

MANU/DE/0494/2012

Equivalent Citation: 2012IVAD(Delhi)284, AIR2012Delhi62, 2012(129)DRJ1, MIPR2012(1)314, 2012(50)PTC86(Del)

IN THE HIGH COURT OF DELHI

CS (OS) No. 1579/2007

Decided On: 14.02.2012

Appellants: **Anchor Health and Beauty Care Pvt. Ltd.****Vs.**Respondent: **V. Kaushik & Ors.****Hon'ble Judges/Coram:**

Hon'ble Mr. Justice V.K. Jain

Counsel:

For Appellant/Petitioner/Plaintiff: Mr Sandeep Sethi, Sr. Adv. with Ms. Pratibha, M. Singh, Mr. Sudeep Chatterjee, Mr. Sudeep Bhandari and Mr. Ashwin Kumar, Adv.

For Respondents/Defendant: Mr. Pravin Anand and Ms. Tanvi Misra, Adv.

Subject: Intellectual Property Rights**Acts/Rules/Orders:**

Code of Civil Procedure (CPC) - Order 6 Rule 17; Code of Civil Procedure (CPC) - Order 39 Rule 1, Code of Civil Procedure (CPC) - Order 39 Rule 2; Code of Civil Procedure (CPC) - Section 151

Cases Referred:

Suraj Prakash Bhasin v. Raj Rani Bhasin MANU/SC/0045/1980 : (1981) 3 SCC 652; L.J. Leach and Company Ltd. v. Jardine Skinner and Co. MANU/SC/0009/1957 : AIR 1957 SC 357; Laxmidas Dayabhai Kabarwala v. Nanabhai Chunilal Kabarwala and Ors. MANU/SC/0019/1963 : AIR 1964 SC 11; A.K. Gupta & Sons v. Damodar Valley Corpn. : MANU/SC/0014/1965 : AIR 1967 SC 96; Revajeetu Builders and Developers v. Narayanaswamy & Sons And Others : MANU/SC/1724/2009 : (2009) 10 SCC 84; Colgate-Palmolive Company & Ors. Case: 2008 (38) PTC 276 (Del.)

Citing Reference:

Discussed		5
Mentioned		1

Case Note:

Trade Mark - Infringement of the trade mark - Permanent injunction sought — Amendment of the plaint - Order VI Rule 17 of the Code of Civil Procedure, 1908 (CPC) - Whether, amendment of the plaint for seeking permanent injunction restraining Defendant from infringing the registered trade mark of the Plaintiff was a valid ground for rejection of the plaint?

Held, the law of amendment of pleadings in our country is rather liberal in nature, the legal proposition being with an amendment should ordinarily be allowed, unless it is likely to prejudice the Opposite Party or is likely to take away a vested right which has accrued to the Opposite Party provided the Opposite Party can be compensated in terms of cost. Errors or mistakes, if not fraudulent, should not be made a ground for rejecting the application for amendment of plaint or Written Statement. If no inconsistent cause of action is introduced, no vested interest or accrued legal right is affected the application for amendment is not mala fide and the amendment will not prejudice the Opposite Party, it should ordinarily be allowed. It is also settled proposition of law that the amendment aimed at avoiding multiplicities of proceedings should generally be allowed. As regards the contention that the suit for injunction, based on infringement of the trade mark registered in favour of the Plaintiff company, during pendency of the suit, would be barred by limitation, Court found no merit in the same, for the simple reason that infringement of a registered trade mark gives rise to a continuing cause of action, so long as the alleged infringement persists. Since this was not the case of the Defendants that use of impugned packaging was discontinued by them, it could not be said that a fresh suit, if filed by the Plaintiff, alleging infringement of the trade mark registered in its favour would be barred by limitation. Though the Plaintiff was rather negligent

since it does not sought amendment of the plaint soon after the trade mark was registered in its favour, this was not a case of fundamental change in the nature of the suit or the cause of action and since a fresh suit based on infringement will also not be barred by limitation, there seemed to be no justification for refusing the amendment, so long as the Defendants could be compensated by way of costs. The trial was yet to commence and in fact the suit was at an initial stage since the issues were framed and, therefore, there was no likelihood of any injustice or prejudice being caused to the Defendants. On the other hand, if the proposed amendment was not allowed, it was likely to result in multiplicity of litigation on account of the Plaintiff being compelled to file a fresh suit on the basis of infringement of its registered trade mark. Therefore, the fundamental ground on which the suit was based would remain the same even if the proposed amendment was allowed. Hence, strictly speaking, this was not a case of adding an additional cause of action, by way of the proposed amendment. Here, the Plaintiff was seeking only to add an additional ground, to challenge the use of the impugned mark/expression by the Defendants. Hence, the proposed amendment was allowed. The application stands disposed of.

