

**IN THE HIGH COURT OF MADHYA PRADESH
AT INDORE**

BEFORE

**HON'BLE SHRI JUSTICE SUSHRUT ARVIND
DHARMADHIKARI**

&

HON'BLE SHRI JUSTICE HIRDESH

ON THE 18th OF DECEMBER, 2023

MISC. PETITION No. 4543 of 2021

BETWEEN:-

**SCOTCH WHISKY ASSOCIATION THR. ITS
AUTHORISED REPRESENTATIVE SUNIL
MEHDIRATTA 1ST FLOOR, QUARTERMILE
TWO 2 LISTER SQUARE EDINBURGH EH3 9GL
(OTHER COUNTRY)**

.....PETITIONER

***(SHRI AMIT AGRAWAL LEARNED SENIOR ADVOCATE WITH SHRI ANUJ
BHARGAVA, ADVOCATE)***

AND

**J.K. ENTERPRISES THR. ITS PARTNER MR.
KARANBEER SINGH CHHABRA 509-510, 5TH
FLOOR PRINCESS BUSINESS SKY PARK,
1. SCHEME NO. 54, PU-3COMMERCIAL VIJAY
NAGAR (MADHYA PRADESH)**

**MR. KARANBEER SINGH CHHABRA
PARTNER OF M/S J.K. ENTERPRISES 509-510,
2. 5TH FLOOR PRINCESS BUSINESS SKY
PARK, SCHEME NO. 54, PU-3COMMERCIAL
VIJAY NAGAR (MADHYA PRADESH)**

3. MR. HARMINDER SINGH BHATIA PARTNER

OF M/S J.K. ENTERPRISES 509-510, 5TH FLOOR PRINCESS BUSINESS SKY PARK, SCHEME NO. 54, PU-3COMMERCIAL VIJAY NAGAR (MADHYA PRADESH)

4 REGENT BEERS AND WINES LIMITED THROUGH ITS DIRECTORS 509-510, 5TH FLOOR PRINCESS BUSINESS SKY PARK, SCHEME NO. 54, PU-3COMMERCIAL VIJAY NAGAR (MADHYA PRADESH)

5 AGARWAL DISTILLERIES PRIVATE LIMITED THROUGH ITS DIRECTORS 509-510, 5TH FLOOR PRINCESS BUSINESS SKY PARK, SCHEME NO. 54, PU-3 COMMERCIAL VIJAY NAGAR (MADHYA PRADESH)

.....RESPONDENTS

(SHRI AYUSH JAIN, ADVOCATE)

Reserved on:- 18.07.2023
Pronounced on:- 18.12.2023

This petition having been heard and reserved for order coming on for pronouncement this day, Hon'ble Shri Justice S.A. DHARMADHIKARI pronounced the following:

ORDER

Heard finally, with the consent of the parties.

1. The Petitioner- Scotch Whisky Association (hereinafter 'The Petitioner') in the present case lays a challenge to the order dated 28.10.2021 passed in CS no. 07/2020 by the Commercial Court in District Indore, through which the application under Order VII Rule 11 (hereinafter O7/R11) has been partly allowed holding the suit to be maintainable only after impleadment of "Authorised User" (hereinafter 'AU') in terms of the

mandate of Section 21 of the Geographical Indications of Goods (Registration and Protection) Act, 1999 (hereinafter 'GI Act').

2. The petitioner by filing the present petition under Article 227 of the Constitution of India, pleads that being a "Registered Proprietor" (hereinafter 'RP') of the Scotch Whisky Geographical Indication (hereinafter 'GI') has an independent right and entitlement to maintain the suit for infringement of the GI in his own independent capacity.

3. The petitioner mentions itself to be a company incorporated under laws of the United Kingdom with its registered office at Scotland, UK and legal representatives in India, Mr. Sunil MB Dutta has been authorized to carry out all functions on behalf of petitioner. The petitioner states itself to be an association of 56 distillers, producers, dealers, blenders, owners of proprietary brand or brands, brokers or exporters of Scotch Whisky, which is manufactured in the United Kingdom, especially Scotland. It is further mentioned that additional protection has been granted by the Government of India w.e.f 28.11.2011 under Section 22(2) of the GI Act.

4. Petitioner had filed a GI Application no. 151 as the RP applicant for a grant of GI for Scotch Whisky earlier on 5th January 2009, on which the aforesaid notifications granting the status of GI to Scotch Whisky came to be issued, first in time being on 23rd September 2010. Thus petitioner is argued to be the RP, on whose application the '**Scotch Whisky**' (hereinafter 'SW') attained the GI status in the country. Referring to the Memorandum and Articles of Association of petitioner, a company incorporated in April 1960 at Edinburgh, UK. It is stated that the objectives of the association of the company are to protect and promote the Scotch

Whisky trade at home and abroad; and to protect and preserve the Scotch Whisky business in the UK and abroad.

5. It is thus stated that being the original applicant as RP, on whose application the GI tag was granted by the Central Government to Scotch Whisky, the suit for infringement of GI at their instance under Section 21 is clearly maintainable and the petitioner has been incorrectly directed to be impleaded or proceed with the suit only after the impleadment of registered AU of the Scotch Whisky under the GI Act.

6. The original suit before the Trial Court has been filed seeking essentially a restraint order against the defendants or any of their agents for manufacturing, bottling, selling or in any manner marketing any Whisky which is not Scotch Whisky under the mark 'London Pride' or any other words, names, business names, etc. It is further prayed in the original suit for restraining the defendants from manufacturing, importing, exporting, stocking or dealing in any manner with any whisky being not Scotch Whisky by using the device of Union Jack or any such other image/impression. The suit has been filed through the authorized signatory having its registered office in India.

