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IN THE HIGH COURT OF DELHI AT NEW DELHI

Reserved on: 17.01.2023

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Pronounced on: 18.05.2023

+ **RFA(OS)(COMM) 8/2021 & CM APPLs.43721-22/2021**
+ **RFA(OS)(COMM) 11/2021 & CM APPLs.43731-32/2021**
+ **RFA(OS)(COMM) 12/2021 & CM APPLs.43734-35/2021**
+ **RFA(OS)(COMM) 13/2021, CM APPL.43737/2021**

RESILIENT INNOVATIONS PVT. LTD. Appellant

Through: Mr Ankit Jain, Mr Mohit Goel, Mr Sidhant Goel, Mr Deepankar Mishra, Mr Karmanya Dev Sharma, Mr Abhishek Kotnala, Mr Abhay Pratap Singh and Mr Aditya Chauhan, Advs.

versus

PHONEPE PRIVATE LIMITED & ANR. Respondents

Through: Mr Sandeep Sethi and Mr Jayant Mehta, Sr. Advs. with Mr Nitin Sharma, Ms Shilpa Gupta, Ms Deepika Pokharia, Mr P.D.V. Srikar, Ms Akansha Thapa, Mr Atif, Ms Deepti Sarin, Mr Siddharth Chopra and Ms Ruby Singh Ahuja, Advocates for R-1.

CORAM:

HON'BLE MR JUSTICE RAJIV SHAKDHER

HON'BLE MR JUSTICE TALWANT SINGH

[Physical Court hearing/ Hybrid hearing (as per request)]

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Preface:

1. These are appeals directed against the judgment dated 11.11.2021 [hereafter referred to as the "impugned judgment"] passed by the learned Single Judge. *Via* the impugned judgment, the learned Single Judge, at the notice stage, dismissed the six [6] rectification applications filed by the appellant i.e., Resilient Innovations Pvt. Ltd. [hereafter referred to as "RIPL"] preferred under Section 57 of the Trademarks Act, 1999 [hereafter referred to as the "1999 (Amended) TM Act"].

1.1 The impugned judgment based the dismissal of the rectification applications on the provisions of Section 124 of the 1999 (Amended) TM Act. The learned Single Judge has taken the view that since respondent no.1's/PhonePe Pvt. Ltd.'s [hereafter referred to as "PPL"] suit¹ was pending adjudication, in which RIPL had defended its position by, *inter alia*, objecting to the validity of PPL's trademarks², the rectification applications could not be entertained before the suit court framed an issue concerning the validity of PPL's trademarks. In this context, the learned Single Judge took note of RIPL's assertion made in the written statement that PPL's trademarks could not be protected as they were laudatory and descriptive of the services offered by PPL. Thus, in effect, the learned Single Judge opined that the provisions of Section 124 of the 1999 (Amended) TM Act prohibited the

¹ CS(COMM) 292/2019

² "Pe", , "Pay" or "PhonePe" etcetera

institution of a rectification application without the suit court framing an issue concerning the validity of PPL's trademarks.

1.2. In reaching this conclusion, the learned Single Judge relied upon the judgment of the Supreme Court rendered in *Patel Field Marshal Agencies v. PM Diesels Limited* (2018) 2 SCC 112 [hereafter referred to as the "*Patel Field Marshal* case"].

1.3. Although, initially, RIPL had filed six appeals, two appeals [i.e., RFA (OS) (COMM) 9/2021 and RFA (OS) (COMM) 10/2021] were withdrawn, in view of RIPL having filed opposition applications with the Trademarks Registry pursuant to the order dated 21.03.2022 passed in W.P.(C)-IPD 4/2021 and other connected matters. Pertinently, the withdrawal of the appeals was not objected to by PPL. It is in these circumstances that we are left with four [4] appeals, which, as indicated above, have emerged from the decision rendered via the impugned judgment.

2. Notably, PPL has taken a preliminary objection to the maintainability of the above-captioned appeals. It is PPL's stand that there is no appellate remedy i.e., intra-court appeal available against a judgment whereby a decision is rendered on a rectification application preferred under Section 57 of the 1999 (Amended) TM Act.

2.1 Therefore, broadly, two issues arise for our consideration. First, whether the appeals preferred by RIPL are maintainable? If this issue were to be answered in favour of PPL, then, as is obvious, we would not have to proceed to answer the second issue, which concerns the decision taken by the learned Single Judge, on the merits of the matter.

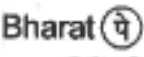
2.2 To be more precise, the second issue with which we are concerned is: whether in the given facts and circumstances of the case, the learned Single Judge has correctly applied the provisions of Section 124 of the 1999 (Amended) TM Act and the law enunciated by the Supreme Court *qua* the said provision in the *Patel Field Marshal* case?

Broad Facts:

3. Before we proceed further, it would, perhaps, be helpful to capture the broad backdrop in which the instant appeals came to be instituted.

3.1 PPL claims that it had commenced use of its trademark  in and about 30.09.2015.

3.2 Registration of the said mark was obtained by PPL on 02.12.2016. Accordingly, PPL was issued a certificate of registration bearing no.3425325.

3.3 RIPL applied [i.e., Application No.3720103] for registration of its trademark  on 05.01.2018.

3.4 This triggered a commercial war between RIPL and PPL. Resultantly, on 24.08.2018, PPL issued a cease and desist notice to RIPL.

3.5 Faced with this position, on 08.11.2018, RIPL withdrew its application bearing no.3720103 concerning the trademark .

3.6 It appears that RIPL, instead, continued to use the mark .

3.7 Consequently, on 29.05.2019, PPL instituted a suit³ [hereafter referred to as the “Delhi suit”] for infringement and passing off in this court. In the said suit, PPL sought an injunction against RIPL and its employees, agents etcetera from using "Pe" or any deceptive variant of "PhonePe" which is identical and/or similar to its trademarks i.e., “PhonePe”, , , and  .

