



October 2022

Delhi High Court holds that it is not apposite for the court to travel beyond the scope of pleadings and give any findings on matters that are not in issue between parties

The Division Bench of the Delhi High Court (“**Delhi HC**”) recently in the case of *Peps Industries vs Kurlon Limited*,¹ held that when no ground is taken by a defendant for purpose of denial of relief in favour of plaintiff, it is not apposite for the court to travel beyond the scope of pleadings and give any findings on matters that are not in issue. The Delhi HC observed that absent any statutory mandate such as adjudication of jurisdiction or limitation, it would not be apposite for the court to examine any question of fact that may be disputed, unless such facts are brought in issue.

Brief Facts

Peps Industries Private Limited (“**Peps**”) filed a suit under the Trade Marks Act, 1999 (“**TM Act**”) before the Delhi HC seeking injunction against Kurlon Limited (“**Kurlon**”) from manufacturing, selling, offering for sale, advertising under the registered mark ‘NO TURN’.² Peps contended that it was in continuous use of the mark ‘NO TURN’ since January 2008 which was evident from the trademark registration certificate, orders and invoices of ‘NO TURN’ labels.

Whereas Kurlon contended that the mark ‘NO TURN’ had been used by it since the year 2007, prior to Peps’s filing date for registration of its trademark and thus had protection under Section 34 of the TM Act.

The Single Judge by its order dated March 16, 2020 dismissed the injunction application on the ground that the mark ‘NO TURN’ is a descriptive mark in relation to its use on mattresses (“**Impugned Judgment**”). Aggrieved by the Impugned Judgment, Peps filed an appeal before the Delhi HC on the following grounds:

1. The Single Judge declined to restrain Kurlon who is using the same mark in respect of the product in question despite accepting that Peps is the registered owner of the trademark ‘NO TURN’ and has been using it continuously since January 15, 2008. Kurlon also has not been able to prove prior use.
2. Once court held that Kurlon was using the mark intermittently and sales were not voluminous to have benefit of Section 34 of the TM Act, then injunction should have followed.
3. Kurlon had not taken any defence or raised any issue before the Single Judge that the mark ‘NO TURN’ was a descriptive mark. In the absence of challenge to validity of the registration of Peps’s mark being descriptive, the Single Judge could not have denied an interim injunction on the ground of mark being descriptive.

¹ FAO(OS) (Comm) 94/2020. Dated October 07, 2022.

² Peps Industries vs Kurlon Limited IA No. 4871/2019 and IA No. 6715/2019 in CS (Comm) No. 174 of 2019.

Kurlon defended the Impugned Judgment on the following points:

1. Single Judge could still examine the issue of whether the Peps mark is descriptive or not, despite Kurlon not taking the objection that the mark 'NO TURN' was generic or descriptive. Kurlon placed reliance on *Phonepe Private Limited v. EZY Services and Another*³ to contend that the court while adjudicating the claim of infringement can look into the issue of validity of a mark.

Issues

After hearing both the parties, the Delhi HC framed the following questions for considerations:

1. Whether Kurlon who had itself applied for registration of the mark 'NO TURN' claiming it to be a distinctive mark is estopped from raising the issue of validity of the same mark on the ground of being descriptive.
2. Whether the Single Judge was correct in adjudicating an issue, which was not raised by the parties.
3. Whether the descriptive mark can also be entitled for protection and whether the mark 'NO TURN' is descriptive?

Findings and Observations

The Delhi HC allowed the appeal basis the following findings and observations:

1. Party cannot approbate and reprobate:

- a) The only ground taken by Kurlon in its pleadings for denial of injunction was its claim of prior user. Kurlon in its written statement did not object or plead that the mark is a descriptive mark.
- b) Kurlon itself having applied for registration of the mark 'NO TURN' and contending the same to be a coined word cannot take an inconsistent plea and argue that mark is descriptive. Delhi HC relied upon *Kiran Devi v. Bihar State Sunni Wakf Board & Ors.*,⁴ *Suzuki Parasrampuriah Suitings (P) Ltd. v. Official Liquidator*⁵, *Telefonaktiebolaget LM Ericsson v. Intex Technologies (India) Limited*⁶, to hold that a party litigant cannot be permitted to assume inconsistent positions in court.
- c) When the party itself is seeking the registration of a mark, it cannot question the mark as being descriptive and incapable of registration.

2. Single judge is not correct in adjudicating an issue which was not raised by parties:

- a) Kurlon before the trademarks office has also taken a stand that its mark is a coined term, distinctive and inherently unique. Kurlon has adopted the argument of Peps's mark being descriptive for the first time before the Delhi HC, in order to support the Impugned Judgment.
- b) The Delhi HC disagreed with the view in *PhonePe* that a court while adjudicating an infringement claim cannot ignore Section 9(1)(b) or 30(2)(a) of the TM Act for the following reasons:
 - I. Section 9 of the TM Act does not embody any statutory interdictions at the post registration stage. If validity of a registered mark is not brought in issue, the statutory assumption that the marks are valid must be accepted. It is not open for the court to *suo moto* question the validity.
 - II. The issue of Section 30(2)(a) of the TM Act does not arise in facts of the present case hence Division Bench refrained from making any observations on the same.

³ 2021 SCC OnLine Del 2635.

⁴ 2021 SCC OnLine SC 280.

⁵ 2018 10 SCC 707.

⁶ 2015 SCC OnLine Del 8229.

- c) When no ground is taken by a defendant for denial of relief in favour, it is not apposite for the court to travel beyond the scope of pleadings and give findings on matters that are not in issue except for issues of jurisdiction or limitation etc. which are statutorily mandated.

3. Descriptive mark can also be entitled to protection:

- a) A descriptive mark can be registered and exclusivity can be claimed, if before the date of application for registration, it has acquired distinctive character as a result of its use made or is a well-known mark. Even if a mark which is descriptive in nature can acquire distinctiveness by virtue of being in use for a long time.
- b) An injunction can be refused or a mark can be rectified on account of being descriptive, on an objection being taken or if the owner of the mark is not able to show that the mark has acquired a distinctive character as a result of long use. In support of above, the Delhi HC relied upon *Godfrey Philips India Ltd. v. Girnar Food & Amp Beverages P. Ltd.*⁷ and *Procter & Gamble Manufacturing (Tianjin) Co. Ltd. & Ors. v. Anchor Health & Beauty Care Pt. Ltd.*⁸
- c) The Delhi HC refrained from expressing any view on descriptiveness of the mark 'NO TURN' since no objection was taken.

JSA Comment

This judgment reiterates the importance of pleadings and reinforces the principles that a case not specifically pleaded cannot be considered by the court specially with respect to disputed question of facts. The Delhi HC's observations will have an important bearing on intellectual property rights' commercial suits, wherein courts will now exercise restraint in deciding issues if not pleaded. This judgment casts an obligation on litigants and lawyers alike to be cautious when filing pleadings and raising defences, as this could have a direct impact on grant or refusal of a relief.

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⁷ 2004 5 SCC OnLine 257.

⁸ 2014 SCC OnLine Del 3374.

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