

ORDER BELOW EX.40 IN TRADE MARK SUIT NO.128/2017

1. The present application is filed by the defendants under O.VII R.11(a) & (d) R/w.O.VI R.16 R/w.Section 151 of C.P.C. as to maintainability of the suit mainly on the grounds of (1) territorial jurisdiction, (2) barred by law and (3) cause of action.

2. The reasons mentioned in this application are on record and therefore, with a view to avoid repetition, the main grounds are mentioned above.

Against the present application, the plaintiff has filed his reply at Ex.42 and in it, he mainly denied the grounds mentioned in the application. Moreover, he submits that the threat notice given by the defendant No.1 to the plaintiff company situated within the local jurisdiction of Gondal and the defendant No.2 is head office of the defendant No.1 and that is why, the defendant No.2 has joined as party in the suit.

3. Before discussing all these facts, from the record, following facts are admitted.

1. The plaintiff has filed the trade mark suit against the defendants at District Court, Mirzapur (Rural), Ahmedabad vide Trade Mark Suit No.8/2015. Before that concerned court, the defendants have preferred an application U/O.VII R.11 and U/R.VII R.10 read with Sec.151 of C.P.C. and after hearing the learned advocates for the parties, on 27/02/2017, the plaint filed by the plaintiff vide T.M.Suit

No.8/2015 was returned to the plaintiff for presenting it before the appropriate forum and accordingly, the present suit has been filed before this Court in the year, 2017 and said suit was registered as Trade Mark Suit No.128/2017.

2. Mr.Y.J.Jasani, the learned advocate on behalf of the defendants, in his oral arguments by Video Conferencing as well as by physical, he argued at length and mainly submits as per the pleadings of his application. Moreover, he submits that the plaintiff has prayed in the suit against the defendants for declaration and injunction against the unlawful threat under Sec.23 of the Designs Act, 2000 r/w. Sec.104 and 106 of the Patent Act, 1970 and under Sec.20 of C.P.C. So, accordingly, the defendants are not residing within the limits of territorial jurisdiction of this Court and according to the provisions of law, only District Court is having jurisdiction to try the suit as per Sec.20 of C.P.C. r/w. Sec.104 of Patent Act. He further submits that the plaintiff has not mentioned material facts in the suit and the therefore, the suit of the plaintiff is bad in law for mis-joinder of proper party as per O.6 R.2 & 4 of C.P.C. which is mandatory to mention particular materials in the suit. So, for the want of that, the suit of the plaintiff is liable to be dismissed as barred by law within the meaning of O.VII R.11(d) of C.P.C.

3.He further submits that the plaintiff has filed the suit against the defendants for passing off as well as infringement of Designs Act. So, this is not the suit, but it is a composit suit. For the cancellation of registered design of the defendants, the Hon'ble Court is completely barred by the jurisdiction under Sec.19 of the Designs Act, 2000. The plaintiff has already filed petition before the Controller Generl of Patennts, Designs and Trade Marks for the cancellation of Design No.232944 under Class 15-03 for sugarcane harvester registered in the name of defendant No.1. The plaintiff has also prayed the same relief in para-16 of the plaint. So, according to the provisions of law, it is absolutely barred by law and the suit of the plaintiff deserves to be dismissed.

4.The suit filed by the plaintiff is false, frivolous and inspired by vexatious motive. The threats notice was given by the defendant No.1. While, the defendant No.2 has neither given the notice to the plaintiff nor he is residing in India even though, the defendant No.2 has falsely and illegally joined him in the suit. The suit is so all together groundless and based on false and frivolous facts and therefore, the Hon'ble Court would be pleased to strike out the plaint by exercising the powers under O.6 R.16 of C.P.C.

In support of his arguments, the learned advocate

for the defendants has relied upon the following judgments.

