

MANU/SC/1226/2013

Equivalent/Neutral Citation: 2014(1)ABR541, 2013XII AD (S.C.) 606, AIR2014SC518, 2014(1)ALLMR951, 2014(2)ALT62, 2014 1 AWC684SC, 2013 (4) CCC 430 , 2014(2)CDR459(SC), 2014(2) CHN (SC) 120, 2013 INSC 789, JT2013(15)SC126, 2014-1-LW105, MIPR2014(1)1, 2014(57)PTC225(SC), 2014(2)RCR(Civil)772, 2013(14)SCALE241, (2014)14SCC331, 2014 (3) SCJ 225, [2013]12SCR735, (2014)3WBLR(SC)218

IN THE SUPREME COURT OF INDIA

Civil Appeal Nos. 10679-10680/2013 (Arising out of SLP (C) Nos. 28967-28968 of 2012)

Decided On: 27.11.2013

Lakha Ram Sharma **Vs.** Balar Marketing Private Limited and Ors.

Hon'ble Judges/Coram:

K.S. Panicker Radhakrishnan and A.K. Sikri, JJ.

Counsels:

For Appellant/Petitioner/Plaintiff: Rajeev Sharma, Sahil Bhalaik, Uddiyam Mukherjee and Kundan Sharma, Advs.

For Respondents/Defendant: S. Janani, S.K. Bansal, Sunando Raha and Deepak Goel, Advs.

Case Note:

Trade and Merchandise Marks Act, 1958 - Sections 45 and 46--Rectification of registered trade mark and for cancelling/expunging same--Appellant claims that he has been using trade mark KUNDAN/KUNDAN CAB and name Kundan Cables India since 1980--When appellant came to know that respondent No. 1 was using trade mark Kundan, he immediately filed suit for injunction against respondent No. 1--In year 1995, during pendency of suit respondent No. 1 obtained registration of trade mark 'KUNDAN' in its favour--Appellant filed rectification petition under Sections 45 and 46, challenging validity of trade mark obtained by respondent No. 1--Appellant's petition returned for want of territorial jurisdiction--However, moment appellant's petition returned by Registrar, it was presented before Intellectual Property Appellate Board (Appellate Board) on same day--Appellant pursued his remedy in bona fide manner and if it was filed in 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 Limitation Act clearly get attracted--Dismissal of rectification petition by Appellate Board and High Court on ground of delay--Wholly erroneous--It had prejudiced rights of appellant to have case adjudicated on merits--Impugned order of Appellate Board and High Court--Set aside--Matter remitted back to appellate court to decide rectification petition on merits.

Ratio Decidendi:

Appeal filed will be considered maintainable in the eyes of law if the remedy has been pursued in a bona-fide manner and that the principle of limitation will not apply

JUDGMENT

A.K. Sikri, J.

1. Leave Granted.

2. Before adverting to the core issue it would be apposite 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 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 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. 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 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 Respondent No. 1 as to the territorial jurisdiction of the Delhi High Court to entertain the said petition.

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.

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.

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 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 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 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 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, 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 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 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 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.

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.

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.

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.

14. No costs.

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