusion which would deprive a court of jurisdiction to issue an injunction because of the issuance of an injunction between the same parties

appertaining to the same subject-matter, but there is what may properly be termed a judicial comity on the subject. And even where it is a case of one

court having refused to grant an injunction, while such refusal does not exclude another coordinate court or Judge from jurisdiction, yet the granting of

the injunction by a second Judge may lead to compliance and retaliatory action
“

18. In *Manohar Lal Chopra v. Seth Hirala*, this court enjoined a party from prosecuting a suit wherein power under section 10 of the Code of Civil

Procedure could not have been exercised.

19. A court while exercising its judicial function would ordinarily not pass an order which would make one of the parties to the lis violate a law order

passed by another court.â€

27. Reference may also be had to the judgment of the Supreme Court in the case of *Neon Laboratories Ltd. vs. Medical Technologies Ltd.*, (supra).

It was the case of the plaintiff in that case that it had invented the trademark PROFOL. The defendant introduced in the market the same generic

drug under the trademark ROFOL. The defendant filed a notice of motion in the Bombay High Court and was granted an injunction on 31.3.2012. The

plaintiff had filed a suit in Gujarat. It was in those facts that the Supreme Court held as follows:-

â€œ7. â€¢. We may reiterate that every High Court must give due deference to the enunciation of law made by another High Court even though it is

free to charter a divergent direction. However, this elasticity in consideration is not available where the litigants are the same, since Sections 10 and 11

CPC would come into play. Unless restraint is displayed, judicial bedlam and curial consternation would inexorably erupt since an unsuccessful litigant

in one State would rush to another State in the endeavour to obtain an inconsistent or contradictory order. Anarchy would be loosed on the Indian

Court system. Since the Division Bench of the Bombay High Court is in seisin of the dispute, we refrain from saying anything more. The respondent-

plaintiffs filed an appeal against the order dated 31.03.2012 and the Division Bench has, by its order dated 30.04.2012, stayed its operation.â€

28. In *Union of India & Ors. v. Cipla Ltd. & Ors.*, AIR 2016 SC 502,5 the Supreme Court dealt with the issue of forum shopping. The court held as

follows:

â€œ150. A classic example of forum shopping is when a litigant approaches one Court for relief but does not get the desired relief and then

approaches another court for the same relief. This occurred in *Rajiv Bhatia v. Govt. of NCT of Delhi & Ors.*: (1999) 8 SCC 52.5 The respondent-

mother of a young child had filed a petition for a writ of habeas corpus in the Rajasthan High Court and apparently did not get the required relief from that court. She then filed a petition in the Delhi High Court also for a writ of habeas corpus and obtained the necessary relief. Notwithstanding this, this court did not interfere with the order passed by the Delhi High Court for the reasons that this court ascertained the views of the child and found that she did not want to even talk to her adoptive parents and therefore the custody of the child granted by the Delhi High Court to the respondent-mother was not interfered with. The decision of this court is on its own facts, even though it is classic case of forum shopping.

151. In *Arathi Bandi v. Bandi Jagadrakshaka Rao*: (2013) 15 SCC 790 this court noted that jurisdiction in a court is not attracted by the operation or creation of fortuitous circumstances. In that case, circumstances were created by one of the parties to the dispute to confer jurisdiction on a particular High Court. This was frowned upon by this court by observing that to allow the assumption of jurisdiction in created circumstances would only result in encouraging forum shopping.â€

29. The facts of the present case are glaring. The parties to the suit in Bombay and the present suit are virtually identical/have a commonality of interest. The said suit in Bombay was filed in 2009. Interim injunction application was dismissed on 22.02.2011 and a clear prima facie findings of fact were recorded in favour of the defendants and against the plaintiffs. It is thereafter that the present suit has been filed on 10.10.2014. The plaintiffs seek interim orders from this court despite being declined relief by the Bombay High Court.

30. Keeping in view the legal position it is manifest that this court has to give due deference to the enunciation made by another court especially when the litigants are the same. In my opinion, the above legal proposition squarely applies to the facts of the case. The plaintiff having filed suit based on identical facts before the Bombay High Court and having been declined an interim injunction cannot now try to overreach the said order of the Bombay High Court and file the present suit in Delhi High Court seeking an interim injunction. If this court were to agree with the contentions of the

plaintiff and were to pass an interim order in favour of the plaintiff it would be passing an order wholly contrary to the order of the Bombay High Court.