3.8 RIPL defended its position in the said suit action and, accordingly, filed a written statement on 01.07.2019.

3.9 PPL's interlocutory application [i.e., IA No.8084/2019] preferred in the Delhi Suit did not bear fruit. It was dismissed by the learned Single Judge on 15.04.2021, with a caveat, though, that RIPL will maintain accounts concerning the amounts earned by it as a result of the use of the impugned mark "BharatPe"; with the further condition that RIPL would file six-monthly audited statements with the court.

4. It appears that the decision of the learned Single Judge enthused RIPL to file an application seeking registration of its trademark "PostPe". This application was filed with the Trademark Registry on 28.04.2021. Not to be left behind, in the interregnum, PPL preferred an appeal [i.e., FAO(OS)(COMM) 77/2021] against the judgment dated 15.04.2021, whereby its application seeking interim relief was rejected.

4.1 The record shows that PPL, on 01.06.2021, withdrew the appeal. The Division Bench, however, directed the learned Single Judge to expedite the

³ CS(Comm) 292/2019

proceedings in the Delhi suit; parties were specifically restrained from seeking unnecessary adjournments.

4.2 Given this development, on 14.09.2021, PPL applied under Section 21 of the 1999 (Amended) TM Act with the Trademarks Registry to oppose the application filed by RIPL for registration of its trademark "PostPe".

4.3 Parallely, PPL on 14.10.2021, also instituted an infringement and passing off action [i.e., Commercial I.P. Suit (L) No.24136/2021] in the Bombay High Court. *Inter alia*, in this suit, PPL had alleged that the marks "PostPe", ,  and  used by RIPL infringed its registered trademark i.e., "PhonePe" and its variants.

4.4 Evidently on 22.10.2021, PPL withdrew the aforementioned action [i.e., Commercial I.P. Suit (L) No.24136/2021] with liberty to file a fresh action.

4.5 Being aggrieved on account of liberty granted to PPL to file a fresh action, RIPL preferred an appeal with the Division Bench of the Bombay High Court. RIPL's appeal was, however, dismissed by the Division Bench on 11.03.2022. The Special Leave Petition preferred against the said order met the same fate i.e., was dismissed on 11.04.2022.

4.6 In the meanwhile, two crucial events occurred. First, on 25.10.2021, RIPL instituted six [6] rectification petitions under Section 57 of the 1999 (Amended) TM Act which, as indicated above, gave rise to the impugned judgment. Second, PPL filed a fresh suit in the Bombay High Court on 26.10.2021, pursuant to leave being granted upon withdrawal of its earlier suit on 22.10.2021. This time around as well, PPL, *inter alia*, asserted that RRPL's continued use of its trademark "PostPe" had led to infringement of its trademarks "Phonepe",  and its variants.

5. As noted hereinabove, aggrieved by the impugned judgment, six[6] appeals were instituted, of which, two [2] were withdrawn by RIPL.

Submissions of Counsels:

6. In support of the appeals, arguments were advanced by Mr Ankit Jain, learned senior counsel, while arguments on behalf of PPL were put forth by Mr Sandeep Sethi, learned senior counsel.

Submissions on Maintainability:

6.1 As indicated at the outset, a preliminary objection to the maintainability of the appeal was taken by Mr Sethi. The argument insofar as maintainability proceeded on the following lines:

6.2 Section 91 of the 1999 (Amended) TM Act does not provide for an appeal concerning an order passed under Section 57 of the very same Act with regard to rectification petitions. The omission by the legislature, according to Mr Sethi, was both deliberate and conscious. To buttress this plea, reference was made to the Trademarks Act, 1940 [hereafter referred to as the "1940 TM Act"], the Trade and Merchandise Marks Act, 1958 [hereafter referred to as the "1958 TM Act"], the unamended Trademarks Act of 1999 [hereafter referred to as "1999 (Unamended) TM Act"] and the provisions of Section 91 of the 1999 (Amended) TM Act.

6.3 It was pointed out that insofar as the 1940 TM Act was concerned, the rectification application lay either to the Registrar of Trademarks [hereafter referred to as the "Registrar"] or the High Court. The aggrieved person could prefer an appeal to the High Court under Section 76(1) of the 1940 TM Act. More particularly, Sub-section (3) of Section 76 provided that the provisions of the Code of Civil Procedure, 1908 [hereafter referred to as the "CPC"] would apply to the appeals instituted in the High Court under the Act.

6.4 Likewise, Section 56 of the 1958 TM Act made a provision for the institution of a rectification application by the “person aggrieved” to either the Registrar or the High Court. The aggrieved person could prefer an appeal to the High Court from an order rendered by the Registrar. The appeal, however, would lie to the Single Judge of the High Court with liberty vested in the Single Judge to refer the matter to a Bench of the High Court, at any stage of the proceedings. [See sub-section(4) of Section 109]. Under Sub-section(5) of Section 109, an intra-court appeal lay with the Bench of the High Court. Pertinently, like under the provisions of the 1940 TM Act, Sub-section (8) of Section 109 of the 1958 TM Act provided that the provisions of the CPC would apply to appeals lodged with the High Court.

6.5 The 1999 (Unamended) TM Act, initially provided that a rectification application would lie with the Intellectual Property Appellate Board [hereafter referred to as "IPAB"] or the Registrar.

6.6 However, with the enactment of the Tribunal Reforms Act, 2021 [hereafter referred to as "2021 Reforms Act"], the person aggrieved could prefer a rectification application under Section 57 of the 1999 (Amended) TM Act either with the High Court or with the Registrar.

6.7 Thus, a person aggrieved by an order or decision of the Registrar under Section 91 could prefer an appeal to the High Court. Importantly, before the amendment, brought about by the 2021 Reforms Act, applications for rectification preferred under Section 57 of the 1999 (Unamended) TM Act, on which a decision had to be rendered by IPAB, it could do so without being shackled by the procedure laid down in the CPC.

6.8 The IPAB, though, was required to be guided by the principles of natural justice and the provisions of the Act and the Rules made thereunder.

7. Both the 1999 (Unamended) TM Act and 1999 (Amended) TM Act did not provide for an intra-court appeal in matters where the decision on the rectification application was rendered by the High Court.

7.1 Furthermore, the provisions of the CPC were not made applicable to the rectification applications filed under Section 57 both under the 1999 (Unamended) TM Act and 1999 (Amended) TM Act.

