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*** IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ Date of Decision: 17.10.2011

% W.P.(C.) No. 7466/2011 & C.M. No. 16938/2011

AMIT ARORA PETITIONER
Through: Mr. Shailen Bhatia, Ms. Zeba
Tarannum Khan, Advocates for the
petitioner.

Versus

UNION OF INDIA & ORS. RESPONDENTS
Through: Mr. Sachin Datta, CGSC with
Mr. Abhimanyu Kumar, Advocate for
the respondent No. 1/UOI.
Mr. Hemant Singh & Mr. Sachin
Gupta, Advocates for the
respondents No. 2 to 7.

**CORAM:
HON'BLE MR. JUSTICE VIPIN SANGHI**

1. Whether the Reporters of local papers may
be allowed to see the judgment? : **No**
2. To be referred to Reporter or not? : **Yes**
3. Whether the judgment should be reported
in the Digest? : **Yes**

VIPIN SANGHI, J. (Oral)

1. By this writ petition, the petitioner impugns the order dated 01.08.2011 passed by the learned Intellectual Property Appellate Board (hereinafter referred as the Board) in ORA/143/2006/TM/DEL. By the impugned order, the learned Board has rejected the petitioner's

application, i.e. M.P. No. 57/2007 with Costs of Rs.25,000/- and has allowed the respondents application being M.P. No. 57/2008, whereby the respondent had sought amendment of Form 1 and the Statement of Case. The petitioner has been permitted to file its amended counter-statement while making it clear that the petitioner shall strictly confine his response to answer to the amendment, and not to set up an altogether new case, which would require another reply and would saddle the Board with endless series of pleadings.

2. The case of the petitioner is that the petitioner obtained registration of trademark 'Milton' for LPG Gas Stoves in the year 1991. The petitioner preferred C.S.(O.S.) No. 1580/2002 to seek injunction against the respondents and on 09.04.2003, defendants No. 1 to 5 in the said suit, who are respondents No. 2 to 6 in the present petition, were proceeded ex-parte as they failed to appear despite service of summons upon them.

3. An application for rectification of the petitioner's trademark was preferred in Form 1 before the learned Board. The submission of the petitioner is that a perusal of Form 1 would show that the said application was preferred by M/s Milton Plastics Limited, i.e. respondent No.7 herein. In Form 1, the names of respondents No.2 to 6 were conspicuous by their absence. However, in the Statement of

Case filed along with Form 1, the names of respondents No. 2 to 6 were shown as petitioners No. 1 to 5, and M/s Milton Plastics Limited was arrayed as petitioner No. 6.

4. According to the petitioner, upon this discrepancy being noted, the petitioner filed its counter-statement which dealt with only the averments made in Form 1. The petitioner simultaneously moved an application being M.P. No. 57/2007 pointing out the aforesaid discrepancy. The petitioner sought the rejection of the Statement of Case on the ground that respondents No.2 to 6 herein were arrayed as petitioners No. 1 to 5, even though they were not arrayed as petitioners in Form 1. The petitioner did not specifically deal with the averments made in the Statement of Case on the ground that the said statement of case deserves to be rejected.

5. After the said application, i.e. M.P. No. 57/2007 was preferred, the respondent preferred M.P. No. 57/2008. By this application, the respondents sought to amend the Form 1 and the Statement of Case. The following amendments were sought by the respondents.

“A. The first paragraph of form 1 may be amended to read as under:

“We, Dinesh Chandra Vaghani, Kanaiyalal I. Vaghani, Nilesh I. Vaghani, Chiranjiv I. Vaghani, Madhup B. Vaghani and M/s Milton Plastics Limited, the

Petitioners herein at Asian building 4th Floor, R.Kamani Marg, Bailard Estate, Mumbai – 400001 whose address for service is INTTL ADVOCARE, Intellectual Property Attorneys, F-252, Western Avenue, Sainik Farms, New Delhi – 110 062, hereby apply that the entry in the Trade Marks Register in respect of above mentioned trade mark may be removed and rectified in the following manner:-“

B. The first paragraph of Statement of Case may be amended to read as under:

“The Petitioners No. 1 to 5 namely Dinesh Chandra Vaghani, Kanaiyalal I. Vaghani, Nilesh I. Vaghani, Chiranjiv I. Vaghani and Madhup B. Vaghani are the individuals who are the joint proprietors and owners of the trade mark MILTON and Directors of Petitioner No. 6 (the expression includes predecessors in business) M/s Milton Plastics Limited, a company incorporated under the Companies Act, 1956 having its registered office at Asian Building, 4th Floor, R. Kamani Marg, Ballard Estate, Mumbai- 400 001. The present petition has been signed and verified by Mr. Madhup B. Vaghani for himself as Petitioner No. 5 and authorized signatory of all the other Petitioners.”

