

MANU/DE/1615/2009

Equivalent Citation: 2009(40)PTC111(Del)

IN THE HIGH COURT OF DELHI

IA No. 4329/2008 in CS (OS) No. 1011/2002

Decided On: 05.03.2009

Appellants: **Vatika Resorts Pvt. Ltd.**
Vs.

Respondent: **Vatika Grand**

Hon'ble Judges/Coram:

Manmohan Singh, J.

Counsels:

For Appellant/Petitioner/plaintiff: Pravin Anand and Hima Lawrence, Advs

For Respondents/Defendant: Pratibha M. Singh and Nidhi Bisht, Advs.

Subject: Intellectual Property Rights

Acts/Rules/Orders:

Trade Mark Act, 1999; Trade and Merchandise Mark Act, 1958 - Section 29, Trade and Merchandise Mark Act, 1958 - Section 33; Code of Civil Procedure (CPC) - Section 151, Code of Civil Procedure (CPC) - Order 6 Rule 17

Cases Referred:

Lakha Ram Sharma v. Balar Marketing Pvt. Ltd. 2003 (27) PTC 175 (SC); Anglo Dutch Color & Varnishing Works Ltd. v. Indian Trading House 1984 PTC 54; Savitri Minda v. Minda Industries 1997 PTC 257; Sinhal Metal Industries Pvt. Ltd. v. Royal Enterprises 1998 PTC 128; Laxmi & Co. v. Dr. Anant R. Deshpande and Anr. AIR 1973 SC 171; Rajesh Kumar Aggarwal and Ors. v. K.K. Modi and Ors. AIR 2006 SC 1647; State of A.P. v. Pioneer Builders (2006) 12 SCC 119; L.J. Leach & Co. Ltd. v. Jardine Skinner & Co. AIR 1957 SC 357; Ganga Bai v. Vijay Kumar (1974) 2 SCC 393; B.K. Narayana Pillai v. Parameswaran Pillai (2000) 1 SCC 712; Ma Shwe Mya v. Maung Mo Hnaung AIR 1922 PC 249; Usha International v. Usha Television Limited 2002 (25) PTC 184 (Del); Godej Sara Lee v. Karam Chand Appliances 2007 (35) PTC 341

Citing Reference:

Discussed		7
Mentioned		6

Case Note:

Civil Procedure Code, 1908 - Order 6 Rule 17 - Amendment of pleadings - During the pendency of the suit, the trade mark Vatika was registered - Registered proprietor by way of Assignment Deed alongwith goodwill - plaintiff - Infringement of trade mark - While considering an application under Order 6 Rule 17 CPC, the court cannot decide about the falsity or correctness of the amendment sought to be made - Main consideration which must weigh with the court is whether such amendment is necessary for just and final determination of the controversy between the parties or not - Amendment not likely to change the nature of matter as cause of action in infringement and passing off actions are substantially the same in law - Proposed amendment necessary for the purpose of determining the real matter in controversy - Application, disposed of.

JUDGMENT

Manmohan Singh, J.

1. By this order I shall dispose of the application being I.A. No. 4329/08 under Order 6 Rule 17 read with Section 151 CPC seeking amendment of the plaint.

2. The plaintiff has filed the instant suit for permanent injunction restraining passing off, damages, rendition of accounts etc against the defendant in the month of May 2002. Issues in the matter have been framed on 8th August 2007. The matter is now ripe for plaintiff's evidence.

manupatra 3. It is averred in the application as during the pendency of the suit, the trade mark Vatika was registered in favour of Vatika Township Pvt. Ltd. on 11th May 2006 bearing No. 1043034 in Class 16 and by virtue of the amendment made in the trade mark when the application was pending, the said trade mark was registered in the name of Vatika Landbase Pvt. Ltd. and the said name was changed to Vatika Ltd who is the now the registered proprietor of the trademark Vatika. Meanwhile on 20th February, 2008 Vatika Ltd assigned the said trademark to the plaintiff by way of Assignment Deed alongwith goodwill and necessary request on Form TM-23 which has been filed by the plaintiff for assignment of the said trademark. It is further contended that as a result of the said assignment, valuable statutory rights have come to vest in the plaintiff which the plaintiff did not have at the time of institution of the suit. In view thereof, the plaintiff has made the prayer to amend the plaint as per the details given in Para 9 of the application.