7. J.K. Enterprises (hereinafter 'JKE') is a partnership firm, with Defendant No. 2 & 3 as its partners, having its Head Office in Indore. Its manufacturing and packaging unit is situated in District Dhar and Indore. Other defendants are also engaged in the business of manufacturing and trading of whisky, being companies incorporated under the Companies Act. They are stated to be marketing and selling 'London Pride' whisky, which gives rise to the cause of action in the plaint.

8. **The following issues arise for consideration in the present matter:**

- a. *Whether in an application under O7/R11, can the Civil Court hold non-joinder of a party to be fatal to the suit or direct for impleadment of any party as a necessary/proper party to the suit?*
- b. *Whether under Section 21(1), RP can bring the suit for infringement in its own capacity or must join AU to make the suit maintainable. How should the word 'and' occurring under Section 21(1) be read and; conjunctively or disjunctively, as specifying two classes simpliciter, who can institute the suit for infringement of GI?*
- c. *Whether the complaint disclose a cause of action under O7/R11 for it to be maintainable?*

9. Though initially the Court was inclined to remand the matter back to the Trial Court for passing a speaking order on the O7/R11 application moved by the defendants, however, both parties emphatically insisted upon consideration of all 3 issues on merits by this Court, in view of its pendency of this petition since 2021. The counsel for both parties urged the Court to decide the question of law on interpretation of Section 21, since it was pointed across the bar that judgment on the issue has perhaps not been rendered by any Court of law in the country after enactment of the GI Act. In view thereof, the parties were heard at length on all three issues for its consideration.

10. Contentions of the petitioner:-

10.1 The petitioner is a registered association in the UK that are producers, distillers, blenders and traders having a keen interest in the protection of GI tag in Scotch Whisky and therefore as RP the suit was maintainable at their instance. Referring to various provisions, specifically Sections 2(b) and 2(n), 6, 12, 17 and the Geographical Indications of Goods (Registration and Protection) Rules, 2002 (hereinafter 'GI Rules'), it was contended that RP and AU are two different entities envisaged under

the GI Act and Parliament intended them to be separately and independently treated in their status.

10.2 There were no pleadings or grounds in the O7/R11 application of JKE (Respondent) that the suit is not maintainable for non-impleadment of AU as a necessary plaintiff along with RP, nor it was so argued before the Trial Court on behalf of JKE (Respondent). However, later on, this contention was given up, when the Court was requested to decide the issue on merits by both counsels appearing for the parties.

10.3 Under an O7/R11 application the Trial Court could not have directed the impleadment of AU as a necessary party, the appropriate stage for which was yet to arrive and could have been determined later. In any case direction for impleadment of any party as necessary/proper party is not a ground specified under O7/R11 and consideration of the Court has to be confined only to the factors specified therein.

11. Contentions on behalf of JKE (Respondent):-

11.1 Referring to the provisions of GI Act and the GI Rules, 2013, specifically Section 17, 20, 22 and Rule 56, JKE (Respondent) argued that it is the only the AU which can institute the suit or the GI for itself and no other entity under the GI Act is authorised to use the GI tag. It is also submitted that RP can only go ‘piggyback’ on AU in light of Section 21 if a suit for infringement is to be instituted as without AU, the RP would have no independent entitlement or ‘right to sue’ for infringement of GI tag.

11.2 The word ‘and’ occurring under Section 21 (1) (a) of the GI Act must be read ‘*conjunctively*’ and not ‘*disjunctively*’, mandating the requirement of both AU and RP to be impleaded as necessary party plaintiff in a suit for infringement of GI.

11.3 The Trial Court has committed no error whilst directing the

petitioner to join AU as a party plaintiff before proceeding ahead with the suit. Such a direction is inherent in the powers available to the Civil Court under O7/R11, CPC.

12. The Court was initially inclined to remand the matter back to the Trial Court to decide the matter on merits, especially on the grounds of disclosure of cause of action by the plaintiff. However, both parties agreed and urged that instead of remanding back all the issues be decided by this Court on merits as no purpose would be served by piecemeal adjudication.

Re: First Issue -

13. The first issue is whether in an application under O7/R11, the Trial Court can direct for impleadment of necessary/proper party for proceeding ahead with the suit?

14. The question is no more *res integra* and has been settled by other High Courts of the country. It has been held consistently by various High Courts, including this Court also (***Babu Lal & Ors. Vs. Smt. Unati & Ors.***- CR no. 30/14, Order dated 26.08.2014), that Non-Joinder/Joinder of necessary parties, not being one of the grounds specified under O7/R11, can't be devised as a ground for rejection or return of plaint by the Trial Court. It cannot lead to immediate rejection of the plaint, if the plaintiff fails to do so. The provisions of O7/R11 clearly don't envisage joinder/non-joinder as grounds for rejection of the plaint. The said exercise may be done during the course or further stages of the trial. It can be examined by the Trial Court at the stage of framing of issues later during the trial about the necessity of joinder of any necessary party or implication of non-joinder of any such party on the maintainability of the suit. However, in an application under O7/R11, such an inquiry is clearly not permissible to be undertaken by the Trial Court. The Division Bench of

the Madras High Court in the matter of *B. Govinda Petitionermi vs. Manikam & ors.*, (2016) 1 LW 49 has taken the same view holding that consideration of validity of plaint has to be adjudged on the limited grounds specified thereunder, within the purview of which non-joinder of the necessary party clearly doesn't fall. Similar view has been taken by the Patna High Court in the matter of *Rajendra Sah vs. Jamila Khatoon & Ors.*, 2016 SCC OnLine Pat 3908 (CWJC 4856 of 2014, Judgment dated 21.01.2016) and the Telangana High Court in the matter of *Soyal Infra vs. Rameezbee* (CRP No. 3026/2019, Judgement dated 09.03.2022). The Delhi High Court also in one of its recent judgments in the matter of *Silver Maple Healthcare Services vs. Dr. Tejinder Bhatti* (2022/DHC/004573) has taken the same view of impermissibility of examination of impact of non-joinder of necessary parties on the overall maintainability of suit under O7/R11. Thus on this ground also the impugned order dated 28.10.2021 becomes assailable.

