

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

Civil Revision No.1801 of 2018 (O&M)
Date of Decision: 19.03.2018

T. Khanna and Company . . . Petitioner

Versus

Mr. K. Kannan . . . Respondent

CORAM: HON'BLE MR. JUSTICE RAMENDRA JAIN

Present: Mr. Arun Kumar, Advocate with
Mr. Kapil Jolly, Advocate and
Mr. Mohit Sadana, Advocate
for the petitioner.

Ramendra Jain, J. (Oral)

Through this instant petition filed under Article 227 of the Constitution of India, challenge has been laid to the order dated 08.01.2018 of the Additional District Judge/Special Commercial Court, Gurgaon, allowing the application of the respondent under Section 124 of the Trade Marks Act, 1999 (for short 'the Act'), and staying further proceedings in the suit of the petitioner.

Briefly stated, the petitioner filed a suit for permanent and mandatory injunction against the respondent for restraining him from using trade mark 'KAYKNIT' and 'K-NIT' or any other trade mark identical to or deceptively similar to the trade mark 'K-NIT', pleading that petitioner was using the said trade mark since 2006 and has got registered the same in 2009 under the Act and has widely advertised the same by permanently displaying boards, circulation of pamphlets and through various other modes by spending huge money. Therefore, the aforesaid

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trade mark of the petitioner has become distinctive indicium of the petitioner. However, the respondent, who is also engaged in the similar business to deceive the public at large is using said registered trade mark of the petitioner with ulterior motive to encash goodwill and reputation of the petitioner, despite the fact that the aforesaid trade mark of the petitioner is protected under the Act as well as under the Trade Marks Act and no one can be permitted to use the same without leave and licence of petitioner.

Upon notice, the respondent contested the suit. However, framing of issues, upon application of the respondent under Section 124 of the Act, he has been directed by the trial Court vide impugned order to file his rectification plea within one month before the competent authority, failing which to decide injunction application of the petitioner and to continue with the suit. Respondent has also been directed to maintain accounts with regard to volume of his business from the date of the order.

Learned counsel for the petitioner contends that the trial Court has not yet decided injunction application of the petitioner for restraining the respondent from using the above registered trade mark, till the disposal of the suit. The trial Court ought to have dealt with the matter itself, instead of referring the same to competent authority under the Act.

Having given thoughtful consideration to the submissions made by learned counsel for the petitioner, I find the instant petition completely devoid of any merit for the reasons to follow.

For ready reference Section 124 of the Act is as under for ready reference:-

“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 defense 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 plaintiffs 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 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.

(2) If the party concerned proves to the court that he has made any such application as is referred to in clause (b) (ii) of sub-section (1) within the time specified therein or within such extended time as the court may for sufficient cause allow, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings.

(3) If no such application as aforesaid has been made within the time specified or within such extended time as the court may

allow, the issue as to the 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.

- (4) *The final order made in any rectification proceedings referred to in sub-section (1) or sub-section (2) shall be binding upon the parties and the court shall dispose of the suit conformably to such order in so far as it relates to the issue as to the validity of the registration of the trade mark.*
- (5) *The stay of a suit for the infringement of a trade mark under this section shall not preclude the court from making any interlocutory order (including any order granting an injunction directing account to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit.”*

The above said Section broadly speaks about that whenever defendant pleads that registration of the plaintiff's trade mark is invalid or raises a defence under clause (e) of sub-section (2) of section 30, the trial Court in case of pendency of rectification proceedings before the Registrar or the Appellate Board, shall stay the suit, and if no such proceedings are pending, the court may adjourn the case for a period of three months from the date of framing of the issue in order to enable the party concerned to apply to the Appellate Board for rectification of the register.

In the instant case, admittedly, as on date, no issues have been framed by the trial Court. The application under Section 124 of the Act has been filed by the respondent at the initial stage. Therefore, the trial Court has rightly directed the respondent-defendant to move

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appropriate application before the Competent Authority within one month with a rider that in case, respondent-defendant would fail to do so, in that eventuality, the application for stay filed by the petitioner-plaintiff would be disposed of and the suit would continue. Simultaneously, respondent-defendant has also been directed to main accounts with regard to volume of his business.

No better order could have been passed by the trial Court, except the impugned one which has completely safeguard the interest of the petitioner inasmuch as the trial Court being conscious of the rights of the petitioner has imposed a condition upon the respondent to maintain his accounts and to file his rectification application within one month before the competent authority.

It is only the competent authority before whom the petitioner can contest and negate claim of the respondent-defendant by producing cogent and convincing evidence that trade mark 'KAYKNIT' and 'K-NIT' got registered by it cannot be used by respondent.

The authorities referred by learned counsel for the petitioner are not identical, rather distinguishable from the facts of the present case. Therefore, no benefit of the same can be given to the petitioner.

In view of the discussion above, this petition fails and the same stands dismissed.

[RAMENDRA JAIN]
JUDGE

March 19, 2018
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Whether Speaking/reasoned	:	Yes/No
Whether Reportable	:	Yes/No