4. The application of the plaintiff has been opposed by the learned Counsel for the defendant on various grounds, the details of which are given as under:

a) That the defendant is the prior user of the trade mark Vatika in relation to Restaurant and Banquet Hall Services and the said name has been used continuously since 1992 and the plaintiff is trying to undermine the proprietary rights of the defendant in relation to the said mark by adopting the back door entry approach on the basis of assignment deed executed in its favour by one of the sister concerns.

b) That when the issues were framed, the plaintiff was given time to produce the evidence which was not produced by the plaintiff within the time granted by the court and this application has been filed to stall the progress of the suit.

c) That the registration is granted only in Class 16 and, therefore, the plaintiff's suit is not maintainable for infringement of trade mark as the relevant clause dealing with Hospitality Services is Class 42 and not Class 16. The plaintiff cannot restrain the defendant for infringement of trade mark on the basis of the registration granted in Class 16 as on the date of filing of the suit, the new Trade Mark Act, 1999 was not in existence and under the old Act the suit for infringement in relation to different category of goods was not maintainable in view of Section 29 of the Trade and Merchandise Mark Act, 1958.

5. I have heard learned Counsel for the parties and have also considered the decisions given by various courts on this aspect of the matter. No doubt the amendment cannot be allowed which would have the effect of substituting one cause of action for another or changing the subject matter of the suit. The amendment sought would also not be allowed which would deprive the other party of a legal right accrued by lapse of time. But it is the duty of the court to allow amendment of the pleadings when it is necessary for the purpose of determining the real question of controversy in the suit. It is the duty which has been cast upon the courts so that substantial justice may be done for which the court exist.

6. In the present case, it is an undisputed fact that the plaintiff has filed the suit for permanent injunction, passing off etc. seeking the injunction from using the mark Vatika against the defendant. The trade mark Vatika on the date of filing of the suit was not registered/assigned in favour of the plaintiff. The said trade mark was registered and assigned in favour of the plaintiff during the pendency of the suit. It is also a matter of fact that the evidence in the matter is yet to commence and it is also well established law that while considering the amendment, the merit of the case is immaterial.

7. There are various decisions given by this Court in the similar situation wherein the trademark was registered during the pendency of the suit for passing off and amendment was allowed by the courts, the parties were permitted to incorporate the claim of infringement of trademark in the plaint.

8. It is well settled law that while considering the issue of amendment in the written statement to be allowed or not, the court does not go into the merit of the matter nor it decides whether or not the claim made therein is bona fide or not. Ref: MANU/SC/0711/2003 : 2003 (27) PTC 175 (SC) Lakha Ram Sharma v. Balar Marketing Pvt. Ltd.

9. In the case of Anglo Dutch Color & Varnishing Works Ltd. v. Indian Trading House 1984 PTC 54 where the amendment of a plaint is sought by the plaintiff raising an additional ground as to infringement of trademark registered during the pendency of suit is allowed even when the original suit was based on infringement of copyright and passing off action. It was held that as the amendment sought is necessary for a decision of real dispute between the parties particularly when it will not prejudice the defendants in any manner even though it introduced to a new cause of action in the strict and technical sense, the application for amendment of the suit is allowed subject to payment of costs.

10. In the case of Savitri Minda v. Minda Industries 1997 PTC 257, this Court allowed the amendment of the plaint under Order VI Rule 17 observing that the courts should be liberal in the matter of allowing amendment unless serious injustice or irreparable loss is caused to the other side. The Courts exist to decide the rights of the parties and not to punish them for the mistake they make in the conduct of their cases.

11. In Sinhal Metal Industries Pvt. Ltd. v. Royal Enterprises 1998 PTC 128 amendment of plaint under Order

manupatra VI Rule 17 is allowed when there was a suit for passing off, and registration of mark was obtained during pendency of the suit. It was held that the refusal of amendment likely to lead to multiplicity of proceedings.

12. In the case of *Laxmi & Co. v. Dr. Anant R. Deshpande and Anr.* MANU/SC/0513/1972 : AIR 1973 SC 171 it was held as under:

Where, subsequent to the institution of the suit events happen which give the plaintiff a new cause of action for the relief claimed or the right to a new or additional relief he will, as a general rule, be allowed to amend the plaint by moulding it in an appropriate manner.

13. Ordinarily under Order VI Rule 17, all amendments ought to be allowed which satisfy the two conditions (a) of not working injustice to the other side and (b) of being necessary for the purpose of determining the real question in controversy between the parties.

14. While considering an application under Order 6 Rule 17 CPC, the court cannot decide about the falsity or correctness of the amendment sought to be made. The main consideration which must weigh with the court is whether such amendment is necessary for just and final determination of the controversy between the parties or not.

15. In the case of *Rajesh Kumar Aggarwal and Ors. v. K.K. Modi and Ors.* MANU/SC/8043/2006 : AIR 2006 SC 1647, it was held as under:

19. While considering whether an application for amendment should or should not be allowed, the Court should not go into the correctness or falsity of the case in the amendment. Likewise, it should not record a finding on the merits of the amendment and the merits of the amendment sought to be incorporated by way of amendment are not to be adjudged at the stage of allowing the prayer for amendment....

