

LAKHA RAM SHARMA

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v.

BALAR MARKETING PRIVATE LIMITED & ORS.

(Civil Appeal Nos. 10679-10680 of 2013)

NOVEMBER 27, 2013

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[K.S. RADHAKRISHNAN AND A.K. SIKRI, JJ.]

Trade and Merchandise Marks Act, 1958 – ss. 46 and 56 – Trade mark registered in favour of respondent no.1 – Application of appellant for rectification of the registered Trade Mark – Dismissal of – On the ground of delay – Held: On facts, not justified – It prejudiced the rights of the appellant to have the case adjudicated on merits – Appellant was pursuing its remedy with due diligence, without brooking any delay – There was not even a slightest delay on his part in challenging the validity of the trade mark obtained by Respondent No. 1 – It is a different matter that the application was returned by the Delhi High Court for want of territorial jurisdiction – However, the moment it was so returned by the Registrar of the Delhi High Court, the appellant presented the same before the Appellate Board (IPAB) on the same day – Having regard to all the facts, one fails to understand as to how IPAB could dismiss the rectification on the ground that it was filed after a delay of 10 years – Appellant had pursued his remedy in a bonafide manner and if it was filed in a wrong court and if he pursued his remedy wrongly by filing it in Delhi High Court, instead of Madras High Court, principles enshrined in s.14 of the Limitation Act clearly get attracted – Matter remitted back to IPAB to decide the Rectification application on merits – Limitation Act, 1963 – s.14.

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The appellant filed suit for injunction against respondent no.1 for using his trademark. During pendency of the suit, Respondent No.1 obtained registration of the said trade mark in its favour. The

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A appellant filed application under Sections 46 and 56 of
 the Trade and Merchandise Marks Act in the High Court
 of Delhi for rectification of the registered Trade Mark.
 Respondent no.1 objected to the territorial jurisdiction of
 the Delhi High Court to entertain the application. The
 B objection was upheld by the Delhi High Court. The
 application filed in Delhi High Court was, thus, directed
 to be returned for presentation before the appropriate
 Court. Meanwhile, the Intellectual Property Appellate
 Board ('IPAB') came to be constituted which was given
 C exclusive jurisdiction to deal with such applications. The
 Registrar of Delhi High Court returned the Rectification
 application to the appellant, whereupon he presented the
 same before the IPAB. The IPAB dismissed the
 D Rectification application on the ground that it was filed
 after a lapse of about 10 years from the date when
 registration was obtained by Respondent No.1, and
 therefore was belated. The order was affirmed by the
 High Court, and therefore the instant appeals.

Allowing the appeals, the Court

E HELD: 1. The line of action taken by the IPAB as well
 as the High Court in dismissing the Rectification Petition
 filed by the appellant on the ground of delay is wholly
 erroneous, and it has prejudiced the rights of the
 F appellant to have the case adjudicated on merits. [Para
 10] [740-H; 741-A]

2. It is manifest that the appellant has been pursuing
 its remedy with due diligence, without brooking any
 delay. The appellant claims that he has been using the
 G trade mark KUNDAN/ KUNDAN CAB and the name
 Kundan Cables India since 1980. In fact he was the
 supplier of these goods to Respondent No. 2. When the
 appellant came to know that Respondent No. 1 was
 using the trade mark Kundan, he immediately filed the suit
 H for injunction against Respondent No. 1 in the District

Court of Delhi which shows that in all earnestness, it wanted to protect his interest in the said trade mark. [Para 11] [741-B-D] A