1. 2019 (78) PTC 35 (Del) in the case of CNH Industrial (India) Pvt. Ltd. Vs. Tirth Agro Technology Pvt. Ltd.
2. 1990(0) AIJ-MH 123331 (Bom) in the case of Snp Shipping Services Pvt. Ltd. Vs. World Tanker Carrier Corporation.
3. 2008(1) GLH 665 in the case of Oriental Bank of Commerce Vs. Naresh Khushaldas.
4. 1962 GLR 991 in the case of Gulabchand Makanji Vs. Motapondha Vibhag Tenants Co-Op.Agri.Socy.
5. AIR 1988 Calcutta 272 in the case of Sheela Adhikari Vs. Rabindra Nath Adhikari.
6. 2013 (1) SCC 625 in the case of Virgo Industries Vs. Venturetech solutions.
7. 2013(3) GLH 626 in the case of State Bank of India Vs. Gracure Pharmaceuticals.
8. AIR 2003 Rajasthan 319 in the case of Hari ram Vs. Lichmaniya.
9. 2013 (55) PTC – 234 (Calcutta) Prapti Fashions Pvt. Ltd. Vs. Manoj Kumar Gupta.
10. 2005 (5) SCC 548 in the case of N.V.Srinivasa Murthy Vs. Mariyamma.
11. 1994 (0) GLHEL – SC 3960 in the case of Bloom Dekor Ltd. Vs. Subhash Himatlal Desai.
12. 1995 (1) GLH 865 in the case of Dahyabhai Ranabhai Vs. Bloom Dekor Pvt.Ltd.
13. 1993(0) GLHEL HC 204912 in the case of Hindustan Zinc Ltd. Vs. Vijaysinh Amarsinh & Co.

14. AIR 1981 SC 1711 in the case of Hasmat Rai Vs. Raghunath Prasad.

15. AIR 2017 SC 814 in the case of Nidhi Vs. Ram Kripal Sharma.

16. 1988(1) Andhra Law Times – 366 in the case of B.Eswaramma Vs. A. AAppu Rao.

17. 2012 (52) PTC 430 (Guj.) in the case of Dharamsi Morarji Chemical Co.Ltd.

18. AIR 2004 SC – 2093 in the case of Shipping Corporation of India Vs. Machado Brothers.

4. The plaintiff has filed written arguments against the oral submissions made on behalf of the defendants at Ex.58. The written arguments is on record and so, with a view to avoid repetition, the main submissions are required to be mentioned as follows:-

- 1.The defendants have filed this application, nothing but to avoid the hearing of injunction application and unnecessary lingering the proceedings.
- 2.Baseless, bogus and frivolous grounds are taken in the application without any supporting evidences.
- 3.The defendants have prayed two remedies in the application either a plaint or a pleadings may be striked out. Two remedies simultaneously in single application are not maintainable in the eyes of law.
- 4.The defendants have failed to appreciate principles of law that O.7 R.11 application deals with only O.7 R.11 and not with entire provisions and orders of C.P.C.
- 5.The defendants have taken ground of non-joinder, mis-joinder, O.1 R.10, O.1 R.3 and O.2 R.2 and therefore on solely on this ground, the application

of the defendants may be rejected.

6. The plaintiff company is incorporated under the companies Act and engaged in the business of manufacturing, marketing and selling and all kinds of agricultural implements including harvester, spars and blades etc. The defendant No.1 is the subsidiary company of the defendant No.2 as alleged by the defendant No.1 in the notice issued by the defendant No.1. The cause of action arose when the defendants through their advocate issued legal notice on behalf of the defendants upon the plaintiff dated 18/02/2015 by email for infringement or design. So, accordingly, the cause of action arose within the territory jurisdiction of present court and suit is maintainable and hence, the submissions made on behalf of the defendants cannot be considered in the present case.
 7. Present suit is not barred by mis-joinder and non-joinder of parties. Thus, the suit cannot be defeated or rejected for non-joinder and mis-joinder of parties.
 8. The defendants have made false claim of passing off action wherein, in the entire notice, the defendant No.1 has not claimed for passing off action. Therefore, the defendants have travelled beyond the real facts of the case.
 9. Moreover, there is no composite suit or clear prayer as per the Designs Act.
 10. Both are different designs and thus separate suits for each have been filed according to the provisions of law.
 11. The defendants are trying to unnecessarily twist the facts for delaying injunction application.
5. In support of his case, the plaintiff has relied upon the following judgments.