Ratio Decidendi:

" Amendment should ordinarily be allowed, unless it is likely to prejudice the Opposite Party or is likely to take away a vested right which has accrued to the Opposite Party provided the Opposite Party can be compensated in terms of cost."

"The amendment aimed at avoiding multiplicities of proceedings should generally be allowed. "

JUDGMENT

V.K. Jain, J.

IA 21176/2011(O.VI R.17 r/w. S.151 CPC)

1. This is an application under Order VI Rule 17 of the Code of Civil Procedure seeking amendment of the plaint. The plaintiff company has been using the trade mark and logo 'ANCHOR', in a red and white colour combination. The plaintiff launched a tooth paste "Anchor White - All round Protection' in the year 2005. It was alleged that in August, 2007, the defendants introduced a new "Strong Teeth" carton using the terminology "All-Around Decay Protection". It was alleged that the defendants had thus copied the distinctive features of the plaintiff's packaging. It was further alleged that in the new colour "strong teeth" carton, the use of the tooth device with bubbles around it is also similar to the tooth device used by the plaintiff in 'Anchor white All round Protection'.

It is also alleged that the defendants were interfering with the business of the plaintiff in an unlawful manner and had instituted a number of suits against it and they are also threatening the dealers of the plaintiff. The plaintiff has sought an injunction restraining the defendants from interfering with the plaintiff's legitimate business and imitating or copying features of the plaintiff's range of product including the term" All round Protection and Tooth Device in their Colgate Strong Teeth Carton.

2. This suit was filed on 01.09.2007. During pendency of this suit, the mark" All round "has been registered in the name of the plaintiff on 26.08.2008. The suit was initially titled as a suit for declaration and permanent injunction restraining tortious acts of unlawful interference. The plaintiff seeks to amend the headings of the suit as under:-

Present Heading	Proposed heading
" Suit for declaration and permanent injunction restraining tortious acts of unlawful interference in the plaintiff's business, acts of unfair competition, economic duress and causing loss by unlawful means, inducement of breach of contract, harassment, intimidation, deliberate imitation etc., and damages."	Suit for declaration and permanent injunction restraining infringement of registered trade mark/passing off, tortious acts of unlawful interference in the plaintiff's business, acts of unfair competition, economic duress and causing loss by unlawful means, inducement of breach of contract, harassment, intimidation, deliberate imitation etc., and damages."

3. The plaintiff also seeks to insert paragraphs 6(A), 6(B), 6(C) & 12(A) to the plaint. The proposed paragraphs read as under:-

6A The trade mark ALLROUND of the plaintiff was applied for on 2nd Sept. 2005 before the Registrar of Trade Marks. The said application bearing no.1381760 now stands registered in favour of the plaintiff for goods falling in class 3 and dates back to 2.9.2005. The said registration was granted on 26th Aug, 2008 during the pendency of the present suit. The mark ALLROUND is associated with the plaintiff exclusively and now stands registered in its favour. The plaintiff has applied for the Legal Proceeding Certificate with respect to the said mark and shall file before this Hon'ble Court as and when the same is issued by the Registrar of Trade Marks.

6B It is stated that the term ALLROUND with respect to tooth paste has been used by the plaintiff for the first time and in fact the defendant had filed the suit objecting to the packaging of the Anchor tooth paste. It is relevant to point out that the defendant had never claimed any rights in the mark ALLRUOND. The plaintiff is the prior user, owner and the proprietor with respect to the said mark falling in class 3.

6C The plaintiff had also applied for the label/mark for the ANCHOR TOOTHPASTE carton. The defendant had filed the notice of opposition. Copy of the said notice of opposition is filed in the present suit. The defendant had never claimed to be the prior user of the mark.

12A. The use of the term ALL AROUND DECAY PROTECTION is a complete imitation of the plaintiff's mark ALLROUND which is a registered trade mark. The use of the same with respect to the identical products constitutes infringement of registered mark and passing off as also dilution of the said mark. The products being competing products, the defendant claiming to be the leading manufacturer of tooth paste, there was no justification in adopting an identical expression which is associated with the plaintiff. The defendant's use is clearly subsequent, deliberate, conscious and illegal in nature. The entire purpose has been to ride piggyback upon the enormous reputation which the ANCHOR tooth paste has earned due to the extensive advertising on the electronic media and otherwise. The use of the term ALL AROUND DECAY PROTECTION which encompasses within it the entire mark of the plaintiff ALLROUND is clearly infringement of the registered trade mark, constitutes passing off, acts of unfair competition and dilution.