7.2 Because the applicability of CPC stands excluded both the 1999 (Unamended) TM Act and 1999 (Amended) TM Act, the appeal by way of Letters Patent would not be available *qua* a decision rendered by a Single Judge of this Court on a rectification application filed under Section 57 of the 1999 (Amended) TM Act. In other words, Sections 4 and 104 of the CPC would have no applicability. Pertinently, Section 4 of the CPC is a savings provision, which, *inter alia*, preserves and protects any special law or local law that may be in force. Likewise, Section 104 of the CPC provides for orders from which appeals would lie.

7.3 Since Sections 4 and 104 of the CPC expressly save a Letters Patent appeal, the applicability of which stands excluded, the instant intra-court appeals are not maintainable even as an LPA. [See *P.S. Sathappan (Dead) by LRS vs. Andhra Bank Ltd. & Ors.* (2004) 11 SCC 672 Para 22 and *Union of India vs. Mohinder Supply* (1962) 3 SCR 497, paras 16 to 18].

7.4 The 1999 (Amended) TM Act is a self-contained code; since it does not provide for an intra-court appeal, the instant appeals cannot be maintained. [See *Himalaya Drug Company vs. S.B.L. Limited*, (2012) SCC Online Del 136 (para 51) and *Raja Ram Kumar Bhargava vs. UOI*, (1988) 1 SCC 681, para 19].

7.5 Having regard to the fact the 1999 (Amended) TM Act provides a complete machinery concerning both rights and remedies, no remedy would lie outside the provisions of the Statute. [*Dipak Chandar Ruhidas vs. Chandan Kumar Sarkar* (2003) 7 SCC 66, para 15 and 16].

7.6 An intra-court appeal by way of LPA need not be expressly excluded. The same conclusion can be reached if the court finds, having regard to the history of the statute and its provisions, that the legislature did not intend to provide for an intra-court appeal. [See *Upadhayaya Hargovind Devshanker vs. Dhirendrasingh Virbhadrasinghji Solanki & Ors.* (1988) 2 SCC 1, paras 16 and 18 and *Fuerst Day Lawson Limited vs. Jindal Exports Limited* (2011) 8 SCC 333, paras 86 to 90]

7.7 Section 10 of the Delhi High Court Act, 1966 [hereafter referred to as "DHC Act"] cannot be taken recourse to sustain the instant appeals since it only provides for a forum and not a right to prefer an appeal. [See *Union of India vs. A.S. Dhupia & Anr.* ILR (1972) II Delhi Pg.13 and 14 and *The East India Hotels Ltd. vs. Jyoti (P) Ltd.* (1996) SCC Online Del 453, Para 8, Page 160].

7.8 Furthermore, Section 13 of the Commercial Courts Act, 2015 [in short, "Commercial Courts Act"] also cannot come to the aid of RIPL as the said provision contemplates an appeal only in situations where the relevant statute provides for such a remedy. In this case, since the parent statute i.e., the 1999 (Amended) TM Act does not provide for an intra-court appeal, Section 13 of the Commercial Courts Act cannot also be relied upon by RIPL to sustain the above-captioned appeals.

7.9 Importantly, Section 11 of the Commercial Courts Act prohibits a Commercial Court or a Commercial Division from entertaining or deciding any

suit, application or proceeding relating to any commercial dispute in respect of which the jurisdiction of a civil court is either expressly or impliedly barred under any law for the time being in force. Since, in the matter concerning rectification application, the jurisdiction of civil courts is expressly barred by virtue of Sections 124 and 125 of the 1999 (Amended) TM Act, the Commercial Division cannot entertain the instant appeals.

8. The reliance placed by RIPL on the provisions of Delhi High Court IPD Rules 2021 [in short, "IPD Rules, 2021"] is also misconceived as it does not provide for a right of appeal. [See *Patel Field Marshal Agencies* case, Para 31].

9. Mr Ankit Jain, on the issue of maintainability of the instant appeals, advanced the following broad submissions:

9.1 An appeal would lie under Clause 10 of the Letters Patent constituting the High Court of Judicature at Lahore, as applicable to this court i.e., the Delhi High Court.

9.2 Letters Patent is the charter from which the High Court derives its powers. Therefore, an intra-court appeal would lie from the judgment of a Single Judge of this court, unless it was expressly excluded by the 1999 (Amended) TM Act.

9.3 The absence of an express provision in the 1999 (Amended) TM Act for maintaining an intra-court appeal does not imply that an appeal by way of Letters Patent stands barred. The Letters Patent is a special law which provides for an intra-court appeal and, hence, this right cannot be nullified unless there is a specific exclusion provided in the statute.

9.4 Although the statute may not contain specific words of exclusion, the language of the statute should be such that it points only in one direction, i.e.,

that intra-court appeal would not lie against the order of a Single Judge. An illustration of an implied bar can be found in Section 5 of the Arbitration and Conciliation Act, 1996 [hereafter referred to as the "1996 A&C Act"]. This provision specifically excludes intervention by judicial authorities, except where it is so provided in Part 1 of the 1996 A&C Act.

9.5 The 1999 (Amended) TM Act contains no such provision, therefore, the judgments relied upon by PPL concerning the provisions of the 1996 A&C Act can have no application. Likewise, judgments which were concerned with provisions of the CPC, read with the Commercial Courts Act can have no application.

9.6 The 1999 (Amended) TM Act, insofar as rectification applications are concerned, is schematically similar to the 1940 TM Act. The Supreme Court in *National Sewing Thread v. James Chadwick* 1953 SCR 1028 [hereafter referred to as "*National Sewing Thread* case"], while considering the issue as to whether an intra-court appeal would lie under the 1940 TM Act took the view that an intra-court appeal would lie as there was nothing to the contrary indicated in the 1940 TM Act. [Also see the decision in *Vinita M. Khanolkar v. Pragna M. Pai & Ors.* (1998) 1 SCC 500; *Shah Babulal Khimji v. Jayaben D. Kania* (1981) 4 SCC 8 and *R.K. Sharma & Ors. v. Ashok Nagar Welfare Co. & Ors.* 2001 (57) DRJ 722 (DB)].

