

²³²IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

CO No.1-2016 (O&M)
Decided on:-27.07.2023

Steel Strips Wheels Ltd

....Plaintiff..

VS.

Klassic Wheels (P) Ltd.

....Defendant..

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Rohit Nagpal, Advocate for the plaintiff.

Mr. Bikash Ghoria, Advocate for the defendant.

HARKESH MANUJA J. (Oral)

1. Vide order dated 16.03.2016, the Competent Court-cum-Additional District Judge, Chandigarh, having invoked Section 22(4) of the Designs Act, 2000 (hereinafter referred to “2000 Act”), transferred the Civil Suit No.08, dated 03.08.2011, titled as “*Steel Strips Wheels Limited vs. Klassic Wheels (P) Ltd.*”, to this Court.

2. Briefly stating, the plaintiff herein got a certificate of registration dated 13.05.2010 in its favour from the Controller General of Patents, Designs and Trade Marks, pertaining to designs of “Wheel Rims” in the name of “Steel Strips Wheels Ltd.”. Alleging violation of the aforementioned designs, the plaintiff filed a suit for permanent as well as mandatory injunction, besides seeking rendition of accounts against defendant.

3. Upon notice, the defendant filed its written statement before the trial Court on 19.08.2011 along with an application under Order 7 Rule 11

read with Section 151 CPC, wherein, it was pleaded that the defendant had

already filed a petition under Section 19 of 2000 Act, seeking cancellation of registration of designs issued in favour of the plaintiff vide application dated 25.07.2011 before the Controller of Patents and Designs of the Patent office, Kolkata. Additionally, in its written statement, the defendant also raised some of the grounds on which the registration of design in favour of plaintiff could be cancelled.

4. In view of the defence as available under Section 19 of the 2000 Act, having been raised in the written statement, the trial Court vide its order dated 16.03.2016, relying upon the mandate of Section 22(4) of the 2000 Act, transferred the suit before this Court.

5. Learned counsel for the plaintiff informs this Court that the petition under Section 19 of the 2000 Act, filed at the instance of defendant before the Controller of Patents and Designs, Kolkata, stands rejected vide order dated 08.07.2013 and the same has even been affirmed by the High Court of Kolkata while exercising its Special Jurisdiction (Original side) vide decision dated 04.06.2018 passed in GA No.2407 of 17 (Annexure A-16 page 521 of the paper book). Learned counsel submits that once the issue of cancellation of registration of designs already stands determined finally, the defendant becomes precluded from raising any such defence again in the present suit. He further submits that in view of changed situation, the mandate of Section 22(4) of the 2000 Act, would not apply to the facts and circumstances of the present case and thus, the suit needs to be dealt with by the trial Court alone.

6. On the other hand, learned counsel representing defendant submits that once specific defence available under Section 19 of the 2000

Act, has been raised by the defendant in its written statement, the suit needs to be entertained by this Court only and thus, the trial Court rightly transferred the same to this Court in terms of the statutory mandate laid down in Section 22 (4) of the 2000 Act.

7. I have heard learned counsel for the parties and gone through the paper book. Before proceeding further, it may be useful to go through the relevant provisions of Sections 19 and 22 of the 2000 Act, which read as under:-

“Section 19. Cancellation of registration.—

(1) Any person interested may present a petition for the cancellation of the registration of a design at any time after the registration of the design, to the Controller on any of the following grounds, namely:—

- (a) that the design has been previously registered in India; or*
- (b) that it has been published in India or in any other country prior to the date of registration; or*
- (c) that the design is not a new or original design; or*
- (d) that the design is not registrable under this Act; or*
- (e) that it is not a design as defined under clause (d) of section 2.*

(2) An appeal shall lie from any order of the Controller under this section to the High Court, and the Controller may at any time refer any such petition to the High Court, and the High Court shall decide any petition so referred. “

Section 22:- Piracy of registered design.—

(1) During the existence of copyright in any design it shall not be lawful for any person—

- (a) for the purpose of sale to apply or cause to be applied to any article in any class of articles in which the design is registered, the design or any fraudulent or obvious imitation thereof, except with the license or written consent of the registered proprietor, or to do anything with a view to enable the design to be so applied;*
- or*

(b) to import for the purposes of sale, without the consent of the registered proprietor, any article belonging to the class in which the design has been registered, and having applied to it the design or any fraudulent or obvious imitation thereof; or

(c) knowing that the design or any fraudulent or obvious imitation thereof has been applied to any article in any class of articles in which the design is registered without the consent of the registered proprietor, to publish or expose or cause to be published or exposed for sale that article.

