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

+ FAO(OS) 112/2017 & CM No.13910/2017 (*for stay*)

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Date of Decision : 20th November, 2017

RAMESH MARDIA & ANR

..... Appellant

Through: Mr. C.M. Lall, Sr. Adv. with
 Mr. P. Buttan, Mr. Rupal
 Bahl and Mr. Fahad Imtiaz,
 Advs.

versus

M/S KOXAN INDIA & ANR

..... Respondent

Through: Mr. A.K. Verma with Mr.
 Siddharth Yadav, Mr. Vibhu
 Verma and Mrs. Ishita
 Yadav, Advs.

CORAM:

HON'BLE THE ACTING CHIEF JUSTICE

HON'BLE MR. JUSTICE C. HARI SHANKAR

JUDGMENT (ORAL)

GITA MITTAL, ACTING CHIEF JUSTICE

1. By this appeal, the appellants have assailed the order dated 15th March, 2017 passed by the learned Single Judge in continuance of an earlier order dated 21st February, 2017 passed in I.A. No.9892/2016 in CS(OS) No.328/2006 titled ***Koxan India vs. Ramesh Mardia and Ors..*** It has to be noted that the appellant had also independently assailed his rights in trademark by filing

CS(OS) No.1352/2006.

2. These suits pertain to the claim rights of the parties in the trademark 'Mardia Cables'. Placing reliance on an earlier order dated 6th March, 2009 of the learned Single Judge as well as vacating order dated 14th June, 2007 passed by the Deputy Registrar of Trademarks of entering the re-assignment of the label mark in favour of the appellant herein/Ramesh Mardia, the learned Single Judge *inter alia* granted prayer for injunction sought by the respondent herein and restrained the appellant herein from using the label mark 'Mardia Cables' or any other mark similar or deceptively similar thereto.

3. This order has been assailed by way of present appeal and the notice to the respondent was issued on 18th May, 2017. We had also heard arguments in CM No.13910/2017, where we have *prima facie* noted the factual assertions of the parties. For expediency, we extract hereunder the facts of the case as noted by us in our order dated 18th May, 2017:

"1. Notice. Mr. A.K. Verma, Advocate accepts notice for the non-applicant.

2. The appellants are aggrieved by the order dated 15.03.2017 passed by the learned Single Judge on the ground that despite refusal of an interim injunction at an early stage, the same has now been granted to the respondent till the final disposal of the suit.

3. At the outset, prayer is made by the learned Senior Counsel for the appellant that to expedite the proceedings in the Civil Suit pending on the Original Side, a Local Commissioner may be appointed and the matter be heard on day-to-day basis, the respondent is not amenable to this suggestion.

4. So far as the facts giving rise to the suit are concerned, we may extract herein the order dated 21.02.2017 passed by the learned Single Judge which notes the position hereunder:

“(a) Mr. Ramesh Mardia was the proprietor of the registered trademark ‘Mardia Cables’. He on 1st March, 2002 assigned the same to M/s Kevin Mardia Cab Industries’, name whereof has since been changed to ‘Koxan India’. This much is not in dispute.

(b) Mr. Ramesh Mardia on 24th December, 2002 applied for registration of ‘Mardia Cables’ and which registration was granted unopposed on 17th March, 2005. This much is also not in dispute.

(c) It is the case of Mr. Ramesh Mardia that Koxan India on 13th May, 2005 re-assigned the trademark to Mr. Ramesh Mardia and which assignment was got recorded by Mr. Ramesh Mardia with the Registrar of Trademarks on 14th June, 2007. Koxan India disputes such re-assignment.

(d) There is no interim order in the counter suits in which common issues have been framed and recording of evidence is yet to commence.

(e) The applications filed for interim relief in both the suits were dismissed on 6th March, 2009 and both the parties continued to use the mark ‘Mardia Cables’ with respect to electrical cables.”

5. It is noteworthy that CS(OS) No.328/2006 came to be filed by the respondent herein against the appellant herein in 2006 complaining of infringement of the respondent’s trademark as well as passing of their goods as those having association with that of the respondent. Counter suit being CS(OS) No.1352/2006 came to be filed by the appellant herein seeking a decree for

permanent injunction restraining the respondent herein from using the trademark 'Mardia Cables' or any other trademark or name which form part of the registered trademark 'Mardia/Mardia Cables'. Both the suits being listed together.