- 1.2011 (48) PTC 380 High Court of Delhi, in the case of South African Breweries Intentional B.V. Vs. Mohan Goldwater Breweries Ltd.
- 2.I.A. No.2861/2009 in the case of the Coca Cola company Vs. Bisleri Intentional Pvt. Ltd. decided on 20/10/2009.
- 3.LAW(SC) 2007 2 147 S.C. in the case of Prem Lala Nahata Vs. Chandi Prasad Sikaria.
- 4.2018 (73) PTC 489 Delhi High Court in the case of Max Healthcare Institute Vs. Sahruday Health Care Pvt. Ltd.
- 5.I.A.No.9942/2009 Delhi High Court in the case of Dashmesh Mechanical works Vs. Hari Singh decided on 23/12/2009.
- 6.2004(280 PTC 251 S.C. in the case of Exphar SA Vs. Eupharma Laboratories Ltd.
- 7.2015(61) PTC 89 (Guj) in the case of Radhe Krishna Products Vs. Parshottambhai Dharamshibhai Lunagariya.
- 8.LAW(SC) 2006 14 in the case of Mayar (H.K.) Ltd. Vs. Owners and parties, Vessel M.V. rortune Express.
- 9.LAW(SC) 2017 8 104 in the case of Sejal Glass Ltd. Vs. Navllan Merchants Pvt. Ltd.

6. Before discussing this application on merits, first of all, it is required to reproduce the prayer clause of suit:-

(a) That defendants, their successors, servants, partners, agents, dealers, stockiest and distributors be restrained permanently and prepetually from issuing illegal and goundless threats and continuance of such threats for any design pertaining sugarcane harvester against the plaintiffs, their successors, servants, partners, agents, dealers, stockests and distributors etc.

(b) that the Hon'ble Court be pleased to order restraining the defendants, their servants, agents or its representative from obstructing or in any way, interfering with the manufacturer, sale, marketing, offer for sale or distribution of their sugarcane harvester.

(c) That Hon'ble Court be pleased to order that defendants to pay the damages on basis of reputation and goodwill is ruined, which may deem fit and proper in the interest of justice.

(d) Any other and further relief may be granted looking to the facts and circumstances of the case deemed fit, just and proper in the interest of justice.

(e) A heavy exemplary cost of the suit may be awarded to the plaintiff.

7. The defendants have filed this application mainly on three grounds. Before we discuss the provision of O.7.R.11(a) where it does not disclose a cause of action.

Non-disclosure of cause of action and cause of action does not arise for filing of the suit within the territorial jurisdiction, both are different things. The learned advocate on behalf of the plaintiff has relied upon the judgment reported in 2055 (0) GLHEL – SC 35054 in the case of N.V.Srinivasa Murthi Vs. Mariyamma and 1995 (1) GLYH 865 in the case of Dahyabhai Ranabhai Vaghela Vs. Bloom Dekor Ltd. In it, the plaintiff who does not disclose the cause of action, the suit was rejected under O.7 R.11(a) of C.P.C. The learned advocate for the defendants has relied upon the decision reported in 2019 (78) PTC 35 (Del) in the case of CNH Industrial (India) Pvt. Ltd. Vs. Tirth Agro Technology Pvt. Ltd., 1990(0) AIJ-MH 123331 (Bom) in the case of Snp Shipping

Services Pvt. Ltd. Vs. World Tanker Carrier Corporation and AIR 2004 SC – 2093 in the case of Shipping Corporation of India Vs. Machado Brothers.

8. Here looking to the pleadings of the defendants' application, the plaintiff has filed the suit against him mainly on the ground of threats notice for design pertaining to sugarcane harvester. So, looking to Ex.1,, the pleadings of the plaintiff in a suit, he has stated the cause of action against the defendants and the cause of action is mainly on the ground that the defendant No.1 has given notice to him for threat to non-use of design. Notice was received by the plaintiff on 18/02/2015. The question is this application is that both the defendants are not residing within the territorial jurisdiction of the present Court. The address of the defendant No.1 is at Mumbai and the address of the defendant No.2 is at United Kingdom. On this point, the learned advocate for the defendants has relied upon the judgments reported in 2008(1) GLH 665 in the case of Oriental Bank of Commerce Vs. Naresh Khushaldas and 1994 (0) GLHEL – SC 3960 in the case of Bloom Dekor Ltd. Vs. Subhash Himatlal Desai.

