

MOOT PROBLEM 2

Pamola Beverages Pvt. Ltd. v. Prakash Soft Drinks Pvt. Ltd.

Facts of the case:

M/S Pamola Beverages (Pvt.) Ltd (herein after referred as PBP Ltd) is a Company incorporated in the year 1970 under the Companies Act. The Company having its registered office in Hyderabad has been marketing and selling the soft drinks with popular brands like PRIME and BLISS. PBP Ltd wanted to foray in to the energy drink market. In 1997, the Company's Research and Development team came out with the energy drink. PBP Ltd applied for the marketing approvals from the Drug Controlling Authority of India and got approvals from the Drug Authority of India in the year 2000. On 11-06-1999, PBP Ltd has applied for the registration of Trade mark '**ATHLETE DELIGHT**' in Ariel Black font (Italic) and in script form. PBP Ltd in its application limited the registration of trademark '**ATHLETE DELIGHT**' to color combination of white background and orange letters.

The registration of trademark was completed and a certificate was issued in favour of the PBP Ltd on 6-2-2002 for the trademark '**ATHLETE DELIGHT**' for beverages under class 32 of the Trademarks Act. After the completion of these formalities, PBP Ltd started marketing its new product energizing drink, '**ATHLETE'S DELIGHT**' from 6-8-2002. PBP Ltd has number of consumers across the Telugu speaking regions. It launched this new product simultaneously in all the major towns of the undivided State of Andhra Pradesh (then) including Vijayawada, Vishakhapatnam, Hyderabad, Karimnagar, Warangal, Kurnool and other towns. The product has been so successful that the consumers started purchasing this new product, energy drink, directly from the Company's outlet at Hyderabad by placing orders on Company's Website and making payments through credit or debit cards and taking delivery at their doorsteps.

Another Company, M/s Prakash Soft Drinks (Pvt.) Ltd (Herein after referred to as PSD Ltd) located in Vijayawada which has been in to the manufacturing soft drinks, started selling energy drink with a mark '**PLAYER'S DELIGHT**' in the script forma and in the same font as used

by the PBP Ltd. PSD Ltd started marketing the **'PLAYER'S DELIGHT'** from 4-1-2000 in the Vijayawada city itself. PSD Ltd was using the **'PLAYER'S DELIGHT'** for its energy drink with green background and white letters.

On 4-6-2003, PBP Ltd filed a trademark infringement suit against PSD Ltd in Civil City Court, Hyderabad for using similar mark or a mark with some identity to its registered trademark. PBP Ltd. also claimed the infringement of copyright for using the similar font and for the use of the word 'Delight'. In its suit PBP Ltd. claimed a preventive remedy of injunction restraining the defendants from using the mark and claimed the damages.

PSD Ltd. contested the suit and argued that there is no trademark infringement by merely using the word 'Delight'. It is argued that the word 'Delight' in the registered trade mark is a descriptive word and of a non- distinctive character. As such, the word 'Delight' is not protectable part of the registered trademark capable claiming exclusive rights over its use as per the provisions of the Trademarks Act. PSD Ltd. asserted that it has been using trademark prior to the use of trademark by the PBP Ltd. and countered the suit by arguing that the prior user cannot be proceeded against by the later user as per the Act. PSD Ltd. countered the copyright infringement by arguing that there cannot be any copyright in any word or combination of words and their use in a particular font.

The Trial Court, on 22-06-2006 disposed the suit by granting permanent injunction and awarding damages of Rs. 20 Lakhs to PBP Ltd. Aggrieved by this, PSD Ltd preferred an appeal to the High Court on the same grounds pleaded before Trial Court; further in the appeal PSD Ltd also raised jurisdictional issue. It was argued that as per the provisions of the CPC the suit had to be instituted in Vijayawada only because it happened to be the place of cause of action, also the defendant's place of business. Even under the additional forum (i.e. the plaintiff's place of business) provided in Trademarks Act, the suit has to be instituted in Vijayawada only, being the place of cause of action and also as the PBP Ltd.'s branch is located at Vijayawada and further its business takes place through online sales. The Hyderabad High Court for the states of Telangana and Andhra Pradesh on 7-7-2011 allowed the appeal.

Aggrieved by the order of the High Court, PBP Ltd. filed Special Leave Petition before the Supreme Court. The SLP is pending for the final hearing.

Issues:

1. a) Whether PSD Ltd. is entitled to raise the jurisdictional issue before High Court for the first time, in an appeal? b) Whether online sales by the PBP Ltd. in Vijayawada will make Vijayawada as its branch office and there by exclusive jurisdiction be inferred on the Vijayawada Court?
2. Whether the word 'Delight' in the Registered Trademark '**ATHLETE'S DELIGHT**' is not distinctive in character to disentitle the exclusive right to use it?
3. Whether the PSD Ltd. has infringed the PBP Ltd.'s trade Mark '**ATHLETE'S DELIGHT**' by using the trademark '**PLAYER'S DELIGHT**'?
4. Whether PSD Ltd. can claim prior user rights for its trademark '**PLAYER'S DELIGHT**' over the PBP Ltd.'s trademark '**ATHLETE'S DELIGHT**'?
5. Whether PSD Ltd. infringed the copyright in trademark of PBP Ltd.?