(2) If any person acts in contravention of this section, he shall be liable for every contravention—

(a) to pay to the registered proprietor of the design a sum not exceeding twenty-five thousand rupees recoverable as a contract debt, or

(b) if the proprietor elects to bring a suit for the recovery of damages for any such contravention, and for an injunction against the repetition thereof, to pay such damages as may be awarded and to be restrained by injunction accordingly: Provided that the total sum recoverable in respect of any one design under clause (a) shall not exceed fifty thousand rupees: Provided further that no suit or any other proceeding for relief under this sub-section shall be instituted in any court below the court of District Judge.

(3) In any suit or any other proceeding for relief under sub-section (2), every ground on which the registration of a design may be cancelled under section 19 shall be available as a ground of defence.

(4) Notwithstanding anything contained in the second proviso to sub-section (2), where any ground on which the registration of a design may be cancelled under section 19 has been availed of as a ground of defence under sub-section (3) in any suit or other proceeding for relief under sub-section (2), the suit or such other proceedings shall be transferred by the Court, in which the suit or such other proceeding is pending, to the High Court for decision.

(5) When the court makes a decree in a suit under sub-section (2), it

shall send a copy of the decree to the Controller, who shall cause an entry thereof to be made in the register of designs.”

8. Once, the issue pertaining to cancellation of registration of designs in favour of plaintiff already stands adjudicated upon finally by the High Court of Kolkata vide its order dated 04.06.2018 passed in GA No.2407 of 2017, any such defence raised by the present defendant in its written statement to the suit loses its legal significance and thus, the mandate of Section 22(4) of the 2000 Act, cannot be made applicable to the facts and circumstances of the present case. In the wake of order dated 04.06.2018, passed by the High Court of Kolkata, the defendant cannot be permitted to impugn the registration certificate granted in favour of the plaintiff in the present suit again by applying the principle of *res-judicata* as well as finality to the proceedings. No ground on which the registration of design in favour of plaintiff may be cancelled under Section 19 of the 2000 Act, can be said to have been availed of as a ground of defence being not available to take advantage of, thus, the suit in hand needs to be dealt with by the trial Court alone as the grounds as contemplated under Section 22(4) of the 2000 Act, mandating its transfer to this Court has lost its existence, therefore, this Court now lacks jurisdiction to entertain the suit.

9. No doubt, if legal proceedings are initiated for the infringement of design, the defendant has an additional right to seek its cancellation on the ground as specified u/s 19 of the 2000 Act and in that circumstance in terms of Section 22(4) of the 2000 Act, which necessarily mandates the Courts to transfer the suit to High Court, the same is just a ministerial act as held by Hon'ble Apex Court in **"S.D. CONTAINERS INDORE vs M/S. MOLD**

TEK PACKAGING LTD" in case bearing No. CIVIL APPEAL NO.3695 OF 2020. However, the application filed under Section 19 of the 2000 Act by the defendant having been dismissed by the Kolkata High Court, the grounds taken by the defendant covered under the scope of Section 19 becomes untenable. Consequently legal premise on the basis of which power under Section 22(4) of the 2000 Act, came to be exercised having become void, the only appropriate legal recourse would be to remand the suit back to the District Court for the purpose of adjudication on other grounds not covered under Section 19 of 2000 Act.

10. In view of the aforesaid, the Civil Suit No.08, dated 03.08.2011, titled as **"Steel Strips Wheels Limited vs. Klassic Wheels (P) Ltd."** is ordered to be transferred and dealt with by the learned Additional District Judge, Chandigarh-cum-competent Court of jurisdiction.

11. The trial Court is requested to dispose of the suit as expeditiously as possible, preferably within a period of one year from today, considering the fact that the substantial right of the parties are involved, who are even in the process of finding appropriate/competent Court of jurisdiction for the past 12 years. It would further be appreciated, in case, the trial Court make an endeavor to dispose of the application filed under Order 7 Rule 11 CPC, moved at the instance of defendant at the earliest.

12. Disposed of in the above said terms.

Pending application(s), if any, stand(s) disposed of.

27.07.2023

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(HARKESH MANUJA)
JUDGE

Whether speaking/reasoned:

Yes/No

Whether reportable:

Yes/ No