9. The plaintiff has relied upon the judgments reported in 2011 (48) PTC 380 High Court of Delhi, in the case of South African Breweries Intentional B.V. Vs. Mohan Goldwater Breweries Ltd, I.A. No.2861/2009 in the case of the Coca Cola company Vs. Bisleri Intentional Pvt. Ltd. decided on 20/10/2009, I.A.No.9942/2009 Delhi High Court in the case of Dashmesh Mechanical works Vs. Hari Singh decided on 23/12/2009 and 2004(280 PTC 251

S.C. in the case of Exphar SA Vs. Eupharma Laboratories Ltd. I have read all these judgments with respect. In it, the Hon'ble Supreme Court and Hon'ble Delhi High Court have held that notice by the defendant claiming ownership of trade mark and threat, the plaintiff to initiate legal proceedings and notice also received in such a place. So, the issue of this notice gives the cause of action to the plaintiff within the territorial jurisdiction of the place where he received the notice.

10. Here in this case, as per the pleadings of the plaintiff as well as documentary evidences on record and as per the submissions on behalf of the defendant, the plaintiff has received the notice of threat from the defendant No.1 at Gondal at the address mentioned in the plaintiff i.e. within the jurisdiction of Gondal Court. So, looking to the principles laid down by the Hon'ble Apex Court and Hon'ble Delhi High Court, where the notice received by the plaintiff given by defendant No.1 for threat of using design under the Designs Act is within the jurisdiction of this Court.

11. Moreover, Sec.20 of C.P.C. and Secs.23, 104 & 106 of Design Act, 2000 are as follows:-

Sec.20 of C.P.C.

The section 20 of the code of civil procedure is **common law provisions**, which provides the rights to the plaintiff to institute suit proceedings at a place where the defendant(s) are actually and voluntarily residing or carry on the business for gain.

(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.

Section 23 in the Designs Act, 2000

23. Application of certain provisions of the Act as to patents to designs.—The provisions of the Patents Act, 1970 (39 of 1970), with regard to certificates of the validity of a patent, and to the remedy in case of groundless threats of legal proceedings by a patentee shall apply in the case of registered designs in like manner as they apply in the case of patents, with the substitution of references to the copyright in a design for reference to a patent, and of references to the proprietor of a design for references to the patentee, and of references to the design for references to the invention.

Section 104 in The Patents Act, 1970

104 Jurisdiction. -No suit for a declaration under section 105 or for any relief under section 106 or for infringement of a patent shall be instituted in any court inferior to a district court having jurisdiction to try the suit: Provided that where a counter-claim for revocation of the patent is made by the defendant, the suit, along with the counter-claim, shall be transferred to the High Court for decision.

Section 106 in The Patents Act, 1970

106 Power of court to grant relief in cases of groundless threats of infringement proceedings:-

(1) Where any person (whether entitled to or interested in a patent or an application for patent or not) threatens any other person by circulars or advertisements or by communications, oral or in writing addressed to that or any other person, with proceedings for infringement of a patent, any person aggrieved thereby may bring a suit against him praying for the following reliefs, that is to say-

(a) a declaration to the effect that the threats are unjustifiable;

(b) an injunction against the continuance of the threats; and

(c) such damages, if any, as he has sustained thereby.

(2) Unless in such suit the defendant proves that the acts in respect of which the proceedings were threatened constitute or, if done, would constitute, an infringement of a patent or of rights arising from the publication of a complete specification in respect of a claim of the specification not shown by the plaintiff to be invalid the court may grant to the plaintiff all or any of the reliefs prayed for.

Explanation. -A mere notification of the existence of a patent does not constitute a threat of proceeding within the meaning of this section.

