

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

%

Date of decision: 9th February, 2017

+

CS(COMM) 1499/2016

DABUR INDIA LTD.

..... Plaintiff

Through: Mr. Hemant Singh, Mr. Manish K.
Mishra & Mr. Vipul Tiwary, Advs.

Versus

ALKA AYURVEDIC PVT. LTD.

..... Defendant

Through: Mr. M.K. Miglani & Mr. Jithin M.
George, Advs.

CORAM:-

HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

IA No.18291/2015 (of the plaintiff under Order XIV Rule 5 CPC)

1. The plaintiff in this suit for permanent injunction restraining infringement of trade mark and passing off and for ancillary reliefs, seeks framing of the following issues in addition to the issues framed on 6th October, 2009:

- i. **Additional Issue No.1:** Whether the trade mark "PACHMOLA" registered in the name of the Defendant is invalid and liable to be cancelled? OPP
- ii. **Additional Issue No.2:** Whether use of the trade mark "PACHMOLA" by the Defendant amounts to infringement of the registered trade mark "HAJMOLA" of the Plaintiff? OPP

2. The defendant has opposed the application by filing reply (and to which rejoinder has been filed by the plaintiff) and the counsels have been heard.

3. Vide *ex parte* order dated 17th December, 2008, while issuing summons of the suit, on the counsel for the plaintiff citing the judgment dated 4th July, 2008 in FAO(OS) No.82/2008 titled ***Pankaj Goel Vs. Dabur India Ltd.*** upholding the *ex parte* order of injunction restraining the appellant in that case from using the mark “RASMOLA” in relation to the same goods and further upon the counsel for the plaintiff informing that the Special Leave Petition preferred to the Supreme Court against the said judgment of the Division Bench had been dismissed, the defendant till the disposal of the application was restrained from using the trade mark “PACHMOLA” or any other mark deceptively similar to the trade mark “HAJMOLA” of the plaintiff in respect of the digestive tablets or other chewing tablets.

4. The defendant contested the suit as well as the application for interim relief and vide order dated 6th October, 2009 *ex parte* interim injunction was vacated with a direction to the defendant to maintain accounts of sales of digestive tablets / digestive preparations under the mark PACHMOLA and to file the same in this Court. Vide the same order dated 6th October, 2009, the following issues were framed in the suit:

- “1. Whether the defendants (sic for defendant) by use of the mark “PACHMOLA” are (sic for is) passing off their (sic for its) goods as that of the plaintiff? OPP
2. Whether the plaintiff is not entitled to the relief of injunction for the reasons of delay, acquiescence or waiver? OPD
3. Whether the plaintiff is entitled to any damages from the defendant and if so in what amount? OPP

4. Relief.”

5. The plaintiff preferred FAO(OS) No.549/2009 against the aforesaid order but on 17th January, 2013 withdrew the same stating that the better course of action for the plaintiff would be to move this Bench for claiming additional issues and / or to seek amendment of pleadings so that the suit can be prosecuted, both for infringement and passing off.

6. The plaintiff thereafter applied for amendment of the replication and which was allowed vide order dated 14th November, 2014 and which order has attained finality.

7. The plaintiff has filed this application pleading i) that though the plaintiff had sued for injunction and other reliefs pleadings infringement of registered trade mark as well as passing off but on 6th October, 2009 issues with respect to infringement were not framed owing to the reasoning in the judgment of vacation of the earlier *ex parte* order, of the defendant having relied on registration in its favour in respect of PACHMOLA and the plaintiff in its replication having neither sufficiently raised the plea of the defendant's registered trade mark PACHMOLA being invalid nor having initiated any proceedings for cancellation of the registration in favour of the defendant; ii) that the plaintiff however in the replication as amended has averred that it has filed a cancellation petition being ORA No.146/2011/TM/DEL before the Intellectual Property Appellate Board (IPAB) against the defendant's registration of the mark PACHMOLA; iii) that the plaintiff in the replication as amended has also sufficiently raised the plea of the registration of the trade mark PACHMOLA in favour of defendant being invalid; iv) that thus the pleadings as they stand now contain

a plea of the plaintiff of invalidity of the registration in favour of the defendant and hence the need for additional issues aforesaid.