6. By order dated 06.03.2009, the learned Single Judge rejected I.A. No.1941/2006 in CS(OS) No.328/2006 and I.A. No.7308/2006 in CS(OS) No.1352/2006 holding as follows:

“15. On examining the pleas raised on both sides, I find that neither party has been able to set up a clear prima facie case in its favour. The nature of the disputes raised indicate that the same can only be resolved after evidence is led in the course of trial. For the moment, all that can be said is that the trademark / label “MARDIA CABLES” had initially been assigned in favour of Mr Kamlesh Jain. The assignment had been recorded in the registers of the Trademarks Registry and, therefore, as long as that assignment holds, Mr Kamlesh Jain would be entitled to use the said trademark / label. To decide as to whether the registration stands in favour of Mr Kamlesh Jain even after the re-assignment deed of May, 2005 would require the leading of evidence, in particular because Mr Kamlesh Jain has denied that the said document bears his signature. Of course, Mr Ramesh Mardia has obtained the opinion of a handwriting expert, but, at this stage, that opinion cannot be relied upon without such expert having been subjected to cross-examination. It may also be noted that the order dated 14.06.2007 passed by the Deputy Registrar of Trademarks is an ex parte order and is also the subject matter of an appeal. At the same time, one has also to notice the fact that Mr Ramesh Mardia does have another registration in his name in

respect of the word mark “MARDIA CABLES” under registration No.1161248 in Class-9 in respect of electrical cables, electrical wires and accessories w.e.f. 24.12.2002. The registration certificate in respect thereof was granted on 17.03.2005.

16. In view of the above, it is clear that at this prima facie stage, neither Mr Kamlesh Jain nor his partnership concern Koxan India on the one hand nor Mr Ramesh Mardia on the other have been able to establish a case for claiming exclusivity over the use of the trademark / label “MARDIA CABLES”. In these circumstances, I feel that neither party is entitled to an ad interim injunction. Consequently, both the applications are dismissed. There shall be no order as to costs.”

7. It would appear that the rejection of the interim injunction was not premised solely on the registration of the trademark “Marida Cables” in favour of the appellant under trademark registration.

8. The respondents have placed heavy reliance on the order dated 30.06.20011 passed by the Intellectual Property Appellate Board (hereinafter ‘IPAB’) in M.P.No.78/2009 & 184/2009 in OA/21/2009/TM/CH and OA/21/2009/TM/CH and order dated 11.11.2011 passed by the IPAB in ORA/91/2005/TM/CH which was a rectification application filed by the respondents herein to remove the registered trademark “Marida Cables” from the trademark register, which was in favour of the appellant herein.

9. We may note the observation made by the IPAB in para 8 of the order dated 30.06.2011 in MP No.78/2009 in OA/21/2009/TM/CH, wherein the IPAB noted as follows:

“In the order passed by the Hon’ble Delhi High Court in IA 1941/2006 in CS (OS) 328/2006 filed by the appellant herein and the order passed by the Hon’ble Delhi High Court in IA 77308/2006 in CS (OS) 1352/2006 filed by the first respondent herein which were jointly heard and decided by the learned single judge of the Hon’ble Delhi High Court. After referring to the facts observed that the key point over which the dispute hinges is the validity of the Deed of Assignment dated 13.05.2005. The learned Single Judge observed that on one side the contention is that the Deed is a fabricated document while on the other side the genuineness. The other side brought the facts before the single judge about the report of the handwriting expert. It was also brought to the notice of the learned Single Judge that Mr. Kamlesh Jain was not present before the second respondent to put forth his case and that the order dated 14.06.2007 “As therefore clearly an ex-parte order”. The learned single judge held that the nature of the dispute would indicate that it can be resolved only after evidence is heard in the trial. The learned single judge observed that “neither Mr. Kamlesh Jain nor his partnership concern Koxan India on the one hand nor Mr. Ramesh Mardia on the other have been able to establish a case for claiming exclusivity over the use of the trademark / level ‘MARDIA CABLES’.” The learned judge further observed that neither party is entitled to an ad interim injunction. The learned single judge clearly stated that the validity of the assignment must be decided only after trial of evidence. Under Section 45 of the Trademarks Act, 1999, it is evident that the Registrar may refuse to register a trademark when the validity of the assignment is in dispute. Perhaps even after the hearing, the Registrar might have arrived at

the same conclusion. The second respondent hardly knew the dispute in question on hand and passed the impugned order. In view of the judgment of the Hon'ble Delhi High Court which we extracted extensively above, we are of the opinion that the impugned order deserves to be set aside and the Registry shall await the decision of the competent court, in this case the Hon'ble Delhi High Court, before proceeding to register the trade mark in question. As regard the use of the trade mark, both the parties are using the same and it is admitted by both the parties. The leaned counsel for the respondent submitted that they were using the trade mark from 2006 and the same is on the register and removal of it will cause prejudice. There is nothing on record to show that long delay is caused by the appellant herein. Even if that is so, the mere fact that there is delay does not affect the decision. Accordingly, the OA/21/2009/TM/CH is allowed. Subsequently, the Miscellaneous Petition No.78/2009 and 184/2009 in OA/21/2009/TM/CH has become infructuous and accordingly closed.”

