

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

WRIT PETITION NO. 3314 OF 2018

Burger King Corporation	... Petitioner
Versus	
Anahita Irani and another	... Respondents

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Mr. Vishal Kanade a/w Neha Sonawane I/b Anand & Anand & Khimani, for the Petitioner.

Mr. Abhijit Dileep Sarwate for Respondent Nos. 1 and 2.

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CORAM : MRS. MRIDULA BHATKAR, J.

DATE : 4th JULY, 2018.

P. C.:

1. Rule. Rule is made returnable forthwith and heard finally by consent of the parties.

2. This petition is filed under the writ jurisdiction of this Court under Article 227 of the Constitution of India, taking exception to the order dated 14th January, 2018 passed by the learned Adhoc District Judge, Pune, rejecting the applications below Exhibits-124 and 129 and disposing of application below Exhibit-126 in R.C.S. No. 2 of 2011 thereby directing the Plaintiff to lead evidence on

the next date. The Plaintiff has filed the suit against the Defendants for injunction under the Trade Marks Act, 1999.

3. The Defendants filed application below Exhibit-60 on 30/07/2013 under Section 124 of the Trade Marks Act and requested the Court to frame the issue in regard to the validity of the registration of the Plaintiff's Trade Mark and grant time to the Defendants to approach the Registrar of Intellectual Property Appellate Board (for short "IPAB") within three months from the date of the framing of issue. The trial Court allowed the said application on framing issue No.1 and gave three months time to approach the competent authority of IPAB, Chennai.

4. Earlier, this Court by order dated 6th December, 2012 in Appeal From Order No. 562 of 2012 has directed the trial Court to expedite the hearing and conclude the suit on or before 31st October, 2013. However, in between, the application below Exhibit-60 was moved. The Defendants, pursuant to the said order, took steps and filed proceedings before the IPAB, Chennai within a period of three months as directed by the trial Court. By mandate of Section 124 of the Trade Marks Act, the hearing in

Regular Civil Suit No. 2 of 2011 is stayed. On 23rd August, 2016, the Defendants filed withdrawal *pursis* of the proceedings before the competent authority of IPAB, Chennai. But till today, no order is passed on the said withdrawal *pursis*. On 24th October, 2016, the Defendants filed an application giving intimation about filing of such withdrawal *pursis*. However, it was mentioned wrongly that it has been withdrawn. Thereafter, applications below Exhibit-126 and 129 were moved by the Defendants and the same are rejected. The order passed on those applications is not an issue before this Court in this Petition, but the order passed below Exhibit-124 directing the Plaintiff to lead evidence is challenged in this Writ Petition. The Defendants have filed say at Exhibit-125 opposing the application of stay, which was filed under Exhibit-124 by the Plaintiff.

5. Learned Counsel for the Petitioner submits that, in view of Section 124 of the Trade Marks Act, the trial Court has no option to stay the suit, as the proceedings before the IPAB are still pending. He further submitted that withdrawal *pursis* cannot be considered. Disposal of the withdrawal *pursis* cannot be treated as disposal of the proceedings. Therefore, the trial Court's order

directing the Plaintiff to lead evidence is illegal and is to be set aside.

6. Mr. Sarwate, learned Counsel for Respondents referred to the withdrawal *pursis* and also relied on his application dated 6th January, 2017, by which, the Defendants have gave up the objection to the validity of the Trade Mark of the Plaintiff and also stated that the Defendants do not want to contest the issue No.1. He has submitted that the validity of the Trade Mark cannot be challenged before the Civil Court and hence, that contention is not pressed. He further submitted that he supported the order passed by the trial Court and submitted that the view taken by the trial Court is legal as the withdrawal *pursis* is filed on 23rd August, 2015 and the same is still pending before the competent authority. The learned Counsel submits that if the authority has not passed any order, nearely for two years on his withdrawal *pursis*, then the trial Court need not stay the suit, but should proceed further.

7. Heard the submissions of the learned Counsel and perused the record and proceedings.

8. The validity of the Trade Mark is to be challenged before the

competent authority and in the present case it is challenged before the IPAB, Chennai. Since, the proceedings are taken up before the IPAB, the suit filed challenging the validity, is to be stayed by way of the statutory effect of Section 124 of the Trade Marks Act. Thus, till today, whatever the orders passed by the trial Court staying the proceedings are correct. However, the Defendants have filed the *pursis* for withdrawal of the proceedings pending before the IPAB, Chennai. When withdrawal *pursis* is filed under Order 23 Rule 1 of the Code of Civil Procedure without seeking any liberty, then the leave of the Court is mandatory. However, if simplicitor withdrawal *pursis* of the suit is filed by the Plaintiff, then though it is Plaintiff's absolute right, it cannot follow withdrawal automatically. A deeming provision is not a contemplated necessary corollary falling out from right to withdraw. Rule 4 of Order 23 states about the power of the court to impose cost on the Plaintiff, if court thinks fit in case of any withdrawal. Thus, Rule 1 contemplates a formal order to be passed that application is allowed. The present case however has another angle.

9. The learned Counsel for the Respondents has submitted that he is helpless as the competent authority has not passed any order on his withdrawal *pursis*. Thus, withdrawal *pursis* is pending without any order for two years, so the same is to be considered in proper perspective. The trial Court has rightly observed that the Defendants have conceded the point of validity of the registration of the Trade Mark and do not want to contest issue No.1 and therefore, the issue No.1 goes away. Thus, when there is no challenge to the validity of the Trade Mark of the Plaintiff and since the competent authority is the one to give decision on the validity of Trade Mark, in fact, the proceedings before the competent authority are redundant and, therefore, the view taken by the trial Court to proceed with the matter is correct. However, considering the language of Section 124 of the Trade Marks Act, I am of the view that the following order is necessary.

:: O R D E R ::

- (i) The order of the trial Court is maintained with direction of following compliance.
- (ii) The Defendants shall present the copy of the order of this Court to the IPAB, Chennai within a period of two

weeks, and the said authority shall pass necessary order on the withdrawal *pursis* of the Defendants in the proceedings pending therein, within period of three weeks thereafter. If the order is not passed within the stipulated period, the trial Court shall proceed further with the evidence.

- (iii) The Defendants shall produce the proof of presentation of the order before the competent authority and the acknowledgement to be produced before the trial Court till 30th July, 2018. Thereafter, the competent authority shall pass order on the withdrawal *pursis* on or before 31st August, 2018 and till then the trial Court not to proceed further. If the order is not presented by the Defendants, then the Plaintiff may ask for stay of the suit.
- (iv) The Writ Petition is partly allowed and disposed of accordingly.

(MRIDULA BHATKAR, J.)