



* IN THE HIGH COURT OF DELHI AT NEW DELHI

% *Reserved on: September 5th, 2024*
Pronounced on: September 13th, 2024

+ CS(COMM) 110/2023

VIP PHARMACEUTICALS PVT LTDPlaintiff
Through: Mr. Neeraj Grover, Mr. Yatin
Chadha and Mr. Gurvinder Singh,
Advocates

Versus

RHYDBURG PHARMACEUTICALS LIMITEDDefendant
Through: Ms. Anju Agrawal, Ms. Manisha
Singh, Mr. Abhai Pandey, Mr.
Gautam Kumar, Mr. Dhruv Tandan,
Mr. Nishant Rai, Ms. Swati Mittal,
Mr. Manish Aryan and Mr. Shivani
Singh, Advocates

CORAM:
HON'BLE MR. JUSTICE SAURABH BANERJEE

J U D G M E N T

I.A. 11817/2023 (of defendant seeking dismissal of plaint)

1. Vide the present application, the defendant/ applicant seeks rejection of the plaint under *Order VII rule 11* of the Civil Procedure Code, 1908 [hereinafter referred to as '**CPC**'] read with *Section 12* CPC read with *Order XXIII rule 1 (4)* CPC and in the alternative reject the plaint under *Order VII rule 11* read with *Section 10* CPC.

2. Succinctly put, the defendant instituted CS(COMM.) 315/2019 entitled '**VIP Pharmaceuticals Pvt. Ltd. vs. Rhydburg Pramaceuticals**



Ltd.’ [hereinafter referred to as ‘*Counter Claim*’] against the plaintiff before the Rohini District Courts, Delhi [hereinafter called “*District Court*”]. Upon being served, the plaintiff herein filed its written statement and Counter Claim on 16.08.2019. After contesting the proceedings therein for more than *three years*, the plaintiff on 19.12.2022 withdrew its Counter Claim. The order of withdrawal of Counter Claim dated 19.12.2022 passed by the learned District Court is as under:-

“....*Present: Sh. V.K. Puri, Learned Counsel for the Plaintiff/ Counter Claimant.*
Sh. Shreyansh Dassani, Learned Counsel for the Defendant.

Learned Counsel for the Plaintiff/ Counter Claimant that the Plaintiff does not wish to pursue this suit any further and thus, seeks permission to withdraw the same. His statement has been recorded separately in this regard.

In view of the statement of Learned Counsel for the Plaintiff/ Counter Claimant, the instant Suit/ Counter Claim is hereby dismissed as withdrawn.”

[Emphasis supplied]

3. Despite that, after a lapse of more than *two months*, on 27.02.2023 the plaintiff instituted the present suit and later on after more than *five months*, on 27.04.2023, filed an application seeking modification of order of withdrawal of Counter Claim dated 19.12.2022 to the effect that the same was dismissed with liberty to file a new case. The said application was dismissed vide order dated 01.03.2024 passed by the learned District Court as under:-

“.....*Present: Sh. Varshesh Khurana, Ld. Counsel for Applicant*

Arguments on the application u/s 151 CPC for recalling order dated 19.12.2022 passed by my Ld. Predecessor heard and gone through the record.



By way of this application, the applicant wants that the order may be modified to the effect that the suit was dismissed with liberty to file a new case. I have gone through the Statement of Mr. V. K. Puri, Ld. Counsel for Applicant/ Plaintiff recorded on 19.12.2022 and there is no mention of any such liberty in his statement on the basis of which the suit was dismissed as withdrawn. This application appears to have no substance or basis. The application is, therefore, dismissed.”

[Emphasis supplied]

4. In the wake of the above, now the present application is listed before this Court for hearing, wherein it is the case of the defendant that the Counter Claim filed by the plaintiff before the District Court and the present suit are inter se the same parties and are involving the same nature of disputes, i.e. involving the very same cause(s) of action and seeking the same reliefs as also that the plaintiff had willingly withdrawn the Counter Claim without seeking any prior permission of the learned District Court to institute the present suit, it deserves dismissal under *Order VII rule 11* CPC in view of the provisions contained in *Section 12* CPC read with *Order XXIII rule 1(4)* CPC, especially in view of the pronouncements of the Hon’ble Supreme Court in ***Pramod Kumar vs. Zalak Singh*** (2019) 6 SCC 621, ***Bakhtawar Singh & Anr. vs. Sada Kaur & Anr.*** (1996) 11 SCC 167, ***K.S. Bhoopathy & Ors. vs. Kokila & Ors.*** (2000) 5 SCC 458, ***V. Rajendran & Anr. vs. Annasamy Pandian (dead) through Legal Representatives Karthyayani Natchiar*** (2017) 5 SCC 63 and ***Just Spray Marketing Private Limited & Anr. vs. Devendra Kumar Sachdeva trading as M/s Asian Agencies*** 2023:DHC:3764.