Re: Second Issue -

15. Before examining the Second Issue, the Trade- Related Aspects of Intellectual Property Rights (hereinafter "TRIPS AGREEMENT") and the background of the GI Act needs to be discussed. **Trips Agreement** refers to a multilateral legal agreement between all the member nations of the World Trade Organisation (hereinafter 'WTO') that came into effect in 1995. TRIPS ensures that the minimum standards for regulation of Intellectual Property (IP) are upheld by the Governments of all member nations of WTO. India became a signatory to the TRIPS Agreement in April 1994 and being a member nation of the WTO, India was obligated to enact the GI Act".

The provisions regarding enactment of specialised modified

legislation on protection of GI's can be found vide Articles 22 to 24 of Section 3 of Part II of the TRIPS Agreement and read thus:-

“Article 22. Protection of Geographical Indications

1. Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.

2. In respect of geographical indications, Members shall provide the legal means for interested parties to prevent: (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good; (b) any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967).

3. A Member shall, ex officio if its legislation so permits or at the request of an interested party, refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if use of the indication in the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin.

4. The protection under paragraphs 1, 2 and 3 shall be applicable against a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory.

Article 23. Additional Protection for Geographical Indications for Wines and Spirits

1. Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like.

2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for

spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, ex officio if a Member's legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.

3. In the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

4. In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.

Article 24 titled as '**International Negotiations; Exceptions**' further envisaged all the member nations to come forward with full fledged legislative mechanisms for implementation of the commitments made under TRIPS.

16. In pursuance thereof, the Parliament thereafter enacted the GI Act in 1999. The aims and objectives stated the Act to be meant for the exclusion of unauthorised persons from misusing geographical indications; to protect consumers from deception; adding to the economic prosperity of the **producers of such goods** and also promoting goods bearing Indian GI in the export market'. Unless a GI is protected in the country of its origin, no obligation under TRIPS follows for other countries to extend reciprocal protection.

17. In the above legislative background, especially the commitments made at the international level, the interpretation of any provision of the GI Act must be in tune with the aforementioned objectives

and commitments made under TRIPS by India at the International Fora.

18. It is also trite that legislations enacted in pursuance of international treaties and conventions must receive a *purposive interpretation*, in sync with the advancement and furtherance of the commitments made by the sovereign of India at the international fora. In **National Legal Services Authority v. Union of India, (2014) 5 SCC 438**, vide paras 58 & 59:

*“58. Article 51, as already indicated, has to be read along with Article 253 of the Constitution. If Parliament has made any legislation which is in conflict with the international law, then Indian courts are bound to give effect to the Indian law, rather than the international law. **However, in the absence of a contrary legislation, municipal courts in India would respect the rules of international law. In Kesavananda Bharati v. State of Kerala [(1973) 4 SCC 225], it was stated that in view of Article 51 of the Constitution, the Court must interpret language of the Constitution, if not intractable, in the light of the United Nations Charter and the solemn declaration subscribed to it by India. In Apparel Export Promotion Council v. A.K. Chopra [(1999) 1 SCC 759 : 1999 SCC (L&S) 405], it was pointed out that domestic courts are under an obligation to give due regard to the international conventions and norms for construing the domestic laws, more so, when there is no inconsistency between them and there is a void in domestic law.** Reference may also be made to the judgments of this Court in Githa Hariharan v. RBI [(1999) 2 SCC 228], R.D. Upadhyay v. State of A.P. [(2007) 15 SCC 337 : (2010) 3 SCC (Cri) 704] and People's Union for Civil Liberties v. Union of India [(2005) 2 SCC 436].*

59. In Vishaka v. State of Rajasthan [(1997) 6 SCC 241 : 1997 SCC (Cri) 932], this Court under Article 141 laid down various guidelines to prevent sexual harassment of women in workplaces, and to enable gender equality relying on Articles 11, 14 and 24 and General Recommendations 22, 23 and 24 of the Convention on the Elimination of All Forms of Discrimination against Women. Any international convention not inconsistent with the fundamental rights and in harmony with its spirit must be read into those provisions e.g. Articles 14, 15, 19 and 21 of the Constitution to enlarge the meaning and content thereof and to promote the object of constitutional guarantee.”

19. On the same lines, in *Githa Hariharan v. RBI [(1999) 2 SCC 228]*, it has been held thus:

“14. The message of international instruments — the Convention on the Elimination of All Forms of Discrimination Against Women, 1979 (“CEDAW”) and the Beijing Declaration, which directs all State parties to take appropriate measures to prevent discrimination of all forms against women is quite clear. India is a signatory to CEDAW having accepted and ratified it in June 1993. The interpretation that we have placed on Section 6(a) (supra) gives effect to the principles contained in these instruments. The domestic courts are under an obligation to give due regard to international conventions and norms for construing domestic laws when there is no inconsistency between them. (See with advantage Apparel Export Promotion Council v. A.K. Chopra [(1999) 1 SCC 759].)

15. Similarly, Section 19(b) of the GW Act would also have to be construed in the same manner by which we have construed Section 6(a) (supra).”