12. So, looking to the provisions of Sec.20 of C.P.c., here the sub-clause-c will be applied, where the cause of action, wholly or in part, arises. So, accordingly, the plaintiff has received the notice from the defendant No.1 at Gondal Office and accordingly, the cause of action arises to file the suit against the defendants at Gondal. It is an admitted fact that only the defendant No.1 has issued notice to the plaintiff under the Designs Act. As per the averments made by the plaintiff, the defendant No.1 is subsidiary company of the defendant No.2 and the defendant No.1 has issued the notice to the plaintiff. So, the said notice was issued through the advocate on behalf of the defendants to the plaintiff on dated 18/02/2015 for the infringement of Designs Act. So, the cause of action has arisen within the territorial jurisdiction of present court. So, issue of cause of action raised by the defendant No.1 is concerned, looking to the provisions of O.7 R.11(a) of C.P.C., the grounds mentioned for the rejection of the plaint on behalf of the defendants cannot be considered according to the said provision of law.

13. Another ground raised by the defendants in this application is under O.7 R.11(d) of C.P.C. If we reproduce the said provision as per O.7 R.11(d) of C.P.C., where the suit appears from the statement in the plaint to be barred by any law. In support of it, the defendants have relied upon the following judgments:-

1. Appeal Memo of AID 1 OF 2021 High Court of Calcutta in the case of New Holland (Fiat) India Pvt. Ltd. Vs. The Controller of Patents & Designs.
2. Order Sheet of AID 1 OF 2021 High Court of Calcutta in the case of New Holland (Fiat) India Pvt. Ltd. Vs. The Controller of Patents & Designs.
3. Appeal Memo of AID 2 OF 2021 High Court of Calcutta in the case of New Holland (Fiat) India Pvt. Ltd. Vs. The Controller of Patents & Designs.
4. Order Sheet of AID 2 OF 2021 High Court of Calcutta in the case of New Holland (Fiat) India Pvt. Ltd. Vs. The Controller of Patents & Designs.

14. On this point, the main submission on behalf of the defendants is for the rejection of the registered design of the defendants, the plaintiff has filed the objections before the Controller General of Patents and Designs under Clause 1503 under Sec.19 of the Designs Act, 2000 and that is why, the suit is barred by law.

15. If we look into the prayer clause of the plaint of the suit, the main prayer is regarding illegal and groundless threats and continuance of such threats for any designs pertaining to sugarcane harvester against the plaintiff and also restraining the defendants from

interfering with the manufacturing and to cause damage on the basis of reputation and goodwill. There is no such prayer clause prayed by the plaintiff in the plaint for cancellation of the registered designs of the defendant No.1 in the suit. So, the plaintiff has not taken two pleas i.e. one before Civil Court and another before the Controller General of Patents and Designs, Calcutta. The appeal memo and order passed by the Hon'ble Calcutta High Court are read with respect and it is an admitted position and settled principles of law that the order passed by the Controller General of Patents & Designs, Calcutta will be challenged before the Hon'ble High Court. Here in this case, there is no prayer clause in the plaint regarding cancellation of registered design No.232944 and 232943. So, in such a circumstances, the said documents are not helpful to the case of the defendants in this application. So, under such circumstances, from the statement of the plaint of the plaintiff, the suit is not barred by any law in the present case. Hence, the ground raised by the defendants in this application is not proper and not required to be considered.

NON-JOINDER & MIS-JOINDER OF PARTTY

16. On this point, the defendants in their application as well as in the oral arguments, mainly submits that the notice issued by the defendant No.1 to the plaintiff is not issued by defendant No.2, but the defendant No.2 has issued the said notice to the plaintiff. Even though,

with a view to harass, the defendant No.2 has been joined in the suit as a party. As discussed above in cause of action point regarding defendant No.2 aspect, he has been joined by the plaintiff in the suit with its main company of the defendant No.1. On this point, the learned advocate for the plaintiff has relied upon the judgment reported in 2018 (73) PTC 489 Delhi High Court in the case of Max Healthcare Institute Vs. Sahruday Health Care Pvt. Ltd. Wherein, the Hon'ble Delhi High Court has held in para-14 that thus, though a suit cannot be defeated/rejected for misjoinder or non-joinder of parties, however, in case of non-joinder of a necessary party, the suit may not only be liable to be dismissed on a preliminary issue being framed in this regard but also liable to be rejected by way of demurer on the basis of averments in the plaint on an application under O.VII R.11 of C.P.C. or otherwise.

