

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 20.12.2016

CORAM :

The Hon'ble MR.SANJAY KISHAN KAUL, CHIEF JUSTICE

AND

The Hon'ble MR.JUSTICE M.SUNDAR

O.S.A. No.251 of 2016

Daystar Television Network India
Pvt. Ltd., Rep. by its Managing
Director, Mr.A.Jasper New Prabhu. ... Appellant/Plaintiff

-vs-

1.Word of God Fellowship,
Inc.,/d/b/a/Daystar Television
Network, No.3901, Highway 121,
Bedford, Texas - 760 21, U.S.A..

2.Daystar Broadcasting Network
Pvt. Ltd., Plot No.77, Balaji Swarnapuri
Colony, Behind Donbosco School,
Sanjeevreddy Nagar,
Hyderabad-500 018. ... Respondents

Appeal filed under Order XXXVI Rule 9 of O.S. Rules read with Clause 15 of the Letters Patent against the order dated 15.12.2014 in Appln. No.6786 of 2014 in C.S.No.340 of 2011 on the file of original side of this Court.

For Appellant : Mr.Giridhar
for M/s.Giridhar and Sai

J U D G M E N T

(Judgment of the Court was delivered by The Hon'ble Chief Justice)

The appellant is the original plaintiff in the suit who entered into a Marketing and Distribution Agreement dated 01.05.2007 with the first respondent to market and distribute the rights relating to Daystar Network Television, USA and to provide Word of God Fellowship (WOFG) programme throughout the

territory of India. The agreement was for a period of five years with the renewal clause of option for a further period of five years. The appellant claims to have taken steps in pursuance to the agreement, but things did not work out as expected, which resulted in a draft termination agreement being sent to the appellant. The appellant was aggrieved by the terms of the draft termination agreement and sent even a response. The fact, however, is that the agreement was ultimately terminated, which has given rise to disputes. The appellant, thus, filed a suit making multiple prayers. The prayer is reproduced as under:

- a) A decree of permanent injunction restraining the Defendants, their men, agents, representatives, successors, or assigns or anyone claiming under them from downlinking, distributing the signals or telecasting Daystar Television Network channel in any place or media in India otherwise than through the Plaintiff.
- b) A decree of permanent injunction restraining the Defendants, by themselves, their men, agents, representatives successors, assigns, or any one claiming through or under them from in any manner infringing the Plaintiff's registered trademark 'DAYSTAR TELEVISION NETWORK;' by using the said name in any television programmes, stationery, broadcast, advertisements, websites, propaganda literature or in, any other manner or media in India whatsoever;
- c) A decree of permanent injunction restraining the Defendants by themselves, their partners/directors as the case may be, heirs, legal representatives, successors-in-business, assigns, servants, agents, distributors, retailers, stockists or any one claiming through them from in any manner passing off or enabling others to pass off their goods, services and business by use of offending trademark 'DAYSTAR TELEVISION NETWORK' as trade name or in any other manner whatsoever;
- d) A decree be ordered to the 2nd Defendant to render true and faithful accounts of profits earned by them on account of adoption and use of trademark 'DAYSTAR TELEVISION NETWORK' in relation to their services and the Plaintiff undertakes to pay actual court fees after the 2nd Defendant renders the accounts;
- e) To direct the 1st Defendant to pay to the Plaintiff compensation of a sum of Rs.75,00,000 (Rupees Seventy five lakhs only) together with interest at 12% per annum from the date of Plaint to the date of payment;

f) A decree for costs of the suits

2. An application A.No.6786 of 2014 was filed by the first defendant for stay of further proceedings in the suit predicated on a proceeding for rectification being filed before the Intellectual Property Appellate Board (IPAB). This application was allowed vide the impugned order dated 15.12.2014 which is now sought to be assailed in appeal.

3. We may note at the inception that this appeal has been brought up before us for the first time two years after the impugned order has been passed. The discretion, thus, exercised by the learned Single Judge in terms of the statutory provision of the Trade Marks Act, 1999 (hereinafter referred to as 'the said Act') was practically unassailable for this period of time.

4. On the merits, learned counsel for the appellant cannot dispute the reasoning contained in the impugned order in view of the statutory provision of Section 124(1) of the said Act, which is reproduced as under:

124. Stay of proceedings where the validity of registration of the trade mark is questioned, etc. -

(1) Where in any suit for infringement of a trade mark -

(a) the defendant pleads that registration of the plaintiff's trade mark is invalid; or

(b) the defendant raises a defence under clause (e) of sub-section (2) of section 30 and the plaintiff pleads the invalidity of registration of the defendant's trade mark, the Court trying the suit (hereinafter referred to as the Court) shall, -

(i) if any proceedings for rectification of the register in relation to the plaintiff's or defendant's trade mark are pending before the Registrar or the Appellate Board, stay the suit pending the final disposal of such proceedings;

(ii) if no such proceedings are pending and the Court is satisfied that the plea regarding the invalidity of the registration of the plaintiff's or defendant's trade mark is prima facie tenable, raise an issue regarding the same and adjourn the case for a period of three months from the date of the framing of the issue in order to enable the party concerned to apply to the Appellate Board for rectification of the register.''