8. The defendant opposes the application contending i) that the defendant being the registered proprietor of the mark PACHMOLA, the suit for the relief of infringement by a registered trade mark is barred by Section 28(3) of the Trade Marks Act, 1999; ii) that one registered proprietor cannot exercise the rights granted by registration against a person who is also registered proprietor of a given trade mark; iii) that vide Section 57 of the Trade Marks Act, power / jurisdiction to cancel or vary a registration is exclusively vested in the Registrar of Trade Marks or in the IPAB and the jurisdiction of the Civil Court to adjudicate the plea of invalidity of the registration is barred; iv) that once this Court is not entitled to decide on the invalidity of a trade mark, the question of framing an issue with respect thereto does not arise; v) that Section 29 of the Trade Marks Act also provides that one registered trade mark is not infringed by another registered trade mark; vi) that Section 30(2)(e) also provides that use of a registered trade mark by a person would not amount to infringement; vii) that issues are to be framed on the basis of pleadings in the plaint and written statement and not in the replication.

9. The plaintiff in its rejoinder has contended i) that the additional issues proposed are consequential to the order dated 14th November, 2014 allowing the amendment of the replication; ii) that it is settled law that where in a suit for infringement of registered trade mark, defendant raises a defence under Section 30(2)(e) and the plaintiff questions the validity of the registration of the defendant's mark, an issue as to the invalidity of the registration has to be

framed and the suit has to be stayed for determination of the issue of invalidity by the Registrar of Trade Marks or IPAB, as the case may be; iii) that the application of the plaintiff for framing of additional issues and framing of additional issues in pursuance thereto does not amount to this Court adjudicating the validity of the registration; iv) that Section 124 of the Trade Marks Act also does not contemplate that the issue of invalidity is not required to be framed; v) reliance is placed on *Clinique Laboratories LLC Vs. Gufic Ltd.* 2009 (41) PTC 41 (Del.); vi) that this Court in order dated 14th November, 2014 allowing the amendment of the replication has already held that though normally replication is not part of pleadings but once it is ordered to be filed, it is a part of pleadings.

10. I have considered the controversy.

11. No merit is found in the plea of the defendant of the additional issue if arising from the replication being not required to be framed. Not only has it been held in the order dated 14th November, 2014 in this very suit allowing the amendment of the replication but even otherwise, in law, once a replication is permitted to be filed and taken on record, it cannot be ignored and discarded. Supreme Court in *K. Laxmanan Vs. Thekkayil Padmini* (2009) 1 SCC 354 held that though 'pleadings' as defined in Order VI Rule 1 of the CPC consist of plaint and written statement only but once a reply is permitted to be filed, it becomes part of the pleadings. This Court, in *Moti Ram Vs. Baldev Krishan* (1979) 15 DLT 90 held a 'Replication' to be covered by Order VIII Rule 9 of the CPC and is a part of the pleadings. Similarly, in *Arun Khanna Vs. Vinod Kumar Khanna* 2011 SCC OnLine Del. 1434 it was held that replication, if permitted to be filed, becomes part

of the pleadings and a plea taken in the replication, even if for the first time, needs adjudication by Court. Moreover, it is now not open to the defendant at least in this suit to contend so as the order dated 14th November, 2014 has attained finality as aforesaid.

12. I am also unable to agree with the contention of the counsel for the defendant, of a suit for infringement of trade mark being not maintainable if the trade mark of the defendant is also registered. The said argument is contrary to the scheme of the Act.

13. Section 28 of the Act is as under:

“28. Rights conferred by registration.—

- (1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.
- (2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.
- (3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.”

14. In my view the contention of the counsel for the defendant, of Section 28(3) prohibiting a suit for infringement if the mark of the defendant is also registered, does not flow from Section 28. Section 28(1) of the Trade Marks Act, “subject to the other provisions of the Act” vests in the registered proprietor of the trade mark, “if the registration thereof is valid”, the exclusive right to use the trade mark in any manner provided by the Act. Thus, the vesting of the exclusive right in the registered proprietor is subject to the other provisions of the Act and to the registration thereof being valid. It follows that if there is any other provision of the Act not vesting such an exclusive right in the registered proprietor or if the registration is invalid, such exclusive right would not vest in the registered proprietor of the mark.

15. The counsel for the plaintiff in this regard has rightly drawn attention to Section 11(1)(a) and (b) of the Trade Marks Act making identity or similarity of the mark sought to be registered with an earlier trade mark a ground for refusal of registration and to Section 11(3) prohibiting registration of a trade mark if use thereof would be prohibited by law of passing off protecting an unregistered trade mark. It is thus evident that the registration, even if obtained of a mark which is identical or similar to an earlier mark and use whereof would amount to the registered proprietor passing off his goods as that of another using the mark from before, would be invalid as it could not have been obtained. If the registration is invalid then Section 28(1) of the Trade Marks Act would not confer exclusive right to use of the mark in the proprietor.