10. *By the order dated 11.11.2011, the IPAB observed as follows:*

“The question whether the signature of the applicant in the re-assignment deed is genuine or not is still pending before the Delhi High Court.

There was an order by the Registrar dated 14.06.2007, which was an ex-parte order and the applicant herein challenged that order invoking section 45. The appeal was allowed by this Board on 30.06.2011. For the present, matter on hand, it is not necessary for us to go into the genuineness of the re-assignment deed or whether the applicant was only a distributor or the cables and wires

manufactured by the respondent. Even if the re-assignment deed was genuine which will be decided by the Hon'ble Delhi High Court, the Re-assignment deed was executed only in 2005. By the assignment deed dated 01.03.2002 which the respondent affirms and he cannot do otherwise since it is only then the re-assignment will come into the picture, the respondent had parted with his rights in respect of the trade mark and had undertaken not to adopt a mark identical to the mark assigned nor to adopt the mark which was likely to confuse or deceive.

In this case, the word mark is MARDIA Cables and the assigned mark is a label mark which is also MARDIA cables. As per the undertaking in the assignment deed, the respondent could not have applied for this mark as long as the deed of assignment is in existence. On this ground alone, we order rectification. The ORA is allowed."

11. It, therefore, appears that the entire dispute between the parties rests on the construction of the re-assignment deed dated 13.05.2005 as relied upon by the appellant herein.

12. Mr. C.M. Lall, the learned Senior Counsel appearing for the appellant points out that on an application made by the appellants herein, an order dated 22.02.2011 in IA No.12363/2010 in CS (OS) No.328/2006 was passed referring the re-assignment deed for forensic examination to the Central Forensic Science Laboratory (CFSL), R.K. Puram, Lodhi Road, New Delhi for comparison of the signature whether the author of the admitted/specimen signature is also the author of the questioned signature or not on the re-assignment deed. It appears that the report has been received from the CFSL reporting that the specimen signatures match the questioned signatures.

13. Mr. A.K. Verma, learned counsel for the respondents would submit that the respondents are contesting the correctness of the CFSL report and that the signatures of several persons were sent to the CFSL. This aspect need not detain us inasmuch as such question would be required to be gone into the suit after evidence.

14. So far as the interim injunction is concerned, it appears that the respondent herein filed IA No.9892/2016 only on 08.08.2016 seeking an ad interim injunction restraining the respondents using the trademark 'Mardia Cables'. In the factual assertions, the respondents have placed reliance extensively on the order dated 11.11.2011 passed by the IPAB. The prayer contained in the application was premised on inter alia, the following averments:

“9. The applicant humbly submits that now since the respondent no.1 neither has the trademark registration no.568306 in Class-9 in his favour nor the fraudulently procured another trademark registration no.1161248 in Class-9 in his favour, there is no reason for the trademark No.568306 in Class-9 to be availed and enjoyed by the respondent.

The applicant Kamlesh Jain not only owns the trade mark no.568306 in class 9 'MARDIA CABLES' by virtue of the assignment deed but also has the MARDIA mark in his favour in class-7 #1309908#, class-11 # 1309907 and class – 35 # 1405925.

10. In fact, the respondent no.1, in all their applications whether Under Order 39 Rules 1 & 2 CPC or Section 45 Evidence Act etc., have been relying upon their claim of having registration of the trademark in their favour, which they do not have now.”

15. The appellant had contested the application *inter alia* pointing out that he had been continuously using the trademark in question and claimed rights under a re-assignment deed dated 13.05.2005. He urged that because of this reason, the respondent was disentitled to be granted any interim injunction. The appellant also pointed out that even the rectification order was premised primarily on the fact that the parties were on issue on material facts before the learned Single Judge and it had been contended by both sides that the matter deserved final adjudication by the Civil Court. The appellant has further pointed out that even if the respondent could claim rights upon the rectification, there was gross delay in approaching the Court even after passing of the order dated 11.11.2011. The respondents have filed the application for injunction more than five years after the order dated 11.11.2011.

16. In the present case, the parties were before the learned Single Judge from the year 2006 and injunction had been refused to the respondent by order dated 06.03.2009. The respondent succeeded in getting rectification of the trademark which has been registered in favour of the appellant, by the order dated 11.11.2011. The respondent permitted the appellant to use the trademark. Additionally, the appellant was relying upon the re-assignment deed and it is the case of the appellant that execution thereof by the respondent was supported by a forensic report. The appellant was, therefore, claiming substantive right to continue to use the trademark in question.