31. I may also note that on facts the Bombay High Court in its judgment dated 22.02.2011 recorded a finding that the plaintiffs herein for 16 years proceeded on the basis that by document dated 23.02.1987, the trademarks have been transferred and assigned to the defendants. The court also concluded that the plaintiffs permitted defendant No.1 to sell their products with the said marks and therefore, alleged breaches by the defendants of the documents dated 23.02.1987 were waived by the plaintiffs. There are no additional facts and circumstances which persuade me to record a finding contrary to the finding recorded by the Bombay High Court.

32. There is another aspect which persuades me not to grant any relief to the plaintiffs, namely, gross delay and laches.

33. The relevant agreement in the present case has been executed on 23.2.1987 whereby the plaintiff No.3 is said to have ceded its rights in favour of defendant No.2. The plaintiff stood by while the defendants continued with its business and built up its trade. The plaintiff's claim that they have terminated the license of defendant No.2 by notice dated 7.8.2003. It is now in 2014 that they have approached this court by filing of the suit seeking an interim injunction to restrain the defendants from using the said trademarks i.e. after an alleged delay of 11 years. There is an unexplained delay on the part of the plaintiffs. It would be improper for this court to grant any interim injunction to the plaintiff on account of gross delay, laches and acquiesce.

34. In this context reference maybe had to the judgment of the Supreme Court in Power Control Appliances v. Sumeet Machines (P) Ltd., (1994) 2

SCC 448 which held as follows:

“33. Now, we come to the principles in relation to the grant of interim injunction. The case in K.E. Mohammed Aboobacker v. Nanikram

Maherchand [(1957) 2 MLJ 573] makes a reference to the case-law and holds at pages 574-75 as under:

“The principles which should govern the Court in granting or withholding a temporary injunction in trade mark infringement actions are well-settled:

See recent decision *Henry Hemmings, Ltd. v. George Hemmings, Ltd.* [(1951) 68 RPC 47] As a temporary injunction is merely of a provisional nature

and does not conclude the rights of the parties in any way, the Court will exercise its discretion in favour of the applicant only in strong cases. The

plaintiff must make out a *prima facie* case in support of his application for the ad interim injunction and must satisfy the Court that his legal right has

been infringed and in all probability will succeed ultimately in the action. This does not mean, however, that the Court should examine in detail the facts

of the case and anticipate or prejudice the verdict which might be pronounced after the hearing of the suit or that the plaintiff should make out a case

which would entitle him at all events to relief at the hearing. *Colman v. Farrow & Co.* [(1898) 15 RPC 198] , *Hoover, Ltd. v. Air-way Ltd.* [(1936) 53

RPC 399] , *Upper Assam Tea Co. v. Herbert and Co.* [(1890) 7 RPC 183] , *Star Cycle Co., Ltd. v. Frankenburs* [(1906) 23 RPC 337] . In fact the

Court will not ordinarily grant an interlocutory injunction if a large amount of evidence is necessary to support the plaintiff's case. The proper course in

such a case is to ask for the trial of the action. The injury must be actual or imminent. *Pinel & Cie v. Maison Pinet, Ltd.* [(1895) 14 RPC 933] Where

the defendant disputes the plaintiff's title to the mark or contends that the plaintiff is not entitled to relief by reason of the acquiescence or delay or

other estoppel or of the defendant's concurrent rights, the Court will be guided by the balance of convenience which may arise from granting or

withholding the injunction as well as the justice of the cause after considering all the circumstances in the suit. In other words, where the plaintiff's title

is disputed or the fact of infringement or misrepresentation amounting to a bar to the action or some other defence is plausibly alleged upon the

interlocutory motion, the Court in granting or refusing the interim injunction is guided principally by the balance of convenience that is by the relative

amount of damage which seems likely to result if the injunction is granted and the plaintiff ultimately fails or if it is refused and he ultimately succeeds;

Read Brothers v. Richardson and Co. [(1881) 45 LT 54], *Hommel v. Bauer & Co.* [(1903) 20 RPC 801]

It is necessary that an application for interlocutory injunction should be made immediately after the plaintiff becomes aware of the infringement of

the mark. Improper and unexplained delay is fatal to an application for interlocutory injunction. The interim injunction will not be granted if the plaintiff

has delayed interfering until the defendant has built up a large trade in which he has notoriously used the mark. North British Rubber Co., Ltd. v.

