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

Reserved on: 30.10.2018
Pronounced on: 25.02.2019

+ **FAO(OS)(COMM)247/2018 & CM Appl. 10465/2017**

BRAHMOS AEROSPACE PVT LTD Appellant

Through: Mr. A. Das, Ms. Rashi Bansal
and Ms. Anju Agarwal,
Advocates.

versus

FIIT JEE LIMITED AND ANR. Respondents

Through: Mr. Mohan Vidhani and
Mr. Ashish Singh, Advocates.

CORAM:

HON'BLE MR. JUSTICE S. RAVINDRA BHAT

HON'BLE MR. JUSTICE PRATEEK JALAN

MR. JUSTICE PRATEEK JALAN

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1. The challenge in this appeal is to an order dated 17.02.2017 by which the learned Single Judge had stayed the suit filed by the appellant herein, Brahmos Aerospace Pvt. Ltd. [hereafter referred to as "Brahmos"] against the respondent FIITJEE Ltd. [hereafter referred to as "FIITJEE"]. This order was passed under Section 124 of the Trade Marks Act, 1999 to enable FIITJEE to approach the Intellectual Property Appellate Board [hereafter referred to as "IPAB"] for rectification of the Register of Trade Marks in respect of the disputed

trade mark of “BRAHMOS”, which forms the subject matter of the suit.

Background

2. The suit in question [CS(OS) 2655 of 2013 subsequently renumbered as CS (Comm) 556/2018] was filed by Brahmos on 19.12.2013 claiming to be the owner of a well known and reputed trade mark "BRAHMOS" which was *inter alia* registered for educational services under class 41. It alleged that FIITJEE was using the same name for an online aptitude test and thus infringing the trade mark. The principal reliefs sought by Brahmos in the suit are as follows:

*“a) A decree for permanent injunction restraining the Defendants, by themselves, their servants, agents, etc. from unauthorizedly using, taking unfair advantage, advertising, visually representing, offering sale of services, directly or indirectly dealing in services under the trademark BRAHMOS or any other trademark deceptively and/or confusingly similar to the trademark BRAHMOS so as to **infringe** the Plaintiff's registered trademark BRAHMOS. And/Or*

b) A decree for permanent injunction restraining the Defendants, by themselves, their servants, agents, etc. from unauthorizedly using, taking unfair advantage, advertising, visually representing, offering sale of services, directly or indirectly dealing in services under the trademark BRAHMOS or any other trademark deceptively and/or confusingly similar to the trademark BRAHMOS as may lead to passing off-unfair competition. And/Or

c) A decree of damages on account of Infringement and passing off and unfair competition, by the use of the

trademark enumerated herein of the Plaintiff in favour of the Plaintiff and against the Defendants.”

3. FIITJEE has contested the suit by way of a written statement filed on 09.01.2014. By an order dated 24.02.2014, the learned Single Judge decided an application for injunction [I.A. No.21136/2013] filed by Brahmos, in its favour. FIITJEE was enjoined from using the trade mark "BRAHMOS" in relation to educational activities or part of a domain name in any manner whatsoever. Although there appears to be some dispute regarding the compliance of this order by FIITJEE, inasmuch as, contempt proceedings have also been instituted by Brahmos, that is not relevant for the adjudication of this appeal.

4. In July, 2015, FIITJEE filed I.A. No.14418/2015, under Section 124 of the Trade Marks Act, 1999 for a stay of the suit for a period of three months to enable it to file cancellation/rectification petitions before the IPAB, seeking removal of the registrations of the mark in favour of the plaintiff from the Register of Trade Marks. This application was contested by Brahmos but has been allowed by the impugned order of the learned Single Judge.

5. During the pendency of the present appeal, the Division Bench passed an order dated 04.05.2017 wherein it was recorded that FIITJEE had invoked the jurisdiction of IPAB under Section 124 of the Act. The Division Bench directed that the impugned order and further proceedings before the IPAB would remain stayed. By a further order dated 17.10.2017, it was *inter alia* directed that the proceedings in the suit be expeditiously concluded and not adjourned, except in exceptional circumstances. These orders dated 04.05.2017

and 17.10.2017 have been carried to the Supreme Court by FIITJEE in SLP(C)No.28793-94/2017. The Supreme Court, by an order dated 17.10.2017 directed that the suit in question i.e. CS(OS) No.2655/2013 shall not proceed until further orders. The present situation therefore is that the IPAB has been approached by FIITJEE, but the proceedings before it, as well as the suit pending in this Court, are stayed.