3. During the pendency of this suit Respondent No. 1 had obtained registration of trade mark 'KUNDAN' in its favour. This happened in the year 1995. The appellant promptly filed the petition under Section 45 and 46 of the Trade and Merchandise Marks Act for rectification of the said registered trade mark and for cancelling/ expunging the same. This petition was filed on 2.5.1995. Therefore as far as the appellant is concerned, there was not even a slightest delay in challenging the validity of the trade mark obtained by Respondent No. 1. It is a different matter that this petition was returned for want of territorial jurisdiction. However, the moment this petition was returned by the Registrar i.e. on 2.11.2004, it was presented before the IPAB on the same day. Having regard to all these facts one fails to understand as to how the Appellate Board could dismiss the petition on the ground that it was filed after a delay of 10 years. The appellant had pursued his remedy in a bonafide manner and if it was filed in a wrong court and if he has pursued his remedy wrongly by filing it in Delhi High Court, instead of Madras High Court, principles enshrined in Section 14 of the Limitation Act clearly get attracted. The impugned order of the IPAB as well as High Court are liable to be set aside. The matter is remitted back to IPAB to decide the Rectification Petition on merits. [Paras 12, 13] [741-D-H; 742-A-B] B
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CIVIL APPELLATE JURISDICTION : Civil Appeal Nos. 10679-10680 of 2013. G

From the Judgment and Order dated 29.06.2012 of the High Court of Judicature at Madras, in Writ Petition No. 16070 of 2012 and MP.No. 1 of 2012. H

A Rajeev Sharma, Sahil Bhalaik, Uddyam Mukherjee,
Kundan Sharma for the Appellant.

S. Janani, S. K. Bansal, Sunando Raha, Deepak Goel for
the Respondents.

B The Judgment of the Court was delivered by

A.K. SIKRI, J. 1. Leave Granted.

2. Before advertng to the core issue it would be apposite
C to note down the genesis of the dispute.

3. The appellant herein is the proprietor of a concern by
the name of Kundan Cables which is engaged in the
manufacture of electric accessories and fittings including
electrical switches, main switches, fuse units, wires and cables
D and electrical irons. Since 1980 the petitioner has been using
the trademark Kundan/ Kundan Cab and the trade name
Kundan Cables India in respect of the said goods. The
appellant has also been supplying the said goods under the
E aforesaid trade marks and names to Respondent No. 1.

4. Sometime in the year 1994, the appellant came to know
that Respondent No. 1 was using the Trade Mark 'KUNDAN'.
The appellant immediately filed a suit for injunction in the District
Court at Delhi which was registered as Suit No. 102 of 1994.
F During the pendency of the said suit, Respondent No. 1
obtained registration of the said Trade Mark in its favour. The
registration was obtained by Respondent No. 1 by virtue of an
assignment deed executed by Respondent No. 2 in respect of
a pending application for registration. This prompted the
G appellant to file an application under Sections 46 and 56 of the
Trade and Merchandise Marks Act in the High Court of Delhi
for rectification of the registered Trade Mark No. 507445 in
class 9 and for cancelling/ expunging the same. It was filed on
2.5.1995. In the said proceedings an objection was raised by

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Respondent No. 1 as to the territorial jurisdiction of the Delhi High Court to entertain the said petition. A

5. Vide orders dated 10.10.2001, a single Judge of the Delhi High Court upheld the objection regarding territorial jurisdiction and directed that the petition be returned for presentation before the appropriate Court. This order was upheld by the Division Bench. A Special Leave Petition against the order of the Division Bench being Special Leave Petition (Civil) No. 16800 of 2002 was also dismissed vide order dated 20.9.2002. B C

6. As per the aforesaid orders of the High Court, which was upheld by this Court also, the appellant was supposed to file the petition for rectification of the registered trade mark before the appropriate Court, as Delhi High Court did not have the territorial jurisdiction to adjudicate the matter. The petition filed in Delhi High Court was, thus, directed to be returned for presentation before the appropriate Court. However, before the application for rectification could be returned by the Registry of Delhi High Court, the Intellectual Property Appellate Board (hereinafter to be referred as 'IPAB') was constituted on 15.9.2003. On the establishment of this IPAB, such rectification applications are now to be entertained by the IPAB which has the exclusive jurisdiction to deal with such applications. The Registrar of Delhi High Court passed the orders dated 29.10.2004 directing return of the Rectification Petition to the Counsel for the appellant and it was finally returned on 2.11.2004. On same date, the appellant presented the petition before the IPAB. D E F