C. Wherever there is any reference to the term ‘Petitioner’, the same may be amended to read as ‘Petitioners’.”

6. The learned Board heard both these applications and disposed them of by the impugned order. In relation to M.P. No. 57/2007 preferred by the petitioner herein, the Board observed as follows:

“In Form No. 1 the person seeking the revocation is only required to state the legal grounds on which he or they seek the removal of trade mark and it shall be accompanied by the statement of case because bare grounds are not enough. They have to set out the facts which will be proved by evidence and this prayer for eschewal of statement of case is clearly unsustainable. This is an original proceeding and the petitioner seeking removal or rectification will have to set out facts and the law based on which he seeks rectification and the evidence on which he proves the facts set out. He cannot do otherwise. Merely because there was a mis-description in the pleadings, the respondent have come up with what to us seems like a totally unacceptable prayer. The respondent clearly means to protract the proceeding. How can a Court deal with the grounds for rectification without the facts which form the basis? Therefore, this petition M.P. No. 57/2007 is dismissed with cost of Rs.25,000/-.”

7. The application preferred by the respondents being M.P. No. 57/2008 was allowed by the learned Board on the ground that the amendments do not change the grounds on which the rectification/removal is sought.

8. The prayer of the petitioner herein to file an amended counter-statement was held by the learned Board to be unjustified on the ground that if the counter-statement, as originally filed, has dealt with the various grounds on which rectification was sought for, it should have also dealt with the facts based on which the grounds were raised. However, the learned Board allowed the petitioner to file the amended counter-statement, but restricted the said right to answer to the amendment, and not to set up an altogether new case which would require another reply and would saddle the learned Board with endless series of pleadings.

9. The first submission of learned counsel for the petitioner is that the imposition of Costs of Rs.25,000/- by the Board while disposing of M.P. No. 57/2007 was not justified. He submits that the petitioner had merely pointed out a discrepancy which existed in Form 1 and in the Statement of Case. While Form 1 showed only Milton Plastics Limited as the petitioner, the statement of case showed six petitioners and Milton Plastics Limited was shown as petitioner No. 6. He submits that this discrepancy was acknowledged by the respondents, who themselves sought amendment by moving M.P. No. 57/2008.

10. Learned counsel further submits that the petitioner had not responded to the Statement of Case while filing the counter-statement

as, according to the petitioner, the said Statement of Case was not sustainable as it was discrepant when compared to Form 1. Since the amendment had been allowed to be carried out in Form 1 and in the Statement of Case, the petitioner was entitled to respond to the amended Form 1 and Statement of Case. The restriction imposed by the learned Board on the said right in the impugned order is stated to be unjustified, since the petitioner had not responded to the earlier Statement of Case at all.

11. On the other hand, Mr. Hemant Singh, learned counsel for the respondents, submits that the petitioner could have chosen to file the counter-statement not only to Form 1 but also to the Statement of Case when it was earlier filed, and the same could have been done without prejudice to the petitioner's application moved as M.P. No. 57/2007. The petitioner was obliged to file the reply within two months in terms of Rule 10 of the Intellectual Property Appellate Board (Procedure) Rules, 2003. The application for rectification was preferred in the year 2006. The grant of permission to the petitioner to file an exhaustive counter-statement at this stage would mean that the petitioner would file an additional evidence as well. He submits that the entire proceedings, which were listed for final disposal before the Board, would be relegated. He submits that this would be contrary to the purpose and spirit of the Act which, inter alia, is expeditious

disposal of rectification applications.

12. Having heard learned counsel for the parties, I am inclined to partially allow the present petition. When the petitioner opted to file its counter-statement, as contended by the respondents, the petitioner could have filed its counter-statement not only to Form 1 but also to the Statement of Case. The same could have been done without prejudice to the petitioner's contention that the Statement of Case, as filed, was not maintainable as it was discrepant with Form 1. But there is no rule which compelled the petitioner to adopt that course of action. There is no rule which puts a party adopting the course of action, as adopted by the petitioner, to notice that if he does not deal with the Statement of Case (of which he is seeking the striking off) and his application to seek striking off is subsequently rejected, he would suffer the prospect of then being denied the right to respond to the Statement of Case. Pertinently, the respondents were also laid back in their attitude, and did not take any steps between 2007 (when M.P. No.57/2007 was moved) and 01.08.2011 (when the impugned order was passed) to seek any direction from the learned Board, to compel the petitioner to file its counter statement to the Statement of Case without prejudice to the petitioners rights to press their application M.P. No.57/2007. The Board did not issue any such direction on its own in all these years.