9.7 The Supreme Court in its decision rendered in *P.S. Sathappan (Dead) by LRS v. Andhra Bank Ltd. & Ors.* (2004) 11 SCC 672 [hereafter referred to as *P.S. Sathappan's* case] cited with approval its judgments in *Shah Babulal Khimji*, the *National Sewing Thread* and *Vinita M. Khanolkar*. Furthermore, in *P.S. Sathappan's* case, the majority judgment disagreed with the view taken in the following cases:

- (i) ***Resham Singh Pyara Singh v. Abdul Sattar*** (1996) 1 SCC 49.
- (ii) ***New Kenilworth Hotel (P) Ltd. v. Orissa State Finance Corporation*** (1997) 3 SCC 462.

9.8 The reliance placed on behalf of PPL on paragraphs 71, 86 and 148 of the ***P.S. Sathappan*** case was clearly misplaced, as these were observations made in the minority judgment.

9.9 Likewise, the judgment rendered by the Supreme Court in ***Fuerst Day Lawson Ltd. v. Jindal Exports Ltd.*** (2011) 8 SCC 333 will not carry the argument advanced on behalf of PPL much further as it concerns the provisions of the 1996 A&C Act. As submitted before, courts, which include the Supreme Court, having regard to the provisions, object and preamble of the 1996 A&C Act have concluded that the supervisory role of courts in the arbitration process should be minimal. It is in this context that the Supreme Court had held in ***Fuerst Day Lawson*** that no Letters Patent Appeal would lie, except as provided in Section 50 of the 1996 A&C Act.

10. To that extent, Sections 49 and 50 of the 1996 A&C Act have moved away from the limited right of appeal provided under Section 6 of the Foreign Awards (Recognition and Enforcement) Act, 1961 [hereafter referred to as "Foreign Awards Act"].

10.1 Section 97(1) of the 1999 (Amended) TM Act provides that an application for rectification of the register to the High Court should be made in such form as may be prescribed. Section 2(1)(s) defines the expression "prescribed" to mean: "in relation to proceedings before a High Court, prescribed by rules made by the High Court". This court has framed Delhi High Court Intellectual Property Division Rules, 2022 [hereafter referred to as the

"IPD Rules"] which provide for an appeal under the Letters Patent. [See Rule 38 of the IPD Rules].

10.2 Unlike, some statutes which are self-contained codes (and hence, the exclusion of Letters Patent has been read into them), the 1999 (Amended) TM Act is not a self-contained/complete code. For a statute to be treated as a complete code, it ought to provide a legislative scheme both, *qua* substantive as well as procedural aspects. The 1999 (Amended) TM Act does not fulfil this test. Although the 1999 (Amended) TM Act makes provisions concerning substantive aspects of trademark law, it does not deal with the procedural aspects. [See *S. Annapoorni v. K. Vijay* 2022 SCC OnLine Mad 4367].

10.3 In this context, reliance placed on behalf of PPL on the judgment rendered in *Himalaya Drug Company v. S.B.L. Ltd.* MANU/DE5479/2012, is misconceived. The observations made therein that the 1999 TM Act is a complete code were contextualised. It is because the court below had placed reliance on the Lanham Act [i.e., a U.S. Legislation on Trademarks] that these observations were made. Thus, instant appeals are sustainable.

Submissions on Merits:

11. Mr Ankit Jain, learned senior counsel, on merits, has made the following broad submissions:

11.1. Section 124 of the 1999 (Amended) TM Act can be triggered if the following two essential prerequisites obtain:

- (i) First, there should be the suit action for infringement pending adjudication by a court of law;
- (ii) Second, the defendant should have pleaded the invalidity of the registered trademark *qua* which the infringement action is filed.

11.2 These ingredients were not present and, therefore, the impugned judgment is flawed.

11.3 The suit filed in this court, i.e., CS (Comm) 292/2019 concerned itself with purported infringement of PPL's trademark  and its variants on account of RIPL making use of its trademark .

11.4 PPL, had, concededly, instituted a suit action⁴ for infringement of its trademark , which was founded on the assertion that the use of the trademark "PostPe" and its variants violated, *inter alia*, its statutory rights. This suit was instituted in the Bombay High Court. The suit was withdrawn by PPL on 22.10.2021, with the liberty to file a fresh suit. RIPL had filed its rectification applications under Section 57 of the 1999 (Amended) TM Act in this court on 25.10.2021, which were triggered on account of PPL filing an opposition application under Section 21 of 1999 (Amended) TM Act with the Trademarks Registry in Delhi, on 14.09.2021, *qua* RIPL's trademark "PostPe". Even according to PPL, its two suit actions i.e., the one filed in Delhi and another in Bombay were based on different causes of action.

11.5 Therefore, what the learned Single Judge failed to notice was that RIPL's rectification applications had nothing to do with the Delhi suit action, which, as noticed above, had been filed by PPL to seek relief in respect of RIPL's trademark .

⁴ Commercial IP Suit No.24136/2021

11.6 Furthermore, the learned Single Judge also failed to notice that PPL's Delhi suit concerned only three⁵ [3] trademark registrations, whereas the rectification applications involved four [4] registered trademarks belonging to PPL, which included the three [3] trademarks that were the subject matter of the Delhi suit and another trademark  bearing application no.3425319, registered in Class 36.

11.7 Thus, quite clearly, even if the impugned judgment is sustained, since PPL in its Delhi suit had not asserted the fourth mark which was registered in Class 36, the rectification application directed towards this mark could not have been dismissed, as, quite clearly, RIPL would have had no occasion to plead invalidity *qua* this mark in its written statement.

11.8 Insofar as the rectification applications were concerned, RIPL was the *dominus litis* and accordingly, the learned Single Judge should have examined the cause of action and not dismissed the rectification applications, *in limine*, on the first date without examining them. The threshold for dismissing an action, *in limine*, is high; the impugned judgment falls short on this score. The learned Single Judge should have appreciated that RIPL had not taken the stand that it fell in the category of "person aggrieved" due to the institution and pendency of the Delhi suit which was directed towards its trademark .