16. In the case of *State of A.P. v. Pioneer Builders* (2006) 12 SCC 119, at page 127, it was observed as under:

21. Principles governing amendment of pleadings are well settled. Order 6 Rule 17 CPC deals with the amendment of pleadings and provides that the court may at any stage of the proceedings allow either party to alter or amend pleadings in such a manner and on such terms as may be just and all such amendments shall be made as may be necessary for the purpose of determining the real questions in controversy between the parties. It is trite that though an amendment cannot be claimed as a matter of right under all circumstances, yet the power to allow the amendment is wide and can be exercised at any stage of the proceedings in the interest of justice. It is equally well settled that unless serious injustice or irreparable loss is likely to be caused to the other side, the court should adopt liberal approach and not a hypertechnical approach, particularly in a case where the other side can be compensated with costs. Dominant object to allow the amendment in the pleadings liberally is to avoid multiplicity of proceedings. See *L.J. Leach & Co. Ltd. v. Jardine Skinner & Co.* MANU/SC/0009/1957 : AIR 1957 SC 357, *Ganga Bai v. Vijay Kumar* MANU/SC/0020/1974 : (1974) 2 SCC 393 and *B.K. Narayana Pillai v. Parameswaran Pillai* MANU/SC/0775/1999 : (2000) 1 SCC 712 Nevertheless, one distinct cause of action cannot be substituted for another nor the subject-matter of the suit can be changed by means of an amendment. The following passage from the decision of the Privy Council in *Ma Shwe Mya v. Maung Mo Hnaung* MANU/PR/0130/1921 : AIR 1922 PC 249 succinctly summarises the principle which may be kept in mind while dealing with the prayer for amendment of the pleadings: (IA pp. 216-17)

All rules of court are nothing but provisions intended to secure the proper administration of justice, and it is therefore essential that they should be made to serve and be subordinate to that purpose, so that full powers of amendment must be enjoyed and should always be liberally exercised, but nonetheless no power has yet been given to enable one distinct cause of action to be substituted for another, nor to change, by means of amendment, the subject-matter of the suit.

17. In the case of *Usha International v. Usha Television Limited* MANU/DE/0260/2002 : 2002 (25) PTC 184 (Del) (DB) it was held that the rule of amendment of pleadings has to be governed on the basic rule of justice, equity and good conscience. When this principle is applied, the amendment as prayed has to be allowed. We are satisfied that the alternative plea that is sought to be raised by the appellant in the amendment application is only by way of expatiating his rights which he has secured by a statute. Apart from this, the main consideration for allowing the application is to avoid multiplicity of proceedings which means saving of previous judicial time and saving of avoidable expenses for the litigants.

18. The contention of the defendant that the suit for infringement on the basis of registration in Class 16 for infringement of trade mark is not maintainable has no force as at this stage the court is not deciding any issue or defence raised by defendant on merits of the case. In case the suit for infringement is not maintainable as

manupatra alleged by the defendant, even if the amendment is allowed it will have to be considered in accordance with law at the final stage. Similarly, the contention of the defendant that the registration has been obtained by the plaintiff from the back door as the plaintiff himself has not obtained the registration has no force as the plaintiff has claimed the ownership of the registered trademark which has been assigned in its favour. Also, the plea of the defendant that the original registration was obtained by the plaintiff through its sister concern in order to defeat the rights of the defendants has no force as in case the defendant is the earlier user of the mark in question, the right of the defendant is otherwise protected under Section 33 of the Trade and Merchandise Marks Act, 1958 and if even the amendment is allowed, in my opinion, there would not be any change in the nature of matter as cause of action in infringement and passing off actions are substantially the same in law. The decision cited by the defendant in the case of Godej Sara Lee v. Karam Chand Appliances 2007 (35) PTC 341 therefore, does not help the case of the defendant in view of the decision given by the Division Bench of this Court in the case reported in MANU/DE/0260/2002 : 2002 (25) PTC 184 Delhi (supra) on the similar facts.

19. In view of my above discussion, amendment sought by the plaintiff is allowed as no prejudice is caused to the defendants in any manner. I am of the considered view that the proposed amendment is necessary for the purpose of determining the real matter in controversy between the parties. Amended plaint be filed within two weeks from today. The defendant is granted four weeks thereafter to file the written statement.

20. The application IA No. 4329/2008 under Order VI Rule 17 CPC stands disposed of in the above terms.

CS(OS) No. 1011/2002

List the matter on 11th May, 2009 for further directions.