5. Additionally, learned counsel for defendant also submits that since the present suit is involving issues which are directly and substantially in issue in the previously instituted Counter Claim, which is still pending



adjudication before the learned District Court, the present suit is liable to be stayed under *Section 10 CPC*.

6. Lastly, it was submitted that the plaintiff has instituted the present suit to simply harass the defendant since they have been litigating amongst themselves for the past five years.

7. *Per Contra*, learned counsel for plaintiff submits that the Counter Claim filed by the plaintiff was bereft of comprehensive/ appropriate and detailed pleadings/ prayers regarding common law rights of the plaintiff since the reliefs qua violation of trade dress by the defendant, infringement of copyright in artistic work in the label of the plaintiff, mark of the plaintiff being well-known, claim of damages, etc. were missing in the Counter Claim. As per learned counsel for plaintiff, it was for the above reasons that the Counter Claim was withdrawn and the present *comprehensive* suit has been filed before this Court thereafter. He also submits that the pleading and prayers of the present suit, being wider and comprehensive in scope than the Counter Claim, are not identical.

8. Learned counsel for plaintiff then submits that since the plaintiff has instituted the present suit on a continuing/ recurring cause of action, therefore the bar of *Order XXIII Rule 1(4) CPC*, does not come into play, especially since it has been so held by the Hon'ble Supreme Court in ***Bengal Waterproof Ltd. vs. Bombay Waterproof Mfg. Co.*** (1997) 1 SCC 99, ***Dhara Seeds vs. Gujarat Farm Seeds (Pvt.) Ltd.*** 2009 SCC OnLine Guj 10179 and ***Karim Hotel (P) Ltd. v. Kareem Dhanani*** 2024 SCC OnLine Del 1602 wherein it has been held that the cause of action in cases of infringement and passing-off of a trademark is continuous and recurring cause of action. Therefore, as per the learned counsel, every act of deceit





i.e. of infringement or passing-off, gives advent to a fresh cause of action. He further relies upon *Deepak Kaur v. S. Hari Simran Singh* 2019 SCC OnLine Del 7487 and *Piraji Narayanrao Mathankar v. Laxman Upasrao Pote* 2015 SCC OnLine Bom 8330 wherein the Court(s) opined that where cause of action was recurring in nature, withdrawal of the earlier suit without any liberty would not bar filing of fresh suit.

9. Lastly, learned counsel for plaintiff submits that an oral request seeking liberty was very much made before the learned District Court at the time of withdrawing the Counter Claim by the then learned counsel for the plaintiff, however, the same is not recorded in the order dated 19.12.2022.

10. I have heard the learned counsel for the parties and perused the documents on record as also the judgements relied upon by them.

11. Before adverting to deciding the contentions of the parties, it is imperative to reproduce the relevant pleadings, especially the paragraph qua ‘cause of action’ and the ‘prayers’ made by the plaintiff in the Counter Claim filed before the learned District Court and the plaint of the present suit filed before this Court which are as under:-

Counter Claim [District Court]	Present suit [Delhi High Court]
Cause of action:	
<p>30. The cause of action first arose in the month of July, 2019, when the counterclaimant came across the suit filed against the counterclaimant for the mark</p>  <p>“ / DICLON-M” filed by the Respondent. The cause of action further arose when the Respondent</p>	<p>47. The cause of action in the present suit first arose when the Plaintiff in the month of July, 2019, <u>learned that the Defendant is also selling their products by illegally using the Plaintiff’s trademark/ trade dress</u></p>  <p>and its variant <u>thereby giving an impression to the</u></p>



filed the trade mark application before the trademark registry. The cause of action continues to arise on a day to day basis until the Respondents are restrained by the Injunction orders to be passed by this Hon'ble Court.

consumers that the said goods originate from the Plaintiff. The cause of action further arose when the Defendant filed for registration of the impugned trademark



before the trademark registry in the year 2019. The cause of action arose on each and every occasion of sale made by the defendant. The cause of action is a continuous one and continues to subsist until an order of injunction is granted by this Hon'ble court in favour of the Plaintiff and against the Defendant. Thus, in view of the above the only remedy available to the Plaintiff is to file the present proceedings before this Hon'ble Court.