17. So, considering the ratio laid down by the Hon'ble Delhi High Court and as per the provisions of O.VII R.11 of C.P.c, the suit cannot be rejected for misjoinder and nonjoinder of party under O.VII R.11 of C.P.C. so, under such circumstances, issue raised by the defendant No.2 in the application is not tenable according to the provisions of law.

18. One another ground taken by the defendants in their application is that the plaintiff has not disclosed the material facts in the suit. On this point, the learned advocate for the defendants has relied upon the

judgments reported in 1962 GLR 991 in the case of Gulabchand Makanji Vs. Motapondha Vibhag Tenants Co-Op.Agri.Socy., AIR 1988 Calcutta 272 in the case of Sheela Adhikari Vs. Rabindra Nath Adhikari, 2013 (1) SCC 625 in the case of Virgo Industries Vs. Venturetech solutions, 2013(3) GLH 626 in the case of State Bank of India Vs. Gracure Pharmaceuticals, 2005 (5) SCC 548 in the case of N.V.Srinivasa Murthy Vs. Mariyamma, 1994 (0) GLHEL – SC 3960 in the case of Bloom Dekor Ltd. Vs. Subhash Himatlal Desai, and 1995 (1) GLH 865 in the case of Dahyabhai Ranabhai Vs. Bloom Dekor Pvt.Ltd. Against, the learned advocate for the plaintiff in his oral arguments denied the said fact. First of all, we look into the O.II R.2 of C.P.C. As per the provision of law, the suit includes the whole claim as per the statement on behalf of the plaintiff. He is claiming whole claim in the suit as per the cause of action against the defendants. It is settled principles of law that if any claim is omitted in the suit then the person who is claiming the suit has no right to claim the said claim by filing subsequent suit against the defendants. If we look into the provision of O.VII r.11 of C.P.C., by non-claiming whole claim in the suit is not the ground to reject the suit of the plaintiff. On this point, the learned advocate for the plaintiff has relied upon the judgment reported in 2015(61) PTC 89 (Guj) in the case of Radhe Krishna Products Vs. Parshottambhai Dharamshibhai Lunagariya. This judgment is read with due respect. The Hon'ble Gujarat High Court has held in para 24 & 24/1 as

under:-

24. With reference to the said second suit most relevant and important aspect is that the fundamental and basic requirements (for attracting O.23 Rule(4)) of the Code viz. similarity and unity of the subject matter and / or similarity and unity of cause of action, is absent in the second suit and that, therefore, even if the above mentioned submissions by the petitioners are, for the sake of considering the objection, accepted then also, in view of aforesaid vital fact the said objections against the second suit should fail.

24.1. Since, the subject matter and the cause of action of the second suit is different from the subject matter and cause of action in the first suit as well as from the claim said to have been abandoned (from the said first suit by virtue of the purshis exhibit 16), the provision under O.23 R.1(4) will not be applicable to the said second suit. Thus, the said second suit does not deserve to be rejected in exercise of power under Order 7 Rule 11(d).

19. So, the Hon'ble High Court of Gujarat has held in the above judgment that the subject matter and the cause of action of the second suit is different from the cause of action and subject matter of the first suit as well as from the claim said to have been abandoned. The provision of I.23 R.21(4) will not be applicable to the second suit.

20. Here, this is the first suit filed by the plaintiff against the defendants as per the cause of action arisen for the notice issued by the defendant No.1 for threat under Designs Act. So, this is not the second suit against the defendants on same cause of action. So, as per the judgments relied upon by the plaintiff, the

Hon'ble Gujarat High Court has clearly held that the suit cannot be rejected in the exercise of powers under O.VII R.10(d) of C.P.C.

21. So, considering above all aspects, the grounds taken by the defendants to reject the suit of the plaintiff is not proper and not supporting with the provisions of law. Hence, the present application is required to be dismissed and I pass the following order.

-// O R D E R \-

1. The present application Ex.40 is hereby dismissed.
2. No order as to costs.

Signed and pronounced in the open court to day on this **10th DAY OF DECEMBER, 2021 at Gondal.**

Date :- 10/12/2021

Place:- Gondal

(HARDIK PINAKIN MEHTA)

4th Additional District Judge

G O N D A L

Code No. GJ00629