4. The plaintiff also seeks to amend the prayer clause by inserting the following sub-paragraphs:-

15(i)(a) For a decree of permanent injunction restraining infringement and passing off of the registered trade mark, the suit is valued at Ts.200/- and a court fee of Rs.20/- is affixed.

16(i) A decree of permanent injunction be passed restraining the defendants, their officers, servants, agents, distributors, dealers, investigators and anyone acting for and on their behalf from using the term ALL AROUND DECAY PROTECTION or any other features on the plaintiff's carton which violate the plaintiff's statutory and common law rights thereby resulting in infringement, passing off, dilution etc.

5. The application has been opposed by the defendants. They have taken a preliminary objection that the fundamental structure and cause of action is sought to be altered by making the proposed amendment, converting a non-confusion plaint into a confusion cause of action. It is also alleged that the limitation for infringement of trade mark expired in 2010 and, therefore, the proposed amendment, if allowed, would cause irreparable injury to the defendants. It is further stated that the defendants have already filed rectification proceedings, immediately on coming to know of the registration in favour of the plaintiff. Another ground on which the application has been opposed is that the plaintiff has not explained why the proposed amendment is sought to be made now, when the registration in its favour was granted on 26.08.2008.

6. The law of amendment of pleadings in our country is rather liberal in nature, the legal proposition being with an amendment should ordinarily be allowed, unless it is likely to prejudice the opposite party or is likely to take away a vested right which has accrued to the opposite party provided the opposite party can be compensated in terms of cost. Errors or mistakes, if not fraudulent, should not be made a ground for rejecting the application for amendment of plaint or Written Statement. If no inconsistent cause of action is introduced, no vested interest or accrued legal right is affected the application for amendment is not mala fide and the amendment will not prejudice the opposite party, it should ordinarily be allowed.

It is also settled proposition of law that the amendment aimed at avoiding multiplicities of proceedings should generally be allowed.

7. In *Suraj Prakash Bhasin v. Raj Rani Bhasin* MANU/SC/0045/1980 : (1981) 3 SCC 652 Supreme Court *inter alia* observed as under:-

... liberal principles which guide the exercise of discretion in allowing amendment are that multiplicity of proceedings should be avoided, that amendments which do not totally alter the character of an action should be readily granted while care should be taken to see that injustice and prejudice of an irremediable character are not inflicted on the opposite party under pretence of amendment, that one distinct cause of action should not be substituted for another and that the subject-matter of the suit should not be changed by amendment.

8. In *L.J. Leach and Company Ltd. v. Jardine Skinner and Co.* MANU/SC/0009/1957 : AIR 1957 SC 357, the amendment sought by the plaintiff was resisted by the defendant contending that it sought to introduce a new cause of action, which was barred by limitation on the day the amendment was sought and hence would seriously prejudice the defendants. The amendment was, however, allowed by the Court considering that it was not foreign to the scope of the suit and all necessary facts were on record. The amendment allowed by the Court resulted in a suit for damages for conversion being converted into a suit for damages for breach of

9. In *Laxmidas Dayabhai Kabarwala v. Nanabhai Chunilal Kabarwala and Ors.* MANU/SC/0019/1963 : AIR 1964 SC 11 the prayer of the defendant for amendment to treat the counter claim as a cross-suit was objected by the plaintiff inter alia on the ground of limitation. The amendment was, however, allowed by the High Court and the order passed by the High Court was upheld by the Supreme Court which felt that the Rule that the leave to amend will ordinarily be refused when the effect would be to take away from a party a legal right which has accrued to him by lapse of time, applies only when fresh allegations are added or fresh reliefs are sought by way of amendments.

10. As regards the contention that the suit for injunction, based on infringement of the trade mark registered in favour of the plaintiff company, during pendency of the suit, would be barred by limitation, I find no merit in the same, for the simple reason that infringement of a registered trade mark gives rise to a continuing cause of action, so long as the alleged infringement persists. Since this is not the case of the defendants that use of impugned packaging has been discontinued by them, it cannot be said that a fresh suit, if filed by the plaintiff, alleging infringement of the trade mark registered in its favour would be barred by limitation.

The learned counsel for the defendants while opposing the proposed amendment has relied upon *A.K. Gupta & Sons v. Damodar Valley Corpn.* : MANU/SC/0014/1965 : AIR 1967 SC 96, *Revajeetu Builders and Developers v. Narayanaswamy & Sons And Others* : MANU/SC/1724/2009 : (2009) 10 SCC 84 and *Colgate-Palmolive Company & Ors.* : 2008 (38) PTC 276 (Del.)