5. It is, however, the submission of the learned counsel for the appellant that the suit contains multiple prayers and though

prayers in respect of infringement of trade mark, passing off, damages, etc. may be governed by the said provision, prayer (a) must continue and the suit must proceed. He submits that stay of original proceedings is an exception to the rule and thus, the provision referred to aforesaid of the said Act must be construed strictly.

6. In our view, it is not as if the learned Single Judge has not dealt with the issue. The whole dispute arises out of termination by the defendants and we find ourselves in agreement with the view of the learned Single Judge as the prayer of clause (a) cannot be segregated in itself from the remaining prayers so as to continue the trial only in respect of prayer (a) in the suit while other prayers remain stayed.

7. Thus, on merits also we do not find any reason to interfere in the appeal.

8. There is, however, one aspect which is of concern arising from the submission of the learned counsel for the appellant that the non-appointment of the Chairperson of the IPAB since May 2016 has practically stalled the proceedings before the IPAB and thus, he is faced with the situation where on one hand, the suit cannot proceed because of the rectification proceedings pending before the IPAB and on the other hand, the IPAB is non-functional in the absence of the Chairperson.

9. We had, thus, called upon the learned Assistant Solicitor General, as this issue had arisen even in another proceedings filed before us qua non-appointment of the Chairperson. In fact, in proceedings in O.S.A.No.428 of 2008, it has been noticed that there is not even Vice-Chairperson now and only the technical member remains. On 21.11.2016, we had wondered of the position which would be prevalent in the next three months before the Board, but there is another ramification of the same which has been brought to our notice now. The reason given for the delay is the proposed amalgamation of the IPAB and Copyright Board which was stated to be requiring few months. It is, however, a matter of concern to us that the issue is not only one of the IPAB not functioning, but consequently even suits not proceeding, where rectification proceedings are pending before the Board. Thus, in our view, the intent of the legislature contained in Section 124 (1) of the said Act has actually been defeated by the non-appointment of the members of the IPAB. Whatever needs to be done, needs to be done urgently. We, thus, call upon the Central Government to bestow urgent consideration to the issue in view of ramifications which we have set out aforesaid.

10.Original Side Appeal is dismissed with the aforesaid observations. No costs.

Sd/-
Assistant Registrar(CS III)

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Sub Assistant Registrar

sra

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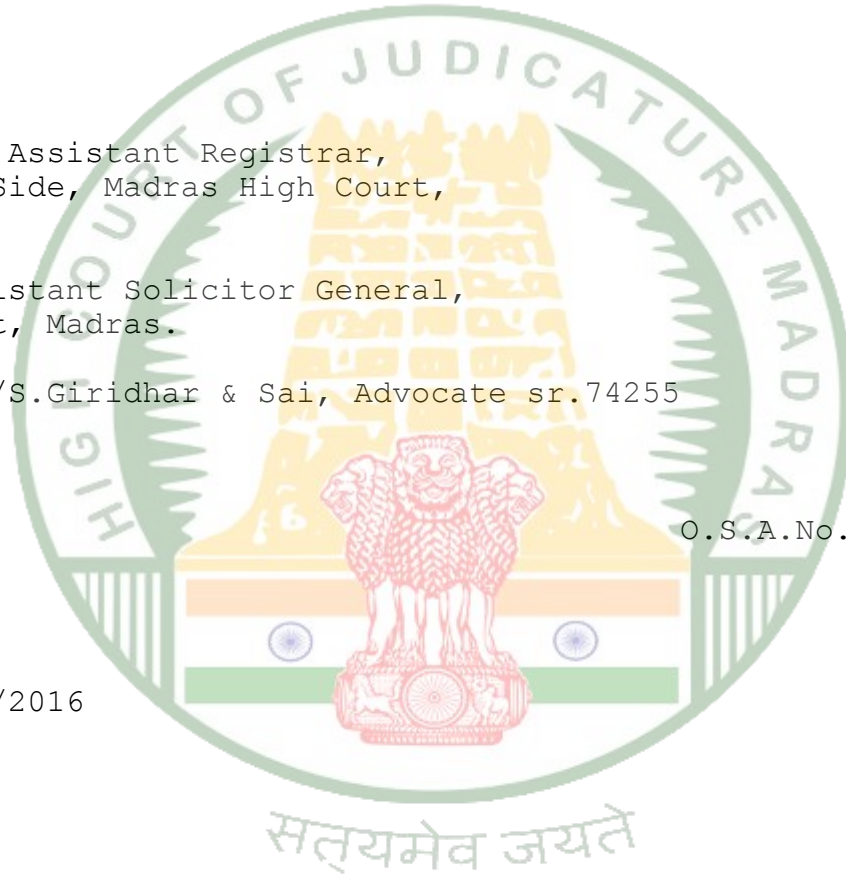
1.The Sub Assistant Registrar,
Original Side, Madras High Court,
Chennai.

2.The Assistant Solicitor General,
High Court, Madras.

+lcc to M/S.Giridhar & Sai, Advocate sr.74255

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