[Emphasis supplied]

Prayers:


The counterclaimant prays that this Hon'ble Court may be pleased to pass a Judgment and Decree in favour of the Counterclaimant and against the respondent as follows:

- (a) To grant a decree of permanent injunction restraining the Respondents, their principal officers, franchise, any agent, assignees, family members, licensees and anyone acting for and on his behalf for manufacturing and selling, exporting, offering for sale, advertising or promoting including by way of internet or physically the goods which include the Pharmaceutical, medical & Veterinary preparations Items and other goods under the mark



57. The Plaintiff therefore, respectfully prays that the following reliefs be granted in its favour:

- a) Pass an order/ decree of permanent and mandatory injunction restraining the Defendant, their directors/ partners/ associates, assignees in business, franchises, licensees, distributors and agents from manufacturing, selling, offering for sale, advertising in print and electronic media, advertising on the internet, directly or indirectly dealing in any product by using impugned mark/

label  or any other trade mark or logo/ device, which is identical to and/ or deceptively similar to the Plaintiff's well known trade mark, trade dress, get up, lay out and placement of distinctive features as used in the trade



DICLON-M” or any other mark, which is deceptively similar to the Counterclaimant mark



“ / DICLO-M” that may lead to the passing off/ infringement of the counterclaimant registered trademark.

- (b) To grant all the documents regarding the purpose of the cost of the case.
- (c) To grant a decree of permanent injunction restraining the Respondent, their principal officers, franchise, any agent, assignees, family members, licensees and anyone acting for and on their behalf for infringement/ passing off of Respondent trademark and using deceptively similar mark



“ / DICLO-M” or any other deceptively similar/ identical mark by way of internet or physically the goods which include the “MEDICINAL AND PHARMACEUTICAL PREPARATIONS goods” items and other goods under the mark.

- (d) To grant a decree of permanent injunction restraining the Respondent, their principal officers, franchise, any agent, assignees, family members, licencees and anyone acting for and on their behalf for infringement of trademark of Counterclaimant mark



“ / DICLO-M”.

- (e) To grant an order of interim

mark/ label

and its trade dress which amounting to action of passing off, misrepresentation, unfair competition and dilution.

b) Pass an order/ decree of permanent and mandatory injunction restraining the Defendant, their directors/ partners/ associates, assignees in business, franchisees, licensees, distributors and agents from manufacturing, selling, offering for sale, advertising in print and electronic media, advertising on the internet, directly or indirectly dealing in any product by using impugned copy right



or any other logo/ device, which is identical to and/ or deceptively similar to the Plaintiff's Copyright, trade dress, get up, lay out and placement of distinctive features as used

in the Copyright

which amounting to action of passing off, misrepresentation, unfair competition and dilution.

c) Pass an order/ decree of delivery up of all the counterfeited products bearing the impugned trade mark/ trade dress/ copy



right including packing materials, dies, blocks, boxes, advertising and publicity material, stationary, account books, etc. to an authorized representative of the plaintiff



injunction restraining the Respondent, their principal officers, franchise, any agent, franchise, any agent, assignees, family members, licensees and anyone acting for and on their behalf for manufacturing and selling, offering for sale, advertising or promoting the impugned trademark/ name



“ / DICLON-M” as also the label/tags thereof or any other trademark/ name which is in violation of the Counterclaimant rights in the trademark/ name



“ / DICLO-M” causing passing off in respect of any products whatsoever including “electrical equipments, etc.

- (f) To grant a decree of Mandatory injunction against the Respondent, their principal officers, franchise, any agent, assignees, family members, licensees and anyone acting for to delivery-up of all the infringing advertisements, promotional materials bearing the unique graphic depiction, any item with trademark



“ /DICLON-M” and all account books related to selling, distribution and advertising with trademark



“ /

for the purposes of destruction and erasure;

- d) Pass an order/ decree of rendition of accounts of illegal profits earned by the defendant on account of the use of the impugned trade mark/ Copyright






- e) Pass an order/ decree of damages to the tune of Rs. 2,25,00,000/- or any additional amount in favour of the plaintiff and against the defendant on account of loss/ harm caused to the plaintiff's business, trademark/ trade dress/ copyright, goodwill and reputation by illegally and unlawfully selling the counterfeited products under the impugned trademark/ trade dress by the defendant;

- f) Pass an award costs of the present proceedings in favour of the Plaintiff and against the Defendant;

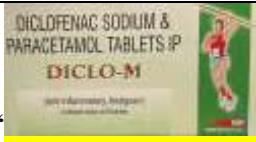
- g) Pass any other order(s) which this Hon'ble Court may deem fit and proper in the fact and circumstances of the present case and in interest of justice.