11.9 Thus, given the fact that the Bombay suit filed by PPL *qua* RIPL's trademark "PostPe" was not pending on the date when RIPL had filed its

⁵ Application nos. 3425325 (Class 38), 3425326 (Class 42) and 3425322 (Class 9)

rectification applications, the ratio of the judgment of the Supreme Court in the ***Patel Field Marshal*** case had no applicability.

12. The learned Single Judge, thus, failed to appreciate the correct ratio of the judgment rendered by the Supreme Court in the ***Patel Field Marshal Case***. The cause of action for filing the rectification applications was not pivoted on the use of RIPL's trademark .

12.1 On the other hand, Mr Sandeep Sethi, learned senior counsel, made the following submissions, *albeit*, on merits:

12.2 The four[4] remaining rectification applications relate to PPL's trademark . PPL had filed the Delhi suit which was based on the assertion that the mark  had been infringed and/or sought to be passed off by RIPL by adopting the trademark . In paragraphs 40, 51 and 61 of the written statement filed by the RIPL in the Delhi suit, it had *inter alia*, taken the stand that PPL's trademarks  had been dishonestly and fraudulently registered and thus, being illegal, were liable to be rectified.

12.3 Therefore, since RIPL had taken the defence of invalidity in the Delhi suit, which was pending when rectification applications were filed, the ingredients of Section 124(1)(a)(ii) of the 1999 (Amended) TM Act stood satisfied. Thus, in consonance with the judgment of the Supreme Court rendered in the ***Patel Field Marshal's*** case, RIPL was required to seek the leave of the court dealing with the Delhi suit before instituting the subject rectification applications. Since leave was not sought, the learned Single Judge correctly dismissed the rectification applications *in limine*.

12.4 The judgment rendered on 15.04.2021 by the learned Single Judge *qua* the interlocutory application filed by PPL in the Delhi suit can have no impact on the impugned judgment. The learned Single Judge while dealing with PPL's interlocutory application, which was disposed of *via* judgment dated 15.04.2021, could not have dealt with the aspects veering around Section 124 of the 1999 (Amended) TM Act.

12.5 Likewise, the Bombay suit has no relevance and is of no consequence, insofar as the present appeals are concerned.

Analysis & Reasons:

13. We have heard the learned counsel for the parties.

14. Before we proceed further, as indicated above, one would have to rule on whether or not the instant appeals are maintainable. We must note that Mr Jain's argument concerning the maintainability of the instant appeals was centred around Clause 10 of the Letters Patent of the then High Court of Judicature at Lahore, which stands extended to the Delhi High Court.

15. In this context, several judgements have been cited by the parties. Therefore, in the fitness of things, it would be appropriate to first appreciate the ratio of the judgements cited before us concerning the maintainability of the appeals by adopting a process of iteration. In this process, we would give our view as to why a certain judgement is applicable and likewise, which is that judgement which is distinguishable, with a summary of our understanding of the principles.

Discussion on case note:

15.1 *Dipak Chandra Ruhidas'* case dealt with the provisions of the Representation Of People Act 1951 [hereafter referred to as the "RPA"].

The Supreme Court was called upon to rule on the maintainability of the petition preferred under Article 136 of the Constitution against an order rejecting an election petition. The impugned order was passed by a Single Judge of the High Court invested with the power to decide election petitions under the RPA. The respondent had objected to the maintainability of the Special Leave Petition (SLP) in view of a specific provision for appeal to the Supreme Court being made available under Section 116A of the RPA. The Supreme Court was called upon to rule as to whether the order passed under Section 86 was appealable under Section 116A of the RPA; the respondent, it appears, had argued that since the said order was not passed after a full-blown trial, Section 116A of the RPA was not attracted. The Supreme Court dismissed the objection and, in this context, took recourse to the explanation appended to Section 86 of the RPA, which, according to it, had created a legal fiction. The court held that the order passed under Section 86(1) of the RPA is a final order as per the provisions of clause (a) of Section 98 and hence, a statutory appeal would lie.

15.2 To our minds, there is nothing in the judgement which can have any bearing on the issue that we are required to rule on, except to the extent that the maintainability of an SLP was an aspect which the Supreme Court had to deal with.

15.3 *Fuerst Day Lawson* was a case in which the Supreme Court was called upon to decide whether an intra-court appeal under Letters Patent would lie, even though Section 50 of the 1996 A&C Act made no provision for such an appeal. Notably, in this case, several judgements were cited that dealt with the issue concerning the maintainability of intra-court appeals under Letters

Patent, as applicable to the High Courts to which they related, including the Constitution Bench judgement in *PS Sathappan's* case.

15.4 A careful perusal of this judgement would show that there were two streams of judgements. One stream dealt with those cases where a statute expressly or by necessary implication excluded the right to file an intra-court appeal. These were judgements dealing with Section 39 of the Arbitration Act 1940 [hereafter referred to as the “1940 A&C Act”]⁶, Section 39 and 43 of the Delhi Rent Control Act 1958⁷.

15.5 The other stream included the judgements where the Supreme Court held that intra-court appeal under Letters Patent was available. These judgements concerned Section 6 of the Specific Relief Act 1963⁸, Section 54 of the Land Acquisition Act 1894⁹, Section 299 of the Indian Succession Act 1925¹⁰ and also included the Constitution Bench judgement in *PS Sathappan*, which considered the question of the maintainability of an intra-court appeal against an order of a Single Judge who sustained the decision of the Executing Court dismissing an application for setting aside a court auction while exercising appellate jurisdiction.

⁶ *Union of India v Aradhna Trading Co.* (2002) 4 SCC 447

⁷ *South Asia Industries (P) Ltd. v S.B. Sarup Singh* (1965) 2 SCR 756

⁸ *Vinita M. Khanolkar v Pragna M. Pai* (1998) 1 SCC 500

⁹ *Sharda Devi v State of Bihar* (2002) 3 SCC 705

¹⁰ *Subal Paul v Malina Paul* 2003 10 SCC 361

15.6 The decision of the Supreme Court in ***Fuerst Day Lawson***, which held that the appeal under Letters Patent would not lie was *inter alia*, founded on the following:

- (i) Section 50 of the 1996 A&C Act which dealt with the enforcement of the New York Convention Awards had narrowed, considerably, the aspects on which an appeal would lie. In this context, a distinction was sought to be drawn between Sections 37 and 50 of the 1996 A&C Act. [See paragraph 61].
- (ii) The 1996 A&C Act was a self-contained code.
- (iii) The 1996 A&C Act had brought about a radical change with regard to the enforcement of foreign awards (New York Convention) when compared to its previous avatar (Foreign Awards Act 1961).