Anatomy of the GI Act, 1999 & Rules, 2002 Framed thereunder-

20. **Section 2 (b)** defines the ‘Authorized user of a Geographical Indication Registered’ under Section 17; **Section 2 (k)** defines ‘producer’ in relation to goods as follows:

‘(i) if such goods are agricultural goods, produces the goods and includes the person who processes or packages such goods;

(ii) if such goods are natural goods, exploits the goods;

(iii) if such goods are handicraft or industrial goods, makes or manufactures the goods, and includes any person who trades or deals in such production, exploitation, making or manufacturing, as the case may be, of the goods’

Section 2 (l) defines ‘Register’ as *the Register of GI referred to under Section 6*. **Section 2 (n)** defines ‘Registered Proprietor’ as follows:

“Registered Proprietor”, in relation to a geographical indication, means any association of persons or of producers or any organization for the time being entered in the register as proprietor of the geographical indication.

Section 6 titled as ‘Register of Geographical Indications’ reads as;

“(1) For the purposes of this Act, a record called the Register of

geographical indications shall be kept at the head office of the Geographical Indications Registry, wherein shall be entered all registered geographical indications with the names, addresses and descriptions of the proprietors, the names, addresses and descriptions of authorised users and such other matters relating to registered geographical indications as may be prescribed and such registers may be maintained wholly or partly on computer.”

Section 7 titled as ‘Part A and Part B of the Register’ reads thus:

“(1) The register referred to in section 6 shall be divided into two Parts called respectively Part A and Part B.

(2) The particulars relating to the registration of the geographical indications shall be incorporated and form part of Part A of the register in the prescribed manner.

(3) The particulars relating to the registration of the authorised users shall be incorporated and form part of Part B of the register in the prescribed manner.”

And Section 8 titled as ‘Registration to be in Respect of Particular Goods and Area’;

“(1) A geographical indication may be registered in respect of any or all of the goods, comprised in such class of goods as may be classified by the Registrar and in respect of a definite territory of a country, or a region or locality in that territory, as the case may be.

(2) The Registrar shall classify the goods under sub-section (1), as far as may be, in accordance with the International classification of goods for the purposes of registration of geographical indications.

(3) The Registrar may publish in the prescribed manner an alphabetical index of classification of goods referred to in sub-section (2).

(4) Any question arising as to the class within which any goods fall or in the definite area as referred to in sub-section (1) in respect of which the geographical indication is to be registered or where any goods are not specified in the alphabetical index of goods published under sub-section (3) shall be determined by the Registrar whose decision in the matter shall be final.”

21. Chapter III titled ‘**PROCEDURE FOR AND DURATION OF REGISTRATION**’ contains provisions and procedures for registration

of GI, vide which the application for registration can be made by any association of persons or producers or any organization or authority established by or under any law, representing the interest of the producers of the concerned goods who are desirous of registering a GI in relation to such goods. Vide Section 12, provision for withdrawal of acceptance has been provided either at the instance of the applicant or on his own motion; Sections 13 and 14 provide for advertisement and objections/oppositions to registration of any good as GI. Section 16 which is a plenary provision pertaining to the grant of GI status to any good, titled as registration reads thus:

SECTION 16 (1) and (2), titled as ‘Registration’ reads thus;

“(1) Subject to the provisions of section 12, when an application for registration of a geographical indication has been accepted and either-

- (a) the application has not been opposed and the time for notice of opposition has expired; or*
- (b) the applicant has been opposed and the opposition has been decided in favour of the applicant.*

The Registrar shall, unless the Central Government otherwise directs, register the said geographical indication and the authorised users, if any, mentioned in the application and the geographical indication and that authorised users when registered shall be registered as of the date of the making of the said application and that date shall, subject to the provisions of section 84, be deemed to be the date of registration.

(2) On the registration of a geographical indication, the Registrar shall issue each to the applicant and the authorised users, if registered with the geographical indication; a certificate in such form as may be prescribed of the registration thereof, sealed with the seal of the Geographical Indications Registry.

22. Section 17 provides for registration as an authorised user, vide which Registrar is authorised to register any person claiming to be the

producer of the goods as the authorised user. Vide **Section 18**, titled “Duration, renewal, removal and restoration of registration”, the Registrar is authorised on the application of the registrar proprietor or the authorised user to renew the registration of the GI or registration of the AU. The relevant provision of Section 18 reads thus:

“(1) The registration of a geographical indication shall be for a period of ten years, but may be renewed from time to time in accordance with the provisions of this section.

(3) The Registrar shall, on application made in the prescribed manner, by the registered proprietor or by the authorised user and within the prescribed period and subject to the payment of the prescribed fee, renew the registration of the geographical indication or authorised user, as the case may be, for a period of ten years from the date of expiration of the original registration or of the last renewal of registration, as the case may be (which date is in this section referred to as the expiration of the last registration).

(4) At the prescribed time before the expiration of the last registration of a geographical indication or the authorised user, as the case may be, the Registrar shall send notice in the prescribed manner to the registered proprietor or the authorised user, as the case may be, of the date of expiration and the conditions as to payment of fees and otherwise upon which a renewal of registration may be obtained, and, if at the expiration of time prescribed in that behalf those conditions have not been duly complied with, the Registrar may remove the geographical indication or the authorised user, as the case may be, from the register:

Provided that the Registrar shall not remove the geographical indication or the authorised user, as the case may be, from the register, if an application is made in the prescribed form and the prescribed fee and surcharge is paid within six months from the expiration of the last registration of the geographical indication or the authorised user, as the case may be, and shall renew the registration of geographical indication or the authorised user, as the case may be, for a period of ten years under sub-section (3).”

23. Chapter 4 titled “**EFFECT OF REGISTRATION**” provides for consequences or rights flowing out of following post-registration of any GI. Section 20 debars any person from instituting any proceedings, or

any kind of restraint order in relation to infringement of any **unregistered GI**. However, the common law remedy against passing off of goods in the name of another person is available as it was prior to the enactment of the GI Act. It is in this backdrop that **Section 21**, titled “Rights conferred by registration” reads thus:

“21. Rights conferred by registration.—

(1) Subject to the other provisions of this Act, the registration of a geographical indication shall, if valid, give,—

(a) to the registered proprietor of the geographical indication and the authorised user or users thereof the right to obtain relief in respect of infringement of the geographical indication in the manner provided by this Act;

(b) to the authorised user thereof the exclusive right to the use of the geographical indication in relation to the goods in respect of which the geographical indication is registered.

