

\$~23

* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ CS(COMM) 105/2020

V GUARD INDUSTRIES LTD. Plaintiff

Through: Mr. Sachin Gupta, Mr. Pratyush
Rao, Ms. Jasleen Kaur,
Ms. Rajnandini Mahajan,
Advocates alongwith AR of the
Plaintiff.

versus

TAISONG CHONG AND ORS. Defendants

Through: None.

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

%

06.03.2020

I.A. 3181/2020 (*exemption*)


The application for exemption is allowed, subject to the plaintiff granting inspection of the documents filed, as and when required to do so, or filing the original documents at the stage of admission/denial.

I.A. 3180/2020 (*under Order XI Rule 1(4) seeking leave to file additional documents*)

This is an application for filing of additional documents. The additional documents may be filed by the plaintiff, strictly in accordance with the provisions of the Commercial Courts Act, 2015.

The application is disposed of.

CS(COMM) 105/2020


12/3/20
Court Master
High Court of Delhi
New Delhi

Page 1 of 7 .

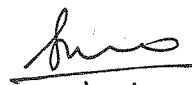
CS(COMM) 105/2020

1. The plaint be registered as a suit. Summons be issued to the defendants by all permissible modes on filing of process fee. Summons may be served by e-mail in addition, at the e-mail addresses mentioned in the memo of parties.
2. The summons shall indicate that the written statements must be filed within thirty days from the date of receipt of the summons. The defendants shall also file affidavits of admission/denial of the documents filed by the plaintiff, failing which the written statements shall not be taken on record.
3. The plaintiff is at liberty to file a replication thereto within fifteen days after filing of the written statements. The replication shall be accompanied by affidavits of admission/denial in respect of the documents filed by the defendants, failing which the replication shall not be taken on record.
4. It is made clear that any unjustified denial of documents may lead to an order of costs against the concerned party.
5. Any party seeking inspection of documents may do so in accordance with the Delhi High Court (Original Side) Rules, 2018.
6. List before the Joint Registrar for marking of exhibits on 11.05.2020.
7. List before the Court on 15.09.2020.

I.A. 3182/2020 (Application under Order XXXIX Rules 1 & 2 for ex-parte ad-interim order)

1. Issue notice. Notice may be served upon the defendants by e-mail in addition, at the e-mail addresses mentioned in the memo of parties.

CS(COMM) 105/2020


12/3/20
Court Master
High Court of Delhi
New Delhi

Page 2 of 7

2. The plaintiff was incorporated in the year 1977, and carries on business of manufacturing, distributing and marking/selling of electrical and electronic apparatus and instruments under the trademark "V-GUARD". It has several registrations for the mark "V-GUARD" and various formative marks, which are enumerated in paragraph 8 of the plaint. The plaintiff has also established a website under the domain name www.vguard.in, on which the plaintiff's products are featured in detail. The plaintiff has also registered several other domain names which include the word "V-GUARD", as enumerated in paragraph 10 of the plaint. It is stated in the plaint that the plaintiff's sales have exceeded ₹2,000 crores in the year 2016-17 and each financial year since then. The plaintiff has also successfully filed oppositions to registrations of similar marks, and has also been granted *ex-parte ad-interim* orders protecting its trademark in several litigations before this Court. Copies of some of the orders passed in favour of the plaintiff have been placed on record.


3. The claim of the plaintiff in the present suit concerns the registration of the domain name "www.vguard.com" by defendant no.1. The plaintiff's case is that defendant no.1 is a cyber squatter, and has registered the impugned domain name only in order to interfere with the plaintiff's right in its registered mark. Defendant no. 2 is the registrar of the impugned domain name. Defendant no. 3 is an Indian company, which is a group company of defendant no.2. The plaintiff claims that defendant no.1 owns over 1900 domain names, which incorporate various well known trademarks, and also other trademarks of smaller entities. The website under the impugned domain name, and other domain names registered by defendant No.1 diverts to a site where the domain names are

offered for sale. The plaintiff alleges that defendant no. 1 registers domain names pertaining to trademarks of third parties in bad faith, and thereafter offers them for sale at exorbitant amounts.

4. The plaintiff has, prior to filing of this suit, invoked the dispute resolution mechanism provided by the Internet Corporation for Assigned Names and Numbers (“ICANN”) established by the World Intellectual Property Organization (“WIPO”). The plaintiff filed a complaint against defendant no. 1 on 12.09.2018, to which the defendant no. 1 responded on 04.10.2018. It was the case of defendant no. 1 that he intends to use the domain name in connection with a “virtual security guard business” in the near future. The disputes resolution mechanism of ICANN came to the conclusion that the conflicting domain names are confusingly similar to each other, and that the contention of defendant no. 1 regarding the intention to use the domain name was not substantiated. However, the plaintiff’s complaint was rejected on the ground that the defendant had not registered the domain name in bad faith.