15.7 Importantly, the court had, in this case, laid down broad principles as to when an intra-court appeal would lie under the Letters Patent. [See paragraph 36, on page 349].

15.8 Pertinently, the aspect to be considered in the instant case is: Does the ratio of ***Fuerst Day Lawson***, which dealt with the provisions of the 1996 A&C Act apply to the 1999 (Amended) TM Act?

15.9 We may also note that although ***PS Satthappan's*** case was cited by both sides, PPL emphasized the observations made in the minority judgement, whereas, RIPL, quite correctly, adverted to the plurality view.

16. ***Upadhyaya Hargovind Devshanker's*** case was also a matter concerning the RPA, in which the court ruled that an intra-court appeal under clause 15 of the Letters Patent, as applicable to the Gujrat High Court, would not lie, against an interlocutory order passed by the Single Judge of the High Court

while dealing with an election petition. In this context, the court, quite categorically, observed that the Single Judge of the High Court while adjudicating the election petition, is exercising a special jurisdiction, which is conferred on the High Court under Article 329(b) of the Constitution. The court, thus, observed that the RPA was enacted under the aforementioned provision in the Constitution to deal with election disputes. Based on the scheme of the RPA, the Supreme Court concluded that it was a self-contained enactment. In making this observation, the court relied upon the Constitution Bench judgement rendered in *N.P. Ponnuswami v Returning Officer, Namakkal Constituency*, 1952 SCR 218. As is apparent, the decision was based on the rationale that the RPA was a self-contained code.

16.1 To our minds, the decision of the Division Bench of this court in *Himalaya Drug Company* can have no applicability, as the fleeting observation that the 1999 TM Act was a self-contained code, was made in the context of the reliance placed by the Single Judge on the provisions of Section 37 of the Lanham (Trade Mark) Act of the United States. There is no discernable ratio in the judgement concerning this aspect of the matter.

16.2 The judgements rendered by various Benches of this court in *Vidyavati Construction Company v Rail India Technical and Economic Services Ltd.* (2001) 59 DRJ 126 (DB), *The East India Hotels* and *A.S. Dhupia* were cited on behalf of PPL to drive home the point that Section 10 of the DHC Act only provided a forum for preferring an intra-court appeal. Since Mr Ankit Jain has confined himself to clause 10 of the Letters Patent, these judgements need not detain us. Suffice it to say that all three judgements dealt with appeals under one or the other avatar of the Arbitration Act; while

Vidyavati dealt with the 1996 A&C Act, *the East India Hotels* and *A.S. Dhupia* dealt with the provisions for appeal contained in the 1940 A&C Act.

16.3 We may add that the observation made in *A.S. Dhupia's* case that Section 10 of the DHC Act only provided for a forum, was only in the context of the discussion as to whether or not an appeal lay to the Division Bench against a decision rendered on an application filed under Section 33 of the 1940 A&C Act. This discussion took place in the context of Section 39(1) of the said Act, which did not provide for an intra-court appeal against a decision rendered on an application filed under Section 33. It is against this backdrop that the Court observed that Section 10 of the DHC Act which provides for a forum of appeal, is a special provision and thus, will not override Section 39(1) of the 1940 A&C Act.

16.4 Pertinently, the very same Bench had also delivered, on the same date i.e., 02.03.1972, a judgement in the matter concerning the *University of Delhi and Anr. v Hafiz Mohd. Said and Others* AIR 1972 Del 102. This decision was expressly set aside by the Supreme Court in *Jugal Kishore Paliwal v S. Sat Jit Singh and Another* (1984) 1 SCC 358. In *Hafiz Mohd's* case, the same Bench held that an intra-court appeal under Section 10(1) of the DHC Act would lie, only where a Single Judge exercises ordinary original civil jurisdiction and the order passed is a judgement, as defined in the CPC. The Court, thus, held that, apart from orders which have the force of a decree, appeals will lie only if the order is one which finds mention in Section 104, read with Order 43 Rule 1 of the CPC.

16.5 Therefore, when one reads the two judgements which were delivered by the same Bench on the same date (i.e., the judgement in *Dhupia's* case

and *Hafiz Mohd's* case), side by side, it is clear that it was never the intention of the Bench to say that Section 10(1) of the DHC Act does not provide for an intra-court appeal. It is another matter, though, that the line adopted by the Bench in *Hafiz Mohd's* case which, as noticed above, confined an intra-court appeal under Section 10(1) of the DHC Act *vis-à-vis* those orders which find mention in Section 104 and Order 43 Rule 1 of the CPC, did not find favour with the Supreme Court in *Jugal Kishore's* case. In *Jugal Kishore*, the Supreme Court adopted the test as enunciated in *Shah Babulal Khimji* concerning orders which could be construed as judgements.

16.6 We may also note that the judgment in *A.S. Dhupia's* case and *Hafiz Mohd's* case was also noticed by a Full Bench of this court in *Jaswinder Singh v Mrigendra Pratap Vikram Singh Steiner and Ors.* (2013) 196 DLT 1 (FB). The Full Bench, which included three judges, also included one of us i.e., Rajiv Shakdher J. Interestingly, in this judgement, the court was called upon to decide whether an intra-court appeal against an order passed by a Single Judge while exercising ordinary original civil jurisdiction [which is not appealable under Section 104(1) read with Order 43 Rule 1 of the CPC] would lie under Section 10(1) of the DHC Act or Clause 10 of the Letters Patent as applicable to this Court, (i.e., the Delhi High Court). The Court ruled that an appeal would lie under Section 10 of the DHC Act, as against Clause 10 of the Letters Patent, when a Single Judge of this court exercises ordinary original civil jurisdiction. In this context, the Court also made observations concerning the difference between the Letters Patent of 1919 granted to the Lahore High Court, of which the Delhi High Court was the successor, as against the Letters Patent of 1862 granted to the erstwhile

Presidency Courts i.e., Calcutta, Bombay and Madras. It is based on this view that the Court observed that an intra-court appeal lay under Clause 10 of the Letters Patent when a Single judge exercised writ jurisdiction, which is categorized as extraordinary civil jurisdiction.