(2) The exclusive right to the use of a geographical indication given under clause (b) of sub-section (1) shall be subject to any condition and limitation to which the registration is subject.

(3) Where two or more persons are authorized users of geographical indications, which are identical with or nearly resemble each other, the exclusive right to the use of any of those geographical indications shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by anyone of those persons as against any other of those persons merely by registration of the geographical indications, but each of those persons has otherwise the same rights as against other persons as he would have if he were the sole authorised user.”

24. Section 22 titled ‘**Infringement or registered geographical indications**’ mentions the contingencies when a GI is deemed to have been infringed by a person, not being AU. The Central Government under this provision is vested with the discretion to provide additional protection to certain goods or classes of goods by notification in the Official Gazette vide Section 22(2) on the application made in the said regard. Reference to other provisions in a tabular manner shall be made in a short while,

however, a special mention should be made of Section 68 titled '*Authorised user to be impleaded in certain proceedings*' occurring under Chapter IX, titled 'MISCELLANEOUS'. This provision which expressly mandates impleadment of AU in certain sets of proceedings omits to mention Section 21 where the 'right to sue' is provided by the Parliament to RP & AU both. **Section 68** reads thus:

*“68. Authorised user to be impleaded in certain proceedings.—
(1) In every proceeding under Chapter VI or under Section 31, every authorised user of a geographical indication to which such proceeding relate, who is not himself an applicant in respect of any proceeding under that chapter or section, shall be made a party to the proceeding.
(2) Notwithstanding anything contained in any other law, an authorised user so made a party to the proceeding shall not be liable for any costs unless he enters an appearance and takes part in the proceeding.”*

25. The Central Government has enacted GI Rules, 2002 in exercise of delegated powers conferred by Section 87 of the GI Act, operative with effect from 8th March 2002, GI Rules, 2002. The comprehensive dispensation of registration provided under the Rules further brings out the difference between AU and RP. **Rule 56** titled “Authorised User” occurring under Chapter III permits any application to be made vide Form GI-3 under Section 17 of the GI Act.

26. **Rule 59** titled ‘Registration of an authorised user entry in the Register’, vide Rule 59(2)(a) obligates the authorities to also enter the principal place of business in India of the RP of the concerned GI. Rule 60 occurring under Chapter IV titled ‘RENEWAL OF REGISTRATION AND RESTORATION’, vide Rules 60(2) and 60(5) specifies a precondition of application of renewal to be filed by the RP and in the absence of RP, the AU. **Rule 69** titled ‘Alteration of Address in register’ permits the RP or AU

of the concerned GI to get the address of the GI altered through an application made in this regard. Rule 78 occurring under Chapter VII comprises provisions of additional protection for certain goods under Section 22 of the GI Act statutorily mandates the filing of a joint application for any additional protection by the RP as well as all the AUs of the concerned GI, whose all names are entered in Part-B Register under Section 7 of the GI Act. The various forms appended to the GI Rules, specifically GI-1 require the details of the applicant representing the interest of the producers of the said good proposed to be declared as GI under Section 11 of the GI Act.

Interpretative Analysis of the GI Act & Rules:-

27. A **tabular chart** of various provisions under the GI Act & the Rules is spelt out hereunder, wherever the role of RP has been stipulated, vis a vis the AU of any GI :

Provisions pertaining to Role of RP OR AU/RP AND AU under the GI Act	
Section & Title	Description
18 (3) & (4). Duration, renewal, removal, and restoration of registration	18(3)- The Registrar shall, on application made in the prescribed manner, <i>by the registered proprietor or by the authorised user</i> and within the prescribed period and subject to the payment of the prescribed fee, renew the registration of the geographical indication or authorised user, as the case may be, for a period of ten years from the date of expiration of the original registration or of the last renewal of registration, as the case may be . 18(4)- At the prescribed time before the expiration of

	<p>the last registration of a geographical indication or the authorised user, as the case may be, the <u>Registrar shall send notice in the prescribed manner to the registered proprietor or the authorised user</u>, as the case may be, of the date of expiration and the conditions as to payment of fees and otherwise upon which a renewal of registration may be obtained, and, if at the expiration of time prescribed in that behalf those conditions have not been duly complied with, the Registrar may remove the geographical indication or the authorised user, as the case may be, from the register:</p>
<p>21 (1) Rights Conferred by Registration</p>	<p>(1) Subject to the other provisions of this Act, the registration of a geographical indication shall, if valid, give, — (a) <u>to the registered proprietor of the geographical indication and the authorised user or users</u> thereof the right to obtain relief in respect of infringement of the geographical indication in the manner provided by this Act;</p>
<p>26 (4) Protection to certain trademarks.</p>	<p>(4) Notwithstanding anything contained in the Trade Marks Act, 1999 or in this Act, no action in connection with the use or registration of a trade mark shall be taken after the expiry of five years from the date on which such use or registration infringes any geographical indication registered under this Act <u>has become known to the registered proprietor or authorised user</u> registered in respect of</p>