In *A.K. Gupta & Sons (supra)*, an extra relief was sought to be added by way of proposed amendment, seeking a decree for recovery of money. It was an admitted position that on the date the amendment was sought, a suit for money claim was barred. The Court observed that though the general rule is that a party is not allowed by amendment to set up a new case or a new cause of action particularly when a new suit on the new case or cause of action is barred, it is also well recognized that where the amendment does not constitute the addition of a new cause of action or raise a different case but amounts to no more than a different or additional approach to the same facts, the amendment would be allowed even after the expiry of the statutory period of limitation, the principal reason being that the object of Courts and rules of procedure is to decide the rights of the parties and not to punish them for their mistakes. The second reason given by the Supreme Court for the rule was that a party is strictly not entitled to rely on the statute of limitation when what is sought to be brought in by the amendment can be said, in substance, to be already in the pleading sought to be amended. The Court was of the view that the expression 'cause of action' in the context does not mean very fact which it is material to be proved to entitle the plaintiff to succeed. As regards the matter before it, the Supreme Court was of the view that since the amendment sought to introduce a claim based on a same cause of action, i.e. the same contract, had introduced no new case of facts. The learned counsel for the defendants relied upon the observations made in the minority judgment to the effect that a suit based on one cause of action cannot be allowed to change into a suit based on another cause of action. However, in the case before this Court, the material facts including use of the expression 'All round Protection' have already been pleaded by the plaintiff. The use of the terminology "All-Around Decay Protection" and "Strong Teeth" carton by the defendants have also been pleaded while filing this suit. Therefore, it is difficult to say that by alleging infringement based on the trade mark registration granted to the plaintiff during pendency of this suit, an altogether new cause of action is sought to be pleaded or the existing cause of action is sought to be substituted by a new cause of action.

11. In *Revajeetu Builders And Developers (supra)*, the Supreme Court after reviewing the case law on amendment of pleadings, enunciated some basic principles which are to be taken into consideration while allowing or rejecting an application for amendment of plaint. These basic principles read as under:-

On critically analyzing both the English and Indian cases, some basic principles emerge which ought to be taken into consideration while allowing or rejecting the application for amendment.

(1) Whether the amendment sought is imperative for proper and effective adjudication of the case?

(2) Whether the application for amendment is bona fide or mala fide?

(3) The amendment should not cause such prejudice to the other side which cannot be compensated adequately in terms of money;

(4) Refusing amendment would in fact lead to injustice or lead to multiple litigation;

(5) Whether the proposed amendment constitutionally or fundamentally changes the nature and character of the case? And

(6) As a general rule, the court should decline amendments if a fresh suit on the amended claims would be barred by limitation on the date of application.

12. Applying the aforesaid basic principles, I feel that though the plaintiff has been rather negligent since it did

manupatra not seek amendment of the plaint soon after the trade mark was registered in its favour, this is not a case of fundamental change in the nature of the suit or the cause of action and since a fresh suit based on infringement will also not be barred by limitation, there seems to be no justification for refusing the amendment, so long as the defendants can be compensated by way of costs. The trial is yet to commence and in fact the suit is at an initial stage since the issues have been framed and, therefore, there is no likelihood of any injustice or prejudice being caused to the defendants. On the other hand, if the proposed amendment is not allowed, it is likely to result in multiplicity of litigation on account of the plaintiff being compelled to file a fresh suit on the basis of infringement of its registered trade mark.

In Colgate Palmolive Company (supra), the suit of the plaintiffs was based on their design registration No.185480. The defendants, in their reply, had pleaded a prior registration No.185103. The plaintiff then came up with an application for amendment so as to incorporate the existence of four additional design registrations of variants of the toothbrush to which the toothbrush design before the Court was related, thereby seeking to alleged infringement even in respect of those four designs registrations. The amendment was refused on the ground that infringement of each registration of each design would rise to a separate cause of action which was to be specifically pleaded by the plaintiff. However, in the case before this Court, the case of the plaintiff even in the original plaint is based upon the expression "All round" which is the mark registered in its favour during pendency of this suit. Therefore, the fundamental ground on which the suit is based would remain the same even if the proposed amendment is allowed. Hence, strictly speaking, this is not a case of adding an additional cause of action, by way of the proposed amendment. Here, the plaintiff is seeking only to add an additional ground, to challenge the use of the impugned mark/expression by the defendants.

For the reasons given in the preceding paragraphs, the proposed amendment is allowed subject to payment of Rs.50,000/- as costs.

The application stands disposed of.

CS(OS) No. 1579/2007 & IA 9787/2007(O.39 R.1 & 2 CPC)

Written statement to the amended plaint be filed within four weeks. The replication can be filed within two weeks thereafter. Though I had heard part arguments on IA 9787/2007, since I am now sitting in a Division Bench and amendment of the plaint has also been allowed, the matter is released from part-heard. Be listed before the Roster Bench on 21st February, 2012.