17. Insofar as **BGS SGS Soma JV v NHPC Limited** (2020) 4 SCC 234 is concerned, this judgement was cited on behalf of PPL to buttress its submission that an appeal under the Commercial Courts Act would lie only if a substantive statute provided for an appeal. It is in this context that the decision of the Division Bench of this court in **HPL (India) Limited & Ors. v QRG Enterprises and Another** (2017) 238 DLT 123 (DB) was also cited. It requires to be noticed that in both these cases, Section 13 of the Commercial Courts Act was being discussed in the context of Section 37 of the 1996 A&C Act. Since this line of arguments was also not sought to be pursued by Mr Ankit Jain, they need not detain us.

17.1 As far as **Kandla Export Corporation and Anr. v OCI Corporation and Another** 2018 14 SCC 715 is concerned, it *inter alia*, dealt with the issue, i.e., whether an appeal, which is otherwise not maintainable under Section 50 of the 1996 A&C Act, would nonetheless lie under the Commercial Courts Act. The court held that Section 13(1) of the Commercial Courts Act only provided a forum for preferring an appeal. It went on to state that, since Section 50 of the 1996 A&C Act did not provide for an appeal against an order enforcing a foreign award, no forum had been provided *qua* the same under the Commercial Courts Act.

17.2 **Raja Ram Kumar Bhargava's** case was a case where the appellant/plaintiff had sued the Union of India for recovery of interest on

refund of income tax and excess profit tax, which, according to him, was due and payable, under Section 66(7) of the Income Tax Act, 1922 [hereafter referred to as “1922 Act”]. Admittedly, while the appellant plaintiff was refunded the principal amount, he was not paid the interest under the aforementioned provision. Evidently, while under Section 66(7) of the 1922 Act, the appellant/plaintiff was entitled to claim interest under the amended Act, this underwent a change with the enactment of the Income Tax Act, 1961 [hereafter referred to as “1961 Act”]. The income tax authorities, thus, took the stand that the issue concerning payment of interest was governed by provisions of Section 297(2)(i) of the 1961 Act. The aspect as to which Act was applicable, turned on when the assessment stood completed.

17.3 Apart from this, the other question that the court was called upon to render its ruling on, concerned whether the High Court had jurisdiction to try the suit. In this context, in paragraph 19 of the judgement, the court adverted to certain attributes, which, if present in the statute, would impliedly bar the jurisdiction of the civil court. The court observed that the broad guiding considerations *qua* this aspect would be that wherever a right, not pre-existing in common law, is created by the statute, which provided a machinery for enforcement of such right, it would tend to impliedly bar the jurisdiction of a civil court, even in the absence of a specific exclusionary provision. It went on to say that if, however, a pre-existing right in common law, is recognised by the statute, and a new statutory remedy for its enforcement is provided, without excluding the civil court’s jurisdiction,

then both common law and statutory remedies become concurrent remedies, keeping open an element of election to persons of inherence.

17.4 As far as trademarks are concerned, it is well known that the owner of the trademark has common law rights, which inhere in him and if the mark is registered, he obtains certain statutory rights as well. The judgement in ***Raja Ram Kumar Bhargava's*** case is concerned with the exclusion of the civil court's jurisdiction. What we are called upon to deal with is whether the 1999 (Amended) TM Act, excludes the provision of an intra-court appeal under the Letters Patent.

17.5 The High Court, in each of its earlier avatars, as discussed above, save and except the 1999 (Unamended) TM Act was vested with the power to entertain rectification applications. As noticed above, the Supreme Court in the ***National Sewing Thread*** case, while dealing with the 1940 TM Act has ruled that an intra-court appeal would be maintainable. The 1958 TM Act expressly provided for an appeal. Since in the 1999 (Unamended) TM Act, powers to decide rectification applications, apart from the Registrar, were conferred on the IPAB, the High Court's role in considering such applications was taken out from the periphery of the statute. This trend, so to speak, has been reversed by again vesting the power of dealing with rectification applications with the High Court, apart from the Registrar, under Section 57 of the 1999 (Amended) TM Act. The judgement in ***Raja Ram Kumar Bhargava's*** case doesn't, in that sense, provide a pointed answer to the issue raised in the instant case.

18. Thus, the upshot of these judgements is, broadly, the following:

- (i) Appeal is a creature of the statute. A litigant can prefer an appeal only if a statute provides for an appeal.
- (ii) The Letters Patent constitutes special law, which permits the institution of intra-court appeals in certain situations. [See ***P.S. Sathappan*** and ***Vinita M. Khanolkar***].
- (iii) Since Letters Patent is treated as the paramount charter under which the High Court functions, the provision for appeals made under it, cannot be effaced unless it is excluded specifically or by necessary implication by the concerned statute. [See ***P.S. Sathappan*** and ***Fuerst Day Lawson*** paragraph 36 (iv) on page 349].
- (iv) The indices of exclusion by implication are found in the purpose and object of a statute (which could *inter alia*, include the intent to remove several tiers of appeal) and in its framework. The framework of the statute should be such that it constitutes a complete code by itself. In other words, the statute should outline not only the rights (both substantive and procedural) but also the remedies for all those who would come within the ambit and sway of the statute.