	<p>such geographical indication under this Act or after the date of registration of the trade mark under the said Trade Marks Act subject to the condition that the trade mark has been published under the provisions of the said Trade Marks Act, 1999 or the rules made thereunder by that date, if such date is earlier than the date on which such infringement became known to such proprietor or authorised user and such geographical indication is not used or registered in bad faith.</p>
<p>28 Correction of Register.</p>	<p>The Registrar may, <u>on application made in the prescribed manner by the registered proprietor or the authorised user</u>, — (a) correct any error in the name, address or description of the registered proprietor or the authorised user, as the case may be, of a geographical indication, or any other entry relating to the geographical indication on the register;</p> <p>(b) enter any change in the name, address or description of the association of persons or of producers or any organisation or authority, as the case may be, who is registered as proprietor of a geographical indication on the register;</p>
<p>30 (2) Adaptation of entries in register to amend</p>	<p>(2) A proposal so to amend the register shall be brought to <u>the notice of the registered proprietor and every authorised user</u> of the geographical indication</p>

<p>or substitute classification of goods.</p>	<p>affected and advertised in the prescribed manner, and may be opposed before the Registrar by any person aggrieved on the ground that the proposed amendment contravenes the provisions of sub-section (1).</p>
<p>66.(2) Suit for infringement, etc. to be instituted before district court.</p>	<p>(2) ‘<u>the person</u> instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain. Explanation. —<i>For the purposes of sub-section (2), “person” includes the registered proprietor and the authorised user.</i></p>
<p>28. Provisions pertaining to Role of ONLY RP</p>	
<p>29(1) Alteration of registered geographical indications.</p>	<p>(1) <u>The registered proprietor</u> of a geographical indication may apply in the prescribed manner to the Registrar for leave to add to or alter the geographical indication in any manner not substantially affecting the identity thereof, and the Registrar may refuse leave or may grant it on such terms and subject to such limitations as he may think fit.</p>
<p>38(4) Falsifying and falsely applying geographical indications.</p>	<p>(4) In any prosecution for falsifying a geographical indication or falsely applying a geographical indication to goods, the <u>burden of proving the assent of proprietor shall lie on the accused.</u></p>
<p>85 Provision as to reciprocity</p>	<p>..no nationals of such country or a country which is a member of a group of countries or union or countries</p>

	or Inter-Governmental Organisations, as the case may be, shall be entitled— <u>(a) to apply for the registration of, or be registered as the proprietor of geographical indication;</u>
29. Provisions pertaining to Role of RP OR AU/RP AND AU under the GI Rules, 2002	
Provisions pertaining to Role of ONLY RP	
Section & Title	Description
59. Registration of an authorized user entry in the Register.	(2) The entry of an authorised user in the register shall specify the date of filing of application for registration as an authorised user, the actual date of the registration, the goods and class or classes in respect of which it is registered, and all particulars required by sub-section (1) of Section 6 including: — <u>(a) The address of the principal place of business in India, if any, of the registered proprietor of the geographical indication;</u>
60. Renewal of Registration	2) An application for the renewal of the registration of a geographical Indication or an authorised user of a registered geographical indication shall be made on Form GI-4 or Form GI-3 <u>must be filed by the person who is the proprietor of the registered geographical indication failing which by any of the authorised users on record.</u> <u>(5) where the registered proprietor of the geographical indication has ceased to exist, the</u>

	<p>renewal of the registered geographical indication shall be effected by any of the authorised users of the registered geographical indication acting collectively whose name has been entered in Part B of the register on the due date of renewal.</p> <p>(6) Before issuing a renewal certificate, the <i>Registrar may call upon the registered proprietor to file an affidavit</i> concerning the use of the registered geographical indication in India where he has reasons to believe that the registered geographical indication may not be in use in the market.</p>
<p>65. Application to rectify or remove a geographical indication from the register</p>	<p>An application to the Registrar for the cancelling, expunging or varying of any entry relating to a geographical indication or of the Statement of Case referred to under Rule 32(1) shall be made in triplicate on Form GI-6 or Form GI-5, as the case may be. <i>Where the application is made by a person who is not the registered proprietor</i> of the geographical indication in question, the application and the statement aforesaid shall be left at the Geographical Indications Registry in triplicate.</p>
<p>99. Certificate of validity to be noted.</p>	<p>Where the IPAB has certified as per Section 72 with regard to the validity of a registered geographical indication, <i>the proprietor thereof may request the Registrar on Form GI-7</i> to add to the entry in the register a note that the certificate of validity has been granted in the course of the proceedings, particulars</p>

		of which shall be given in the request.
30. Provisions pertaining to Role of RP OR AU/RP AND AU under the GI Act		
56. Authorized User		An application for registration of authorized user under Section 17 may be made to the Registrar in Form GI-3. (2) A copy of application made under sub-rule (1) shall be forwarded to the <u>registered proprietor</u> of geographical indication and intimate the same to the Registrar.
64. Notice of advertisement renewal and restoration.	and of registration and	Upon the renewal or restoration and renewal of registration, a notice to that effect shall be sent to <u>the registered proprietor or the concerned authorised user</u> and the said renewal or restoration and renewal shall be advertised in the Journal.
78		<u>Application to be jointly made by the registered proprietor and by all the producers</u> whose name has been entered in the register as authorised user in Part B.
69. Alteration of Address in register.	of	Clauses (1) to (6) permit the <u>Registered proprietor or Authorised User</u> of a Geographical Indication to get the address of the Geographical indication altered through an application made in this regard.