16. The words “the exclusive right to the use of any of those trade marks” in Section 28(3) of the Trade Marks Act have to take colour from the

exclusive right conferred under Section 28(1) of the Trade Marks Act and which as aforesaid does not exist if the registration is invalid.

17. However Section 28 of the Trade Marks Act is not concerned with infringement of registered trade mark, provision wherefor is contained in Section 29 of the Trade Marks Act. Sub-sections (1),(2) and (4) thereof undoubtedly, while providing for, when a registered trade mark is infringed, qualify the same by the words “by a person who, not being a registered proprietor.....”. There can be thus no case for infringement if the defendant is the registered proprietor as the defendant in the present case is.

18. Section 30 titled “Limits on effect of registered trade mark” also in Sub-section (2)(e) thereof provides that a registered trade mark is not infringed where the use of a registered trade mark being one of two or more trade marks registered under the Act which are identical or nearly resemble each other is an exercise of right to use of that mark given by the registration. This again means that there can be no claim for infringement against a registered trade mark.

19. Though, I have hereinabove held that the vesting of exclusive right to use, under Section 28(1) of the Trade Marks Act is subject *inter alia* to the registration being valid but Section 31(1) of the Trade Marks Act provides that in all legal proceedings relating to a registered trade mark, the original registration of the trade mark “shall be *prima facie* evidence of the validity thereof”. Sub-section (2) thereof provides that in such legal proceedings, the trade mark shall not held to be invalid on the ground that it was not registrable under Section 9 of the Trade Marks Act except upon evidence of

distinctiveness and that such evidence was not submitted to the Registrar before registration.

20. Though from use of the words “*prima facie* evidence” in Section 31(1) and from the prohibition in Section 31(2) of the Trade Marks Act against returning a finding of invalidity of the trade mark on the ground specified therein and not on any other ground, in a legal proceeding relating to trade mark (and which include a proceeding for infringement), it appears that the Court, in an infringement proceedings, is entitled to go into the question of invalidity of the registration, but Section 57 vests the power to cancel and vary registration and to rectify the register in the Registrar of Trade Marks or the IPAB only and it is not in dispute (see ***Data Infosys Ltd. Vs. Infosys Technologies Ltd.*** 2016 (65) PTC 209 Delhi (FB)) that the jurisdiction of the Court to go into the said question is barred.

21. Thus, the Court, in a suit for infringement, is required to *prima facie* hold the registration to be valid.

22. I may in this regard also notice that Section 11(5) circumscribes the ground of refusal of registration as discussed above to an objection to registration being raised by the earlier proprietor, meaning that if no such objection is raised, the grounds as discussed above shall not be grounds of refusal of registration. Admittedly, the plaintiff did not raise any objection in opposition to the registration of PACHMOLA by the defendant.

23. That brings me to Section 124 of the Act which *inter alia* provides that “where in any suit for infringement of a trade mark the defendant raises a defence under Section 30(2)(e) and the plaintiff pleads the invalidity of

registration of the defendant's trade mark then the Court trying the suit shall even if any proceedings for rectification of the register in relation to the defendant's trade mark are pending before the Registrar or the IPAB, stay the suit pending the final disposal of such proceedings".

24. Section 124 fits the aforesaid controversy like a glove.

25. This is a suit *inter alia* for infringement. The defendant has raised a defence under Section 30(2)(e) viz. of its mark being registered. The plaintiff has pleaded invalidity of the registration of the defendant's trade mark. The plaintiff has applied for rectification of the register with respect to defendant's registration.

26. Though as aforesaid, Section 29 providing, when a registered trade mark is infringed *inter alia* provides for acts of a person who not being a registered proprietor meaning that if the defendant is also a registered proprietor he cannot be in infringement, Section 124 envisages a suit for infringement against a defendant whose mark is also registered but registration in whose favour is pleaded by the plaintiff to be invalid. The conclusion therefrom is clear, that a suit for infringement against a defendant whose mark is also registered does lie. If it was not, there would have been no need for Section 124.