17. It is also pointed out that the suit was poised at an advanced stage as per record of evidence. In these circumstances, the appellant would also suffer irreparable damage and loss as it was continuously using the trademark in question. These assertions did not find favour by the learned Single while passing the impugned order.

18. Before us, Mr. A.K. Verma, learned counsel for the respondent has placed reliance on **Midas Hygiene Industries P. Ltd. vs. Sudhir Bhatia (2004) 3 SCC 90** to contend that mere delay in bringing the action is not sufficient to defeat grant of injunction of trademark. It is also submitted that the grant of injunction also becomes necessary if it prima facie appears that the adoption of the mark was itself dishonest. It is noteworthy that in **Midas Hygiene Industries P. Ltd. (supra)** the injunction granted by the learned Single Judge had been vacated by the Division Bench merely on the ground of delay and laches. There are several other factors in the present case.

19. We have found prima facie substance in the grievance of the appellant and found that the matter deserves consideration.

20. In these circumstances, prima facie balance of convenience has to be construed in favour of the appellant and delay would therefore require to be construed mitigating against the grant of any interim relief.

21. In view thereof, there shall be stay of the effect and operation of the order dated 15.03.2017.

22. We make it clear that we have not expressed any opinion on merits of the appeal.

List on 14th September, 2017.”

4. We are today informed by Mr. C.M. Lall, learned Senior Counsel appearing for the appellant and Mr. A.K. Verma, learned counsel for the respondent that the appellant herein has challenged the order dated 11th November, 2011 passed by the Intellectual Property Appellate Board (hereinafter referred to as ‘IPAB’) in

W.M.P. No.6310/2017 in W.P. No.5886/2017 titled ***Ramesh Mardia vs. Interllectual Property Appellate Board and Ors.***

5. By an order dated 30th October, 2017, the High Court of Judicature at Madras granted interim stay of the operation of the order dated 11th November, 2011 passed by the IPAB.

6. It is contended that in view thereof, interim order passed by this Court on 18th May, 2017 is liable to be confirmed and also that the basis of the impugned order dated 15th March, 2017 is eroded.

7. We find substance in these submissions, in view of the above reasons noted in our order dated 18th May, 2017 and the order dated 30th October, 2017 passed by the High Court of Judicature at Madras.

8. We are also informed that the trial in the Suit is listed before the Joint Registrar on 1st December, 2017. For the reasons of expediency of the case, we have again put to the parties as to whether they are willing to the appointment of a Local Commissioner for recording the evidence. Mr. C.M. Lall, learned Senior Counsel appearing for the appellant as well as Mr. A.K. Verma, learned counsel for the respondent submit that they would have no objection to the same. It is submitted by the learned counsel for the respondent that on account of financial difficulties, the respondent is at this stage unable to bear the expenses which would be incurred in making the payments of fees to the Local Commissioner.

9. We are further informed by the learned Senior Counsel appearing for the appellant that the appellant has filed the list of four witnesses. Learned counsel for the respondent submits that as per the list of witness filed by the respondent, four witnesses have to be examined.

10. In view thereof, it is directed as follows:

- (i) The impugned order dated 15th March, 2017 is hereby set aside and quashed.
- (ii) We appoint, Mr. S.K. Tandon, (Retired Additional District and Sessions Judge, Delhi) as Local Commissioner to record the evidence.
- (iii) The Local Commissioner shall be paid fees of Rs.1.25 lakhs for the time being, subject to further orders, which may be passed by the learned Single Judge seized of the suits.
- (iv) The record of the case shall be produced before the Local Commissioner on all dates appointed by him by the concerned dealing. Apart from the actual secretarial expenses, the dealing shall be paid Rs.500/- per day.
- (v) The Local Commissioner shall proceed to the recording of evidence on day to day basis.

- (vi) The parties or its authorized representatives shall appear before the Local Commissioner on 27th November, 2017 at Main Building, Second Floor, Bar Room of Delhi High Court at 3.00 p.m. for fixing the date of recording the evidence.
- (vii) Given the expression of financial difficulty on the part of the respondent herein, it is directed that for the time being, the appellant shall bear the expenses which are incurred on execution of the Local Commissioner. These expenses shall form part of the costs which are ultimately awarded in the suit, and, if the Court holds against the respondent, in that case it shall be the responsibility of the respondent to reimburse the costs so incurred to the appellant herein.

11. This appeal is allowed in the above terms. Pending application stands disposed of.

12. It is made clear that nothing contained in this order, is intended to be an expression of opinion on the merits of the case.

Dasti.

ACTING CHIEF JUSTICE

C.HARI SHANKAR, J

NOVEMBER 20, 2017/pmc