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31. From the overall study of anatomy of the GI Act, the Rules of 2002 framed thereunder, it is clear that the application for grant of GI status can be filed by an applicant, who has to be a producer or any person entrusted as the RP. It is on the application of the RP or any other applicant that GI tag comes into existence, never otherwise. The RP can alternatively, even in the absence of AU as postulated under various provisions mentioned *supra*, institute an action or proceeding in his own right, one of them being a renewal of GI or for grant of additional protection. The RP needs to be informed and updated whenever any new AU is added to the register of any GI of good concerned. ***Thus the RP can very well be treated as an entity independent of AU, under the provisions of the GI Act for the purposes of obtaining or continuing with the GI tag of any good concerned.*** Otherwise, the GI Act would have made specific mention of the same as done vide Section 68, mandating, compulsory impleadment of AU along with RP or any other party when disputes under the provisions specified therein are involved. The RP has an independent legal status and entitlement to relate himself to the GI tag of the good concerned under the Act as well as the Rules framed thereunder. The argument of JKE (Respondent), therefore, does not have any legs to survive that except AU, RP has no existence and has no claim or right relatable to the usage of GI tag of any good. As is clear from Section 17, AU has a right to get himself registered separately and claim protection of GI independently. However, the mere existence or registration of AU cannot operate to the complete exclusion of the RP so as to dislodge and displace him from claiming the protection of any GI or standing against infringement thereof. This is the overall scheme of the GI Act as well as

the Rules framed thereunder. **Section 21** has also to be viewed in the larger scheme of the GI Act, titled 'Rights conferred by registration'. Section 20 preceding Section 21 placed under the same Chapter titled 'EFFECT OF REGISTRATION' in a negatively worded covenant debars any person from instituting any proceeding pertaining to the infringement of unregistered GI. The legislative intent is loud and clear that it is protecting only the registered GI, nothing more and nothing less. Section 21 thus is enacted to protect the registered GI, the unregistered version of which has no protection or identity available under the Act. The title of Section 21 indicates the end purpose and intent behind its enactment, which is the right arising out of an incident to registration. Clearly, when registration can be applied for by both RP or AU, then both entities shall equally be entitled to the rights flowing out of the same as its consequence thereof. It cannot be contended that without an application preferred under Section 11, a GI tag can come into existence on its own and that the application under Section 11 has to necessarily be either by the RP, AU or both. In the absence of RP, many procedures and processes relating to GI tag would not occur, as is luminescent from the provisions mentioned supra. Thus the registration of GI gives ***equal recognition & rights*** to the RP as well as AU of obtaining the '*right to obtain relief*' in the event of infringement of GI by any person. Section 21(1)(a) is different from Section 21(1)(b) and the difference in legislative drafting of the same further magnified the above interpretation. On one hand, Section 21(1)(a) accords RP and AU the 'right to obtain relief' for any infringement and Section 21(1)(b) on the other hand accords the '***exclusive right***' to the use of goods whose GI is registered. The exclusive right to use is qua the world at large and cannot work to the exclusion of RP who is, as in the present case 'Bhagirathi' of

the GI tag itself, the original applicant. Petitioner is the ‘Bhagirathi’ of the GI tag in India as is luminescent from the notification of January 2009. Therefore, the legislature could not have been presumed to have conferred exclusive rights on the AU to the exclusion of RP itself, the originator of the very existence of a right. On the principles of *ubi jus ibi remedium*, viz., if there is a right, there is a remedy, therefore, RP would also have a right to file a restraint suit for grant of injunction against any unauthorised user of GI tag.

32. The word ‘and’ used under Section 21(1)(a) has to be treated as ‘or’, as otherwise the status of RP would be reduced below AU by any other interpretation. The interpretation of ‘and’ as ‘or’ or ‘or’ as ‘and’ has often been a subject matter of debate and depending on the legislative text and context, ‘and’ can be interpreted as ‘or’ or vice-versa. In the matter of ***Gujarat Urja Vikas Nigam Ltd. v. Essar Power Ltd., (2008) 4 SCC 755***, whilst interpreting section 86 (1)(f) of the Electricity Act, 2003, the Supreme Court interpreting the word ‘and to mean ‘or’ held thus:

“24. The main question before us is whether the application under Section 11 of the Act of 1996 is maintainable in view of the statutory specific provisions contained in the Electricity Act of 2003 providing for adjudication. of disputes between the licensee and the generating companies.

25. In our opinion, the submission of Mr K.K. Venugopal has to be accepted.

26. It may be noted that Section 86(1)(f) of the Act of 2003 48 a special provision for adjudication of disputes between the licensee and the generating companies. Such disputes can be adjudicated upon either by the State Commission or the person or persons to whom it is referred for arbitration. In our opinion the word "and" in Section 86(1) (f) between the words "generating companies" and "to refer any dispute for arbitration" means "or". It is well settled that sometimes and can mean "or" and sometimes "or" can mean "and" (vide G.P. Singh's Principles of Statutory Interpretation, 9th Edn., 2004, p. 404).

27. In our opinion in Section 86(1)(f) of the Electricity, Act, 2003 the word "and" between the words "generating companies" and the words

"refer any dispute" means "or", otherwise it will lead to an anomalous situation because obviously the State Commission cannot both decide a dispute itself means "or",

28. Section 86(1)(0) is a special provision and hence, will override the general provision in Section 1 of the Arbitration and Conciliation Act, 1996 and also refer it to some arbitrator. Hence the word "and" in Section 86(1) means "or".

33. That towards the same proposition counsel for the petitioner have ably relied on the positions of the *Alka vs. Abhinish Chandra Sharma., 1991 MPLJ 625*, spelling the same condition. *Godavat Pan Masala Products I.P. v. UOI., (2004) 7 SCC 68*. Thus in view of the above the word 'and' must be inferred and read as 'or', giving 'equal rights' to sue to both the RP as well as AU in the event of a registered GI. The contention of the JKE (Respondent) though may appear to be attractive at first blush, on deeper scrutiny fails sustenance and is rejected as such. In view thereof the reasoning adopted by the trial Court in the impugned order holding impleadment of AU along with the RP for proceeding further in the suit proceedings is also liable to be set aside in view of the discussions above.