27. The only interpretation is as drawn by me hereinabove, that if the registration in favour of the defendant is pleaded by the plaintiff to be invalid, then subject to the determination of such invalidity by the Registrar of Trade Marks or by the IPAB, the suit for infringement can be filed. This is because registration of the mark of defendant vide Section 31(1) of the

Trade Marks Act is only a *prima facie* evidence of the validity thereof and the plaintiff has a right to apply for cancellation thereof. A plaintiff who contends registration in favour of the defendant to be invalid, the right of a plaintiff to sue for infringement of its mark by defendant, registration in whose favour is invalid has thus has not been taken away by the Act. If the registration is invalid, it would be invalid *ab initio* i.e. no registration though declared to be so later and a plaintiff who pleads so cannot be deprived of suing for infringement. It is however axiomatic that if such a plaintiff fails before the Registrar of Trade Marks or the IPAB, as the case may be, in establishing invalidity, his suit for infringement which under Section 124 has to be stayed, would fail. However, if the plaintiff succeeds in establishing invalidity, then he would be entitled to proceed with the suit for infringement.

28. Thus, registration *per se* is not a bar to the institution of a suit for infringement though may be a bar if no steps are taken for cancellation of the registration in favour of the defendant or such steps if taken, fail.

29. The contention of the counsel for the defendant thus, of the issue of infringement being not required to be framed for the reason of the suit being not for infringement, has to be rejected.

30. Support for the need for framing an issue about infringement in such a situation can also be drawn from Section 124(1) of the Trade Marks Act.

31. Though the plaintiff herein has instituted proceedings for rectification but Section 124(1) and (2) of the Trade Marks Act also envisage a case where the plaintiff, though has taken a plea of invalidity of the registration in

favour of the defendant, but has not taken such proceedings and provides that in such cases if the Court is satisfied that the plea regarding invalidity of registration of the defendant's 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 plaintiff to apply for rectification of the register. Section 124(3) of the Trade Marks Act further provides that if the plaintiff within the time granted to so apply does not so apply, "the issue as to validity of the registration of the trade mark concerned shall be deemed to have been abandoned and the Court shall proceed with the suit in regard to the other issues in the case" i.e. the suit will then not be for infringement of the plaintiff's trade mark. The said provisions would be redundant if the issue would not to be framed.

32. Though I had so interpreted the provisions earlier also in ***Clinique Laboratories LLC*** supra but the need to visit again has been felt because ***Clinique Laboratories LLC*** though not on aforesaid aspect, was on merits set aside by the Division Bench in ***Gufic Ltd. Vs. Clinique Laboratories LLC*** 2010 (43) PTC 788 (Del.) and it was felt that with another seven years experience at the Bench, the reasoning can be better enunciated. Another Single Judge in ***Singer Company Ltd. Vs. Chetan Machine Tools*** (2009) 109 DRJ 32 has also held that suit by a registered proprietor against another registered proprietor of the same trade mark cannot be declined to be entertained at the threshold and can lie but may have to be stayed. The same view has been followed in ***A. Kumar Milk Foods Pvt. Ltd. Vs. Vikas Tyagi*** (2013) 203 DLT 398, ***Indian Hotels Company Ltd. Vs. Ashwajeet Garg*** 2014 SCC OnLine Del 2826, ***S. Narendra Kumar & Co. Vs. Apricot Foods***

Pvt. Ltd. 2013 SCC OnLine Bom 667 (appeal whereagainst was dismissed by Division Bench vide judgment dated 21st December, 2013 in appeal (Lodging) No.378/2013) and *Siyaram Silk Mills Ltd. Vs. Shree Siyaram Fab Pvt. Ltd.* 2012 SCC OnLine Bom 48.

33. Resultantly, the application succeeds and is disposed of.

CS(COMM) 1499/2016

34. The following issues in addition to the issues framed on 6th October, 2009 are framed in this suit:

- i. Whether the trade mark “PACHMOLA” registered in the name of the Defendant is invalid and liable to be cancelled? OPP
- ii. Whether use of the trade mark “PACHMOLA” by the Defendant amounts to infringement of the registered trade mark “HAJMOLA” of the Plaintiff? OPP

35. The proceedings in the suit, insofar as for the relief of infringement, in accordance with the provisions of Section 124 of the Trade Marks Act, have to be stayed and are stayed.

36. I have enquired from the counsel for the plaintiff whether the plaintiff wants to proceed with the suit, insofar as for the reliefs on the ground of passing off.

37. The counsel for the plaintiff states that he would like to proceed further with the claim for passing off only after decision of the rectification application.

38. The counsel for the defendant has no objection.

39. Accordingly, the further proceedings in the suit are stayed / adjourned *sine die*.

40. Rather than keeping the suit pending, the suit is disposed of with liberty to the parties to apply for revival as and when required.

No costs.

FEBRUARY 09, 2017

‘gsr’

(corrected & released on 2nd March, 2017)

RAJIV SAHAI ENDLAW, J