7. Notice was issued by the IPAB to the Respondent Nos. 1 & 2 who filed their replies. The Respondent No. 1 filed a miscellaneous petition, being M.P. No. 31 of 2005 on the ground that the Rectification Petition could not have been filed as a continuity of the earlier proceedings before the Delhi High Court. For uncertain reasons, the matter dragged on before the G H

A IPAB for quite sometime and ultimately vide orders dated
9.3.2012 the IPAB dismissed the Rectification Petition on the
ground that it was filed after a lapse of about 10 years from
the date when registration was obtained by Respondent No.
1. The IPAB took the view that Rectification Petition was
B wrongly filed in the Delhi High Court as jurisdiction vested in
the Madras High Court. Therefore, presentation of the petition
before the IPAB on 2.11.2004 was taken as the date of filing
the petition wherein rectification order was challenged. Since
the registration was granted in the year 1995, on this basis the
C IPAB took the view that Rectification Petition was filed after a
period of almost 10 years from the date of registration and
therefore it was belated.

8. Aggrieved by the order of the IPAB dismissing the
petition, the appellant filed Writ Petition before the High Court
D which has also been dismissed, as the view taken by the IPAB
has found favour with the High Court.

9. A perusal of the order of the IPAB would disclose that
as per the Appellate Board though there is a delay of 10 years,
E no reason has been assigned by the appellant for the said
delay and the Rectification Petition was not presented within
time before the Madras High Court. In the Writ Petition
challenging this order the appellant had submitted that the
appellant had pursued its remedy by filing the petition before
F the Delhi High Court on 2.5.1995 itself that is immediately after
the grant of registration of the trade mark Kundan in favour of
Respondent No. 1. However, this argument is brushed aside
by the High Court with the remarks that the petition was filed
before a Court viz. the High Court of Delhi which did not have
G territorial jurisdiction and therefore the appellant cannot take
advantage of filing such a petition before the Court which
lacked the requisite jurisdiction.

10. We are of the view that the aforesaid line of action
H taken by the IPAB as well as the High Court in dismissing the

Rectification Petition filed by the appellant on the ground of delay is wholly erroneous, and it has prejudiced the rights of the appellant to have the case adjudicated on merits. A

11. From the events disclosed above, it is manifest that the appellant has been pursuing its remedy with due diligence, without brooking any delay. The appellant claims that he has been using the trade mark KUNDAN/ KUNDAN CAB and the name Kundan Cables India since 1980. In fact he was the supplier of these goods to Respondent No. 2. When the appellant came to know that Respondent No. 1 was using the trade mark Kundan, he immediately filed the suit for injunction against Respondent No. 1 in the District Court of Delhi which shows that in all earnestness, it wanted to protect his interest in the said trade mark. B C

12. During the pendency of this suit Respondent No. 1 had obtained registration of trade mark 'KUNDAN' in its favour. This happened in the year 1995. The appellant promptly filed the petition under Section 45 and 46 of the Trade and Merchandise Marks Act for rectification of the said registered trade mark and for cancelling/ expunging the same. This petition was filed on 2.5.1995. Therefore as far as the appellant is concerned, there was not even a slightest delay in challenging the validity of the trade mark obtained by Respondent No. 1. It is a different matter that this petition was returned for want of territorial jurisdiction. However, the moment this petition was returned by the Registrar i.e. on 2.11.2004, it was presented before the IPAB on the same day. Having regard to all these facts we fail to understand as to how the Appellate Board could dismiss the petition on the ground that it was filed after a delay of 10 years. The appellant had pursued his remedy in a bonafide manner and if it was filed in a wrong court and if he has pursued his remedy wrongly by filing it in Delhi High Court, instead of Madras High Court, principles enshrined in Section 14 of the Limitations Act clearly get attracted. D E F G

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A 13. We are, therefore, of the opinion that impugned order of the IPAB as well as High Court are liable to be set aside. These appeals are accordingly allowed. As a consequence the matter is remitted back to IPAB to decide the Rectification Petition on merits.

B 14. No costs.

B.B.B.

Appeals allowed.