Re:Third Issue-

34. The next contention is that the plaint lacks cause of action to be entertained and thus ought to be rejected under O7/R11 (a). Though as stated above, the Trial Court has not returned any findings on the same and ideally the matter ought to have been remanded back for orders on the said contention, however in view of joint request made by Counsels on behalf of both the parties in the course of hearing for deciding all the issues in present petition, the said issue is also being decided by the Court. O7/R11 (a) provides for rejection of plaint where it fails to disclose a cause of

action. The remedy under O7/R11 (a) is an independent, special remedy of terminating the suit at a threshold and therefore for the summary dismissal of the same, the power must be exercised sparingly. The objective behind O7/R11 (a) is to restrain the plaintiff from unnecessary retracting the proceedings in the suit, when no substance lies in the averments pleaded in the suit or it lacks credible material facts, grounds and evidence to be allowed at the conclusion of the trial. The aforesaid provision recently fell for consideration in the matter of ***Dahiben vs. Arvind Bhai Kalyaniji Dhanusali., (2020) 7 SCC 366***, wherein the Supreme Court delineated the nature of inquiry to be made by Court when an objection under O7/R11(a) is taken by the dependant. It was held thus:

- 23.8. Having regard to Order 7 Rule 14 CPC, the documents filed along with the plaint, are required to be taken into consideration for deciding the application under Order 7 Rule 11(a) When a document referred to in the plaint, forms the basis of the plaint, it should be treated as a part of the plaint.*
- 23.9. In exercise of power under this provision, the court would determine if the assertions made in the plaint are contrary to statutory law, or judicial dicta, for deciding whether a case for rejecting the plaint at the threshold is made out.*
- 23.10. At this stage, the pleas taken by the defendant in the written statement and application for rejection of the plaint on the merits, would be irrelevant, and cannot be adverted to; or taken into consideration.*
- 23.11. The test for exercising the power under Order 7 Rule 11 is that if the averments made in the plaint are taken in entirety, in conjunction with the documents relied upon, would the same result in a decree being passed. This test was laid down in ***Liverpool & London S.P. & I Assn. Ltd. v. M.V. Sea Success 13*** which reads as: (SCC p. 562. para 139)*
- 139. Whether a plaint discloses a cause of action or not is essentially a question of fact. But whether it does or does not must be found out from reading the plaint itself. For the*

said purpose, the averments made in the plaint in their entirety must be held to be correct. The test is as to whether if the averments made in the plaint are taken to be correct in their entirety, a decree would be passed."

23.12. In Hardesh Ores (P) Ltd. v. Hede & Co.5 the Court further held that it is not permissible to cull out a sentence or a passage, and to read it in isolation. It is the substance, and not merely the form, which has to be looked into. The plaint has to be construed as it stands, without addition or subtraction of words. If the allegations in the plaint prima facie show a cause of action, the court cannot embark upon an enquiry whether the allegations are true in fact.

23.13. If on a meaningful reading of the plaint, it is found that the suit is manifestly vexatious and without any merit, and does not disclose a right to sue the court would be justified in exercising the power under Order 7 Rule 11 CPC."

35. If the averments of the suit filed are examined in the above backdrop, it would be difficult to infer that it fails to disclose any cause of action. As stated *supra*, Petitioner is a RP entitled to institute a suit for infringement under Section 21 (1)(a) of the GI Act against JKE (Respondent). It has been pleaded in the plaint on the basis of extensive material, document and evidence that Scotch Whiskey as a special good originating in Scotland, UK has gained a special brand, name, goodwill, reputation, being prepared after a specially prescribed process.

36. Referring to Scotch Whiskey Regulations framed by the Government of UK, it is contended by the petitioner that if any whiskey is titled as 'London Pride' or uses 'UK Flag' as its label on the bottle, then it implies that it is referring to whiskey made in UK, which sends a general impression that it is a Scotch Whiskey or whiskey made in Scotland. It is further asserted in the plaint that being a registered association of Blender, distillers, producers and traders of the Scotch Whiskey, the loss of goodwill, trade, business shall befall directly on the members of the

petitioner. Since, admittedly Scotch Whiskey is a registered GI good, therefore all the protections available under the GI act are automatically available to any producer, manufacturer, or trader into the business of Scotch Whiskey.

37. The petitioner has further stated in its plaint that it is registered in a large number of other countries across the globe whilst referring to the registration certificates of GI/trademark issued in multiple other countries including the country of origin, viz. UK. The submission can't be doubted that Scotch Whiskey is internationally renowned as a whiskey pertaining to the Scottish province of UK. For this reason itself it has been recognised and acknowledged with a special GI tag across the world. The possibility of loss of business and damage to goodwill arising out of the use or misuse of brand of Scotch Whiskey can't be ruled out if during the trial later, it is established by the plaintiffs that JKE (Respondent) is infringing upon the registered GI of petitioner. However, *whether* the infringement has actually happened or not; *whether* the loss of business or damages as averaged in the suit by the petitioner is all a matter of trial, yet to be tested through evidence, exchange of pleadings and examination of witnesses. On the face of it, it can't be inferred that plaint of petitioner fails to disclose a 'cause of action' miserably and thus liable to be dismissed summarily. Therefore the contention as agitated in the O7/R11(a) application on behalf of the JKE (Respondent) about the plaint failing to disclose any cause of action is also without merit and liable to be rejected. The respondent possesses the liberty to raise all contention on facts as well as law before the Trial Court as the suit progresses at an appropriate stage and at the stage of O7/R11(a) these contentions can't be allowed to be resorted to.

38. In view of the above, the Impugned Order dated 28.10.2021 deserves to be and is hereby set aside. The Trial Court is directed to proceed in accordance with law. Any observations made above shall not affect the adjudication of various issues to be decided during the course of trial before the Trial Court.

39. Accordingly, the Miscellaneous Petition is hereby allowed.
No order as to costs.

**(S.A. DHARMADHIKARI)
JUDGE**

**(HIRDESH)
JUDGE**

Vatan