5. The plaintiff filed a second complaint on 27.03.2019, claiming that fresh evidence of *mala fides* of defendant no. 1 had come to light. However, the plaintiff’s second complaint was held to be inadmissible by the WIPO arbitration and mediation centre.

6. As far as the impugned domain name is concerned, the plaintiff states that the domain name was initially offered for sale for an amount of GBP 50,000/- but, after the rejection of the plaintiff’s first complaint to the dispute resolution mechanism, defendant no. 1 has enhanced the asking price of the domain name to USD 75,000/-. According to the plaintiff, this is further evidence of the *mala fides* of defendant no.1.


12/3/20

7. In these circumstances, Mr. Sachin Gupta, learned counsel for the plaintiff, seeks an *ex-parte ad interim* order restraining the defendants from transferring or registering any transfer of the impugned domain name, until the adjudication of this application. Mr. Gupta has drawn my attention to a judgment of this Court in *Beiersdorf A.G. vs. Ajay Sukhwani and Anr.*, 156 (2009) DLT 83, wherein this Court has held that the administrative proceedings under the ICANN dispute resolution mechanism does not constitute a binding adjudication. Paragraph 20 of the said judgment is reproduced below:-

“20. It is not possible to accept the contention of the defendant that the decision of the administrative panel is an award or a binding decision which operates as res judicata. It is not adjudication in a strict sense. Parties do not appear and address arguments before the administrative panel. No evidence is recorded. There is no cross-examination. Decision of the administrative panel is an administrative decision, which is open to challenge in a court of law if the domain name is cancelled/transferred. When a complaint is dismissed, the complainant, if he is not satisfied with the decision, is at liberty to initiate legal proceedings against the registrant therein in accordance with law in a Court of competent jurisdiction. ICANN under Clause 3 of the policy will cancel or transfer registration on decision by a Court of competent jurisdiction requiring such action. Finality is not attached to the decision of the administrative panel. For res judicata to apply, the decision between the parties should have attained finality. Civil suit is maintainable before and after administrative proceedings. It is also not possible to accept the contention of the defendants that the decision of the administrative panel is an award. There is no arbitration agreement between the parties. Administrative panel is not an arbitrator. There is no


12/3/20
Court Master
High Court of Delhi
New Delhi

adjudication of mutual rights by an arbitrator. The words of the Policy itself indicate and are a pointer that the decision of the panel is administrative. Registration of domain name is an administrative process and when a challenge is made to the registration of the domain name, an administrative decision is taken on the basis of parameters or guidelines. It cannot be said that the administrative decision is an award which can be enforced as a domestic award or as an international award or is recognized under Section 43 of the Arbitration and Conciliation Act, 1996. It is also not a protective shield that bars or prohibits Court proceedings. Clause 4(k) of the Policy permits Court proceedings during pendency of a complaint or even after decision of the complaint. The object behind the Policy is to ensure expeditious, cheap and speedy disposal of complaints regarding registration of domain name. Policy creates a contract based scheme for addressing disputes between the domain name registrants and third parties challenging the registration and use of domain name. The unique contractual arrangement renders the provision of judicial review of arbitration awards inapplicable. Law recognizes that there can be decisions, which are not awards or Court decisions [Refer K.K. Modi v. K.N. Modi, reported in II (1998) SLT 295 = I(1998) CLT 72(SC) = (1998) 3 SCC 573].”

8. In these circumstances, I am of the view that the plaintiff has made out a good *prima facie* case for the grant of the *ad-interim* order sought. The impugned domain name is clearly identical to the registered trademark of the plaintiff. The facts disclosed by the plaintiff *prima facie* show that defendant no. 1 has registered the impugned domain name, not for legitimate business purposes, but only in order to sell the same and exploit the plaintiff's interest in protecting its intellectual property. The balance of convenience is also in favour of *status quo* being maintained


12/3/20
Court Master
High Court of Delhi
New Delhi

rather than permitting third party interests to intervene at this stage. I am satisfied that the plaintiff would suffer irreparable injury and prejudice, if limited injunctive relief is not granted at this time.

9. Consequently, the defendants are restrained, until the next date of hearing, from transferring or registering any transfer of the impugned domain name "www.vguard.com".


10. The provision of Order XXXIX Rule 3 of the Code of Civil Procedure, 1908 be complied with within one week. A copy of the plaint and suit paper book be served upon the defendants, who may file replies to this application within four weeks. Rejoinder, if any, be filed within two weeks thereafter.

11. The defendants are at liberty to file for vacation, variation, or modification of this order, if necessary.

12. List on 15.09.2020.

13. A copy of the order be given *dasti* under the signature of the Court Master.

MARCH 06, 2020
'pv's


12/3/20
Court Master
High Court of Delhi
New Delhi

Sd-
PRATEEK JALAN, J

True Copy