[Emphasis supplied]



<p>DICLON-M”.</p> <p>(g) To grant an order for destruction of all blocks, dies, packaging material, packaging strips, wrappers, labels, plastic packaging boxes handbags etc. bearing trademark</p> <p></p> <p>“</p> <p>DICLON-M” of the Responent or any other mark identical to/ and or deceptively similar with trademark/</p> <p></p> <p>label called “</p> <p>DICLO-M” of the counterclaimant in the presence of the Counterclaimant representatives may please be passed in favour of the counterclaimant and against the Counterclaimant.</p> <p>(h) To grant a decree for recovery of damages may kindly be passed in favour of the counterclaimant and against the Respondent to pay as deemed to fit by Hon’ble court any amount after ascertaining profits of the Respondent on Its rendition of account along with Interest at the market rate of 18% per annum or the amount found due and payable to the Counterclaimant after the rendition of accounts of profits illegally earned by the Respondent by selling the goods under the trademark</p> <p></p> <p>“</p> <p>/DICLON-M” as those of the Counterclaimant trademark</p>	
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 <p>“DICLO-M”.</p> <p>(i) Costs of the present suit be awarded to the Counter-Claimant;</p> <p>(j) Any other further order(s) this Hon’ble Court may deem fit and proper in the light of the above-mentioned facts and circumstances of the present case be allowed in favour of the Counter-Claimant and against the Respondent.</p>	
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12. It emerges from the aforesaid that the Counter Claim filed by the plaintiff before the learned District Court was indeed pertaining to the very same trademark, very same averments, very same time period[s], very same cause[s] of action[s] and was also qua the very same claim[s] as in the present suit before this Court.

13. The few changes/ amendments made by the plaintiff in the present suit will not make any difference since they are emanating from the same source. Even otherwise, they are nothing but mere wishy-washy improvements to cover up the leftovers in view of the own case of the plaintiff itself as under:-

“.....B. The earlier Counter Claim filed by the Plaintiff herein was bereft with comprehensive and appropriate pleadings and prayers. There were no appropriate and detailed pleadings regarding common law rights of the Plaintiff in the ‘DICLO-M’ trademarks used since 2000, violation of trade dress by the Defendant, infringement of copyright in artistic work in the Plaintiffs label, Plaintiff’s mark being well known, claim of damages, etc. Therefore, the Plaintiff withdrew the counterclaim and filed the present comprehensive suit.....”

14. The said inclusion of fresh/ new claims in the present suit which the plaintiff had wilfully omitted to include in respect of the very same trademark and/ or the very same cause[s] of action[s] and/ or that it had



intentionally relinquished those portion[s] of the reliefs which were very much available at the time of filing the Counter Claim before the learned District Court, being barred under *Order II rule 2* CPC, were not permissible. The plaintiff cannot be allowed to make it a never ending process of adding more relief[s] whenever and wherever, and that too merely by admitting that there was a fault on its part before when the Counter Claim was filed before the learned District Court. Same is/ cannot be a ground of institution of a new/ fresh suit on the same cause[s] of actions before this Court.

15. Reliance is placed upon ***Pramod Kumar vs Zalak Singh*** (2019) 6 SCC 621 wherein it was held as under:-

“28. Order II Rule 2(1) provides that a plaintiff is to include the whole of the claim, which he is entitled to make, in respect of the cause of action. However, it is open to him to relinquish any portion of the claim. Order II Rule 2 provides for the consequences of relinquishment of a part of a claim and also the consequences of omitting a part of the claim. It declares that if a plaintiff omits to sue or relinquishes intentionally any portion of his claim, he shall be barred from suing on that portion so omitted or relinquished. Order II Rule 2(3), however, deals with the effect of omission to sue for all or any of the reliefs in respect of the same cause of action. The consequences of such omission will be to precluded plaintiff from suing for any relief which is so omitted. The only exception is when he obtains leave of the Court.

31. The defence, which is set up by the defendants, would be irrelevant to determine what cause of action means. The reliefs, which are sought by the plaintiffs, will not be determinative of what constitutes cause of action. Cause of action, as explained by the Privy Council in Mohammad Khalil Khan case (supra), means the Media through which the plaintiff seeks to persuade the Court to grant him relief. It could, therefore, be said to be the factual and legal basis or premise upon which the Court is invited by the plaintiff to decide the case in his favour. It is also clear that the cause of action, in both the suits, must be identical. In order that it be identical, what matters, is the substance of the matter.”