13. Though the civil procedure code is not strictly applicable to the proceedings before the Board, an analogy can certainly be drawn therefrom. The application preferred by the petitioner i.e. M.P. No.57/2007 was in the nature of an application under Order 7 Rule 11 C.P.C. whereunder the defendant is entitled to seek, in an appropriate case, the rejection of the plaint. The Supreme Court, in ***Saleem Bhai and Others v. State of Maharashtra and Others***, (2003) 1 SCC 557, was dealing with the challenge to an order of the trial court, which was affirmed by the High Court, whereby the petitioner/defendant in the suit was directed by the trial court to file his written statement during the pendency of his application under Order 7 Rule 11 C.P.C. The Supreme Court observed as follows:

*“9. A perusal of Order VII Rule 11 C.P.C. makes it clear that the relevant facts which need to be looked into for deciding an application thereunder are the averments in the plaint. The trial court can exercise the power under Order VII Rule 11 C.P.C. at any state of the suit - before registering the plaint or after issuing summons to the defendant at any time before the conclusion of the trial. For the purposes of deciding an application under Clauses (a) and (d) of Rule 11 of Order VII C.P.C., the averments in the plaint are germane; the pleas taken by the defendant in the written statement would be wholly irrelevant at that stage, therefore, **a direction to file the written statement without deciding the application under***

Order VII Rule 11 C.P.C. cannot but be procedural irregularity touching the exercise of jurisdiction by the trial court. The order, therefore, suffers from non-exercising of the jurisdiction vested in the court as well as procedural irregularity. The High Court, however, did not advert to these aspects.” (emphasis supplied

14. I am not suggesting that the non-applicant in the proceedings before the Board cannot be directed or required to file its counter statement, with reservations, during the pendency of his application to seek rejection of the Form 1/Statement of Case. However, if there is no direction issued by the Board to the non-applicant for filing his counter statement without prejudice to his rights and contentions, so as to prevent delays and protraction of the proceedings, the non-applicant cannot be condemned and denied the opportunity to file his counter statement once his application for striking of the Form 1/Statement of Case is rejected.

15. The lapse on the part of the petitioner, as aforesaid, cannot and should not, in my view, prejudice the rights & contentions of the petitioner. The petitioner should be permitted to raise its defences and pleas on merits which appear not to have been raised as the petitioner has not, in fact, dealt with the averments made by the respondents in

the Statement of Case. The confinement of the right of the petitioner to file an amended counter-statement to deal only with the amended Form 1 and Statement of Case would deprive the petitioner an opportunity to deal with the Statement of Case, as amended.

16. In my view, the decision of the Supreme Court in ***Gurdial Singh & Others Vs. Raj Kumar Aneja & Others***, AIR 2002 SC 1003, could not have been invoked in the present case. The earlier counter-statement of the petitioner, admittedly, did not at all deal with the Statement of Case filed by the respondents.

17. The submission of Mr.Hemant Singh that the proceedings in the case would be relegated is no doubt correct. However, the respondents are themselves to blame for this situation. Though the application of the petitioner - being M.P. No. 57/2007 has been rejected, the basis of that application has been accepted & acknowledged, not only by the respondent but also by the learned Board by allowing the respondents application for amendment, i.e. M.P. No. 57/2008. However, it can be ensured that there is no further delay in the matter by passing appropriate orders.

18. Considering that the petitioner choose not to file its counter-statement to the Statement of Case, as initially filed, and thereby delayed the proceedings, I am not inclined to interfere with the order

passed by the learned Board imposing Costs of Rs.25,000/- on the petitioner. The petitioner is granted only one opportunity to file their counter-statement with further evidence that he may choose to file, within three weeks from today. No further time shall be granted either by this Court or by the learned Board. In case the same is so filed, the respondents may file their response thereto within three weeks thereafter with additional evidence, if any.

The petition stands disposed of in the aforesaid terms.

OCTOBER 17, 2011
'BSR'

VIPIN SANGHI, J.