Gormully and Jeffery Manufacturing Co. [(1894) 12 RPC 17] , Army and Navy Cooperative Society, Ltd. v. Army Navy and Civil Service

Cooperative Society of South Africa Ltd. [(1902) 19 RPC 574] , Hayward Bros. Ltd. v. Peakall [(1909) 26 RPC 89] , Yost Typewriter Co. Ltd. v.

Typewriter Exchange Co. [(1902) 19 RPC 422] , Royal Warrant Holders' Assn. v. Slade & Co., Ltd. [(1908) 25 RPC 245]â€

Hence, also on the ground of given delay and latches by the plaintiff, in my opinion, the plaintiff is not entitled to any relief. There is no merit in this

application. The same is dismissed. Interim order dated 13.11.2017 is vacated.

IA No.14016/2015

35. IA No.14016/2015 is filed by the defendants under Order 2 Rule 2 CPC seeking dismissal of the present suit.

36. It is pleaded by the defendants/applicants that the present suit is filed based on the same cause of action on which the suit before the Bombay

High was filed. It is pleaded that the suit in Bombay is based on alleged passing off by the defendants therein while the present suit is filed for

infringement of trademark. It is pleaded relying upon various judgments of this court that the settled principle is that statue law relating to infringement

of trademark is based on the same fundamental principles as general law relating to passing off.

37. I have heard the learned counsel for the parties.

38. The learned counsel for the defendants/applicants relies upon the following judgments of this court to support his case:

i) Usha International & Anr. v. Usha Television Ltd., 2002 (25) PTC 184 (Del) (DB);

ii) Vatika Resorts Pvt. Ltd. v. Vatika Grand, 2009 (40 PTC 111 (Del); and

iii) Hyundai Corporation v. Rajmal Ganna, 2007 (35) PTC 652 (Del).

The learned counsel further submits that in the suit filed in Bombay the plaintiffs failed to seek relief relating to infringement of trademark and hence

cannot now seek the same relief in this suit.

39. The learned senior counsel appearing for the plaintiffs has relied upon the judgment of the Supreme Court in *Bengal Waterproof Ltd. v. Bombay*

Waterproof Manufacturing Company & Anr. (1997) 1 SCC 99 to plead that Order 2 Rule 2 CPC has no application.

40. Order 2 Rule 2 CPC reads as follows:

2. Suit to include the whole claim. (1) Every suit shall include the whole of the claim which the plaintiff is entitled to make in respect of the

cause of action; but a plaintiff may relinquish a portion of his claim in order to bring the suit within the jurisdiction of any Court.

(2) Relinquishment of part of claim. "Where a plaintiff omits to sue in respect of, or intentionally relinquishes, any portion of his claim, he shall not

afterwards sue in respect of the portion so omitted or relinquished.

(3) Omission to sue for one of several reliefs. "A person entitled to more than one relief in respect of the same cause of action may sue for all or

any of such reliefs; but if he omits, except with the leave of the Court, to sue for all such reliefs, he shall not afterwards sue for any relief so omitted.

Explanation. "For the purposes of this rule an obligation and a collateral security for its performance and successive claims arising under the same

obligation shall be deemed respectively to constitute but one cause of action.

41. In *Bengal Waterproof Ltd. v. Bombay Waterproof Manufacturing Company & Anr.* (supra), the Supreme Court was dealing with a case where

the plaintiff had claimed to be the proprietor of the trademark, "DUCK BACK". The plaintiff alleged that the defendants were manufacturing and

marketing similar products under the trademark "DACK BACK" which phonetically and visually resembled the plaintiff's trademark. The

plaintiff filed a suit before the civil court Hyderabad praying for permanent injunction for infringement of its registered trademark, "DUCK

BACK". The suit was dismissed on 06.04.1982. The plaintiff filed a second suit in 1982 in the court of City Civil Court Hyderabad. The Supreme

Court held as follows:

10. The aforesaid averments in the plaint clearly show that the present suit is not based on the same cause of action on which the earlier

suit was based. The cause of action for filing this present second suit is the continuous and recurring infringement of plaintiff's trade mark by the