Maintainability

6. In view of the fact that during the pendency of this appeal, the suit has been converted into a "commercial suit" within the meaning of the Commercial Courts Act, 2015, the first question which arises is as to the maintainability of this appeal under Section 13 of that Act. The said section provides as follows:

“13. Appeals from decrees of Commercial Courts and Commercial Divisions.

(1) Any person aggrieved by the judgment or order of a Commercial Court below the level of a District Judge may appeal to the Commercial Appellate Court within a period of sixty days from the date of judgment or order.

(1A) Any person aggrieved by the judgment or order of a Commercial Court at the level of District Judge exercising original civil jurisdiction or, as the case may be, Commercial Division of a High Court may appeal to the Commercial Appellate Division of that High Court within a period sixty days from the date of the judgment or order:

Provided that an appeal shall lie from such orders passed by a Commercial Division or a Commercial

Court that are specifically enumerated under Order XLIII of the Code of Civil Procedure, 1908 (5 of 1908) as amended by this Act and section 37 of the Arbitration and Conciliation Act, 1996 (26 of 1996)

(2) Notwithstanding anything contained in any other law for the time being in force or Letters Patent of a High Court, no appeal shall lie from any order or decree of a Commercial Division or Commercial Court otherwise than in accordance with the provisions of this Act. ”

7. It is evident from the proviso to Section 13 (1A), and Section 13 (2) of the Commercial Courts Act, 2015, that appeals from orders from the Commercial Division of the High Court are maintainable only if the orders are specifically enumerated in Order XLIII of the Code of Civil Procedure, 1908. It is not disputed that an order under Section 124 of the Trade Marks Act, 1999, does not fall within this category.

8. The interpretation of Section 13 of the Commercial Courts Act, 2015, came up for consideration before a coordinate Bench of this Court in *HPL (India) Ltd. Vs. QRG Enterprises* (2017) 238 DLT 123 (DB) wherein this Court held as follows:

“30. We now come to the meaning to be ascribed to the proviso in Section 13(1). It clearly stipulates that an appeal shall lie from such orders passed by a Commercial Division or a Commercial Court that are specifically enumerated under Order XLIII of the CPC, as amended by the said Act, and Section 37 of the Arbitration and Conciliation Act, 1996. We have seen that ‘orders’ as understood under the CPC are different and distinct from ‘decrees’. And, orders are

nothing but the formal expression of any decision of a Civil Court not amounting to a decree. Therefore, the amplitude and width of the expression 'order' is very wide under the CPC itself but not all orders are appealable. The appealable orders are enumerated in Order XLIII of the CPC. We have already pointed out above, that there are only two kinds of appeals recognized under the CPC, namely, - 'Appeals from decrees' and 'Appeals from orders'. Section 104, which has been extracted earlier in this judgment, specifies the orders from which appeals lie. It clearly provides that an appeal shall lie from the orders enumerated in the said provision itself and, save as otherwise expressly provided in the body of the CPC or by any law for the time being in force, from no other orders. This means that appeals from orders are restricted to those orders which are either specified in Section 104 itself or expressly provided in the body of the Code or by any law for the time being in force. Insofar as the impugned order is concerned, it is clear that it does not fall within the orders specified under Section 104. We now have to look at Order XLIII Rule 1 which stipulates that an appeal shall lie from the orders enumerated therein under the provisions of Section 104. In other words, only an order specified under Order XLIII Rule 1 would be appealable and, read with the provisions of Section 104, no other order would be an appealable order under the CPC. In this backdrop, the proviso to Section 13(1) makes it abundantly clear that an appeal shall lie from such orders passed by a Commercial Division or a Commercial Court that are 'specifically enumerated' under Order XLIII of the CPC, as amended by the said Act and Section 37 of the Arbitration and Conciliation Act, 1996. Clearly, in our view, this restricts the appealable orders to only those orders which are specifically enumerated in Order XLIII. In the present case, the impugned order is admittedly not one specified under Order XLIII."

The Court also considered whether the appeal would be maintainable under the Delhi High Court Act, 1966 and concluded that it would not.