[Emphasis supplied]



16. Since, the cause of action in the present suit is also pertaining to the very same period “*July, 2019*” as it was in the Counter Claim of the very same plaintiff before the learned District Court, there is a common thread running with a clear overlap between the two. Thus, the plaintiff cannot be allowed to take benefit of the judgment in *Bengal Waterproof Ltd. [supra]* and the subsequent judgments in *Dhara Seeds [supra]* and *Karim Hotel (P) Ltd. [supra]* based on *Bengal Waterproof Ltd. [supra]*, since they were pertaining to a subsequent recurring/ fresh cause of action[s] whereas the cause of action of both the Counter Claim as well as the present suit, *admittedly*, is a continuing one since and from “*July 2019*”. Similarly, the judgments in *Deepak Kaur [supra]* and *Piraji Narayanrao Mathankar [supra]* are also not applicable to the facts involved herein as they are pertaining to partition and not to disputes of the present nature involving trademarks before this Court in the present suit.

17. Furthermore, as borne out from the order of withdrawal dated 19.12.2022 as also the subsequent order dated 01.03.2024 passed by the learned District Court, the then learned counsel for plaintiff, whose *Vakalatnama* was very much on record and whose statement was recorded separately, willingly withdrew the Counter Claim without seeking any permission for instituting the present fresh suit, much less, involving the same reliefs. In fact, the plaintiff has neither disputed nor challenged the *Vakalatnama* nor the statement given by him as recorded by the learned District Court at that time till date.

18. In the said scenario, since the plaintiff had withdrawn “... ..*from a suit or part of a claim without-the permission referred to in sub-rule (3)...*



...”, it was/ is precluded “... *...from instituting any fresh suit in respect of such subject-matter or such part of the claim.*” by virtue of *Order XXIII rule 1(4) CPC*.

19. The plaintiff is also precluded “... *...from instituting a further suit in respect of any particular cause of action... ..*” in terms of *Section 12 CPC* as well.

20. Reliance is placed upon ***K.S. Bhoopathy & Ors. vs. Kokila & Ors.*** (2000) 5 SCC 458 wherein it was held as under:-

“12. The law as to withdrawal of suits as enacted in the present Rule may be generally stated in two parts;

(a) a plaintiff can abandon a suit or abandon a part of his claim as a matter of right without the permission of the Court, in that case he will be precluded from suing again on the same cause of action. Neither the plaintiff can abandon a suit or a part of the suit reserving to himself a right to bring a fresh suit, nor can the defendant insist that the plaintiff must be compelled to proceed with the suit; and

(b) a plaintiff may, in the circumstances mentioned in sub-rule (3), be permitted by the Court to withdraw from a suit with liberty to sue afresh on the same cause of action. Such liberty being granted by the Court enables the plaintiff to avoid the bar in Order II Rule 2 and Section 11 CPC.”

21. All the above leaves hardly any chance for the plaintiff to overcome the order of withdrawal dated 19.12.2022 passed by the learned District Court now. More so, since the plaintiff had never sought any clarification/ modification of the said order prior to institution of the present suit and the sole attempt by the plaintiff for seeking modification was by filing a belated application after more than *five months* of the order of withdrawal dated 19.12.2022 and after *two months* of the institution of the present suit, which has also since been rejected by the learned District Court on



01.03.2024. In view thereof, since the said order of withdrawal dated 19.12.2022 is clear and categorical and it is also fortified by the subsequent order of 01.03.2024 passed by the same Court, this Court has no reason to disbelieve the order of withdrawal dated 19.12.2022. In any event, it is trite that “*The Court is bound by the statement of the Judges recorded in their judgment, as to what transpired in court.*” Reliance is placed upon *State of Maharashtra v Ramdas Shrinivas Nayak* (1982) 2 SCC 463: AIR 1982 SC 1249 and *D.P. Chadha v Triyugi Narain Mishra & Ors.* (2001) 2 SCC 221.

22. In light of the above, the submission qua an oral request made by the then learned counsel for plaintiff on 19.12.2022 is vague, bald and not substantiated and was never raised ever before, particularly, prior to institution of the present suit.

23. Therefore, in view of the aforesaid reasonings and findings the present application of the defendant is liable to succeed and the present suit of the plaintiff is liable to be rejected under *Order VII rule 11(d)* CPC as the same is barred by law, i.e. the provisions of *Order XXIII rule 1(4)* CPC and *Section 12* CPC.

24. Accordingly, the present application is allowed and disposed of.

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25. In view of the aforesaid reasonings and findings, the plaint of the plaintiff is rejected.

26. Accordingly, the suit along with pending application is disposed of.

SAURABH BANERJEE, J.

SEPTEMBER 13, 2024/rr