defendants continuously till the filing of the present second suit. We asked the learned counsel for the defendants as to whether pending the suit and at present also the defendants are trading in the offending goods, namely, bearing the mark "DACK BACK" and he informed us that defendants even at present are carrying on this business. Therefore, pending the second suit all throughout and during the pendency of these proceedings the defendants have carried on the business of trading in the commodity waterproof raincoats "DACK BACK". It is obvious that thus the alleged infringement of plaintiff's trade mark "DUCK BACK" and the alleged passing off action on the part of the defendants in selling their goods by passing off their goods as if they were plaintiff's goods has continued all throughout uninterrupted and in a recurring manner. It is obvious that such infringement of a registered trade mark carried on from time to time would give a recurring cause of action to the holder of the trade mark to make a grievance about the same and similarly such impugned passing off actions also would give a recurring cause of action to the plaintiff to make a grievance about the same and to seek appropriate relief from the court. It is now well settled that an action for passing off is a common law remedy being an action in substance of deceit under the Law of Torts. Wherever and whenever fresh deceitful act is committed the person deceived would naturally have a fresh cause of action in his favour. Thus every time when a person passes off his goods as those of another he commits the act of such deceit. Similarly whenever and wherever a person commits breach of a registered trade mark of another he commits a recurring act of breach or infringement of such trade mark giving a recurring and fresh cause of action at each time of such infringement to the party aggrieved. It is difficult to agree how in such a case when in the historical past earlier suit was disposed of as technically not maintainable in absence of proper reliefs, for all times to come in future defendant of such a suit should be armed with a licence to go on committing fresh acts of infringement and passing off with impunity without being subjected to any legal action against such future acts.

42. Hence, the court was of the view that infringement of the trademark is a continuing cause of action. It also noted that the act of passing off is an

act of deceit under the Law of Torts and whenever such act is committed by the defendants, the plaintiff gets a fresh cause of action to come to the court. Similarly, the same situation prevails regarding infringement of the trademark. In those facts and circumstances, the Supreme Court took the view that the subsequent suit is not barred under Order 2 Rule 2.

43. Reference may also be had to the judgment of the Division Bench on this High Court in the case of *Syndicate Bank vs. Raj Kumar Tanwar*, 154 (

2008) DLT 230. That was a case in which the only contention raised was that the landlord had filed the suit seeking ejectment of the appellant from

the tenanted premises stating that the lease has come to an end by efflux of time. A second suit was filed by the landlord claiming damages for

unauthorised use and occupation. The issue was as to whether the second suit is barred under Order II Rule 2 CPC. The Division Bench held as

follows:-

“9. Discussing the ambit of Order 2 Rule 2, a Division Bench of this Court, in the decision dated 24.02.2004 disposing of FAO(OS) No. 350/2001

Union of India, K. Paints Sales v. Madho Ram Budh Singh observed as under:

The principle enshrined under Order 2 Rule 2 is aimed against a multiplicity of suits in respect of the same cause of action. The Rule is based on the

principle that a party should not be vexed twice for the one and the same cause of action. However, the said rule must be applied with caution. The

plea of bar under Order 2 Rule 2 defeats, what otherwise may be legitimate claim of a party, and therefore, care must be taken to see that complete

identity of cause of action is established. Can it be said that the recovery of damages for unauthorized use and occupation of a premises for different

periods constitutes a single cause of action. To our mind it does not. Cause of action to recover rent for a premises or damages for unauthorized use

and occupation would arise each month for which possession is retained by the tenant or the person in unauthorized occupation as the case may be.

Reference may be made to the decision of the Calcutta High Court reported as ILR 1973 (1) CAL 343. It was held that recovery of rent from

Badrapad to Kartik 1377, B.S. would not bar a subsequent suit for recovery of rent from Baisakh to Shrawan 1377 B.S. The principle of law was set

out with clarity by the judgment of the Privy Council reported as 26 IC 228 titled Payana v. Panna Lal. It was held that the rule is directed to securing the exhaustion of the relief in respect of cause of action and not to the inclusion in one and the same action of different causes of action, even though they arise from the same transaction.â€

44. In the present case, the facts are virtually identical to the facts of the above judgment in the case of Bengal Waterproof Ltd. v. Bombay

Waterproof Manufacturing Co. (Supra). The earlier suit was filed in Bombay in 2009. Now in 2014, another suit has been filed in this court. The

cause of action being a continuing cause of action, the present suit would not be barred under Order 2 Rule 2 CPC.

45. In view of the above reasons there is no merit in the present application i.e. IA14015/2015 and the same is dismissed.

46. I may only note that the defendant has filed an application being IA No.14015/2015 under section 10 of CPC for stay of the present proceedings.

The ordersheet on some occasions shows that the application being IA No.14015/2015 was argued. However, in the written submissions none of the

parties have filed submission regarding this application under section 10 CPC. In these circumstances, it is appropriate that the said application be

heard.

47. List this application for arguments on 5.8.2019.