9. The judgment in *HPL* (supra) was considered by another Division Bench [to which one of us, S.Ravindra Bhat, J., was party], in *Eros Resorts & Hotels Ltd. Vs. Explorer Associates Pvt. Ltd.* (2018) 251 DLT 101 (DB). In *Eros Resorts* (supra), the Court was concerned with a case where the appeal had been instituted prior to the date when the Commercial Courts Act was brought into force. Following the judgment of the Supreme Court in *Videocon International Ltd. Vs. SEBI* (2015) 4 SCC 33 and of this Court in *Ardee Infrastructures vs. Anuradha Bhatia* (2017) 1 HCC (Del.) 137, the Division Bench held that the right to an appellate remedy is not extinguished by the enactment of a new statute when the appeal had been instituted prior to the amendment in the statutory regime.

10. Although the Division Bench decisions in *HPL* (supra) and *Eros Resorts* (supra) have both been challenged in SLP (C) No. 5837/2017 and SLP (C) No. 23365/2018 respectively, which are pending before the Supreme Court, there does not appear to be any interim order of stay of the judgment of this Court.

11. Coming to the facts of the present case, this appeal was instituted on 10.03.2017. The Commercial Courts Act, 2015 came into force on 23.10.2015, and the Commercial Division was notified in this Court by an order dated 17.11.2015. Section 15 of the Commercial Courts Act requires transfer of suits pending in a High Court to the Commercial Division if the suit relates to a "commercial

dispute" of "specified value", as defined in Sections 2(1)(c) and 2(1)(i) respectively. In the present case, the renumbering of the suit in the Commercial Division of this Court has occurred only on 16.02.2018 pursuant to an order of the Joint Registrar dated 06.02.2018.

12. It is evident from the above that, on the date when the present appeal was instituted by Brahmos, the suit had not been transferred to the Commercial Division and the provisions of Section 13 of the Commercial Courts Act were therefore, not attracted to these proceedings. In view of the clear pronouncement of the Supreme Court in *Videocon* (supra) to the effect that an appellate remedy becomes vested in a party on the date when the dispute/*lis* is instituted, and the consequent judgment of this Court in *Eros Resorts* (supra), we, therefore, hold that the present appeal at the instance of Brahmos is maintainable.

Merits

13. Turning now to the merits, it is necessary first to notice the provisions of Section 124 of the Trade Marks Act, 1999, which are set out below:

“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.

(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 so 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.”

14. As noted by the learned Single Judge in the impugned judgment, this provision has been considered in the judgment of a Full Bench of this Court in *Data Infosys Ltd. Vs. Infosys Technology Ltd.* (2016) SCC OnLine (Del) 677 [to which one of us, S. Ravindra Bhat, J., was party] wherein it was *inter alia* held as follows:

“2. This Court holds, by its majority judgment (Vipin Sanghi, J dissenting on this point) that the two situations whereby the infringement action is stayed, are when the rectification proceedings are instituted before the filing of the suit (Section 124 (1) (i)) and after the plea of invalidity is held to be prima facie tenable under Section 124(1) (ii)). In the first situation, if such plea exists, before the filing of the suit, the Court has to stay the suit to await the decision of the IPAB. In the second situation, if there is no application for rectification before the IPAB when the suit is filed and a party to the infringement suit, wishes to challenge it after the filing of the suit, it may do so, but the court has to assesses the tenability of the invalidity plea- if it finds it prima facie tenable, then and then alone, would it stay the suit to enable the party to approach the IPAB within a time period. If the party does not avail of this, or approaches the IPAB after the period given, the court would proceed with the suit; the plea of invalidity is deemed abandoned in the infringement suit.”

15. The recent judgment of Supreme Court in *Patel Field Marshall Agencies vs. P.M. Diesels Ltd.* (2018) 2 SCC 112 has also dealt with this issue, although the proceedings before the Supreme Court were

under the corresponding provisions of the Trade and Merchandise Marks Act, 1958. The Supreme Court in paragraph 9 of the said judgment, formulated the issue before it in the following terms:

“In a situation where a suit for infringement is pending wherein the issue of validity of the registration of the trade mark in question has been raised either by the plaintiff or the defendant and no issue on the said question of validity has been framed in the suit or if framed has not been pursued by the party concerned in the suit by filing an application to the High Court for rectification under Section 111 read with Section 107 of the Trade and Merchandise Marks Act, 1958, whether recourse to the remedy of rectification under Section 46/56 of the 1958 Act would still be available to contest the validity of the registration of the trade mark.”

16. The Supreme Court in the said judgment, referred *inter alia* to the Full Bench decision of this Court in *Data Infosys* (supra) and observed, that once an issue is framed with regard to the invalidity of the trade mark by the civil court, that issue would fall for determination of the Tribunal. Reference in this connection may be made to paragraphs 34 & 41 of the judgment, which reads as follows:

“34.The intention of the legislature is clear. All issues relating to and connected with the validity of registration has to be dealt with by the Tribunal and not by the civil court. In cases where the parties have not approached the civil court, Sections 46 and 56 provide an independent statutory right to an aggrieved party to seek rectification of a trade mark. However, in the event the civil court is approached, inter alia, raising the issue of invalidity of the trade mark such plea will be decided not by the civil court but by the Tribunal under the 1958 Act.

*The Tribunal will however come into seisin of the matter only if the civil court is satisfied that an issue with regard to invalidity ought to be framed in the suit. **Once an issue to the said effect is framed, the matter will have to go to the Tribunal** and the decision of the Tribunal will thereafter bind the civil court. If despite the order of the civil court the parties do not approach the Tribunal for rectification, the plea with regard to rectification will no longer survive.*

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*41. Section 111 of the 1958 Act and the corresponding Section 124 of the 1999 Act nowhere contemplates grant of permission by the civil court to move the High Court or the IPAB, as may be, for rectification. The true purport and effect of Sections 111/124 (of the old and new Act) has been dealt with in detail and would not require any further discussion or enumeration. The requirement of satisfaction of the civil court regarding the existence of a prima facie case of invalidity **and the framing of an issue to that effect** before the law operates to vest jurisdiction in the statutory authority to deal with the issue of invalidity by no means, tantamount to permission or leave of the civil court, as has been contended. It is a basic requirement to further the cause of justice by elimination of false, frivolous and untenable claims of invalidity that may be raised in the suit.”*

[Emphasis supplied]

17. Although the said judgment was rendered in the context of the 1958 Act, it is expressly held by the Supreme Court [in paragraphs 10, 20, 41 & 42 thereof] that the provisions of the 1999 Act are in *pari materia* with the corresponding provisions of the 1958 Act.

18. We note that, in the present case, FIITJEE had not moved the IPAB under Section 124 of the Act prior to institution of the infringement suit by Brahmos. The question of *prima facie* tenability of its plea of invalidity, therefore, falls to be determined. FIITJEE relies upon the judgment in *Patel Field Marshall* (supra) and submits that a specific issue regarding validity of the trade mark has been framed in the suit, by an order dated 09.12.2014 passed by learned Single Judge. The issue in question reads as follows:

“(v) Whether the plaintiff’s registrations for the mark “BRAHMOS” are invalid/liable to be cancelled/removed from the Register of Trademarks?OPD”

On the other hand, it is contended on behalf of Brahmos that the order dated 24.02.2014, granting an injunction in its favour precludes any *prima facie* finding of invalidity at this stage.

19. In our view, the issue of *prima facie* invalidity must, for the purpose of this application, be decided in favour of FIITJEE following the judgment of the Supreme Court in *Patel Field Marshall* (supra). As the learned Single Judge has framed an issue in the suit with regard to the validity of the trade mark registered by Brahmos, that is sufficient to hold that FIITJEE was entitled to invoke the provisions of Section 124 of the Trade Marks Act, 1999.

Conclusion

20. The impugned order therefore, warrants no interference by this Court. However, in view of the fact that the rectification proceedings

filed by FIITJEE before the IPAB were stayed by the interim order dated 04.05.2017, we dispose of this appeal by directing that the suit shall continue to be stayed for a further period of three months from the date of this judgment to enable the determination of the rectification proceedings by the IPAB. It goes without saying that the proceedings in the suit shall resume only in the event that the Supreme Court vacates the stay granted by its order dated 27.10.2017 in SLP (C) No.28793-94/2017.

21. The appeal, and pending application, are disposed of with the aforesaid directions. No order as to costs.

PRATEEK JALAN, J.

S. RAVINDRA BHAT, J.

FEBRUARY 25, 2019

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