19. It is against this backdrop that one would have to examine the provisions of Clause 10 of the Letters Patent and the framework of the 1999 (Amended) TM Act. Clause 10 of the Letters Patent of the then High Court of Judicature at Lahore, which stands extended to the Delhi High Court, reads as follows:

“10. And We do further ordain that an appeal shall lie to the said High Court of Judicature at Lahore from the judgement (not being a judgement passed in the of exercise of appellate jurisdiction in respect of a decree or order made in the exercise of appellate jurisdiction by a Court

subject to the superintendence of the said High Court, and not being an order made in the exercise of revisional jurisdiction, and not being a sentence or order passed or made in the exercise of power of superintendence under the provisions of Section 107 of the Government of India Act, or in the exercise of criminal jurisdiction) of one Judge of the said High Court or one Judge of any Division Court, pursuant to Section 108 of the Government of India Act, and that notwithstanding anything hereinbefore provided an appeal shall lie to the said High Court from a judgement of one Judge of the High Court or one Judge of any Division Court, pursuant to Section 108 of the Government of India Act, made on or after the first day of February, one thousand nine hundred and twenty-nine in the exercise of appellate jurisdiction in respect of a decree or order made in exercise of appellate jurisdiction by a Court subject to the superintendence of the said High Court where the Judge who passed the judgement declares that the case is a fit one for appeal, but that the right of appeal from other judgements of Judges of the said High Court or of such Division Court shall be to Us, Our Heirs or Successors in Our or Their Privy Council, as hereinafter provided.”

19.1 A perusal of Clause 10 of the Letters Patent shows that, generally, an appeal would lie from a decision of one judge of the High Court or one judge of any of the Division Courts, pursuant to Section 108 of the Government of India Act, 1915 [hereafter referred to as “GOI Act 1915”] (equivalent to Article 225 of the Constitution of India), subject to certain judgments and orders being excluded.

19.2 The category of judgments and orders which are excluded include a judgment passed in the exercise of appellate jurisdiction in respect of decree or order made in the exercise of appellate jurisdiction *via* court over which the High Court has superintendence. The excluded category also includes an order made in the exercise of the revisional jurisdiction and a sentence or order passed or made in the exercise of the power of superintendence under

the provisions of Section 107 of the GOI Act 1915 or in the exercise of criminal jurisdiction.

19.3 Furthermore, Clause 10 of the Letters Patent also expounds that an appeal shall lie from a judgment of one judge of the High Court or one judge of any Division Court, even where the said judge exercises the appellate jurisdiction in respect of decree or order made in the exercise of appellate jurisdiction by a court, subject to the High Court's superintendence, in cases where the judge who passed the judgment, declares that the case is a fit one for appeal.

19.4 Thus, appeals *qua* other judgments rendered by the judges of the High Court or Division Courts were intended to lie at the relevant point in time with the Privy Council.

20. Clearly, the impugned judgment does not fall in the excluded category referred to in Clause 10 of the Letters Patent. Therefore, ordinarily, an appeal under Clause 10 of the Letters Patent would lie, unless, as is argued by Mr Sethi, we conclude that the 1999 (Amended) TM Act expressly or by implication excludes Clause 10 of the Letters Patent. This argument of Mr Sethi is based on, as noticed above, a comparison between the provisions concerning rectification and the corresponding provisions including the appeal provisions in the 1999 (Amended) TM Act and those which stood embedded in the 1940 TM Act and 1958 TM Act.

21. In this context, it is required to be noticed that a rectification application could be preferred under Section 46 of the 1940 TM Act either with the Registrar or the High Court. Insofar as the decision of the Registrar is concerned, the person aggrieved could prefer an appeal to the High Court.

21.1 Likewise, under a corresponding provision i.e., Section 56 of the 1958 TM Act, a rectification application could be filed either before the Registrar or the High Court and the person aggrieved with the decision of the Registrar could prefer an appeal with the High Court under Section 109 of the said Act. Sub-section (4) of Section 109 of the 1958 TM Act, provided that such an appeal would lie to a Single Judge of the High Court, who, if deemed fit, could refer an appeal, at any stage of the proceedings, to a Bench of the High Court. Furthermore, sub-section (5) of Section 109 of the 1958 TM Act provided that against the decision of the Single Judge rendered while exercising appellate jurisdiction, a further appeal would lie to the Bench of the High Court.

21.2 Mr Sethi sought to buttress his argument by drawing our attention to the fact that both Sub-section (3) of Section 76 of the 1940 TM Act and Sub-section (8) of Section 109 of the 1958 TM Act categorically provided that the provisions of the CPC would apply to the appeals preferred with the High Court under the corresponding Act.

21.3 Besides this, a reference was also made to Section 91 of the 1999 (Unamended) TM Act, which provided for a right of appeal to the person aggrieved by the decision of the Registrar concerning the rectification applications filed under Section 57 of the said Act. The appeal under Section 91 of the 1999 (Unamended) TM Act, lay with the IPAB. It was pointed out that Section 92(1) of the 1999 (Unamended) TM Act excluded the applicability of the provisions of CPC. It was also sought to be emphasized that Section 93 of the very same Act excluded the jurisdiction of courts in matters where appeals lay with the IPAB.

22. In our view, the comparison only heightens the gap in the 1999 (Amended) TM Act. In the 1940 TM Act, where a person aggrieved was desirous of preferring an appeal against a decision of the Registrar *vis-à-vis* a rectification application preferred under Section 46, an appeal lay with the High Court under Section 76 of the said Act.

22.1 Likewise, in a decision *qua* a rectification application preferred under Section 56 of the 1958 TM Act by the Registrar, an appeal lay under Section 109 of the said Act with a Single Judge of the High Court and a further appeal could be preferred to the Division Bench from a decision rendered by the Single Judge while exercising the appellate jurisdiction. The 1999 (Unamended) TM Act also provided an appeal to the IPAB from a decision rendered on the rectification application by a Registrar under Section 57 of the said Act.

22.2 In each of the Acts referred to above, i.e., the 1940, 1958 and 1999 (Unamended) TM Acts, one level of the appeal is provided from a decision on a rectification application rendered by the Registrar.

22.3 Pertinently, the 1958 TM Act provided for an intra-court appeal to the Division Bench even from a decision of a Single Judge, rendered, while exercising appellate jurisdiction against a decision of a Registrar *qua* a rectification application.

23. It appears that this provision for an intra-court appeal, which stood incorporated in sub-section (5) of Section 109 of the 1958 TM Act was, perhaps, a consequence of the decision rendered by the Supreme Court in the *National Sewing Thread* case, where one of the issues which arose for consideration was whether an intra-court appeal lay under Clause 15 of the

Letters Patent from a decision rendered by a Single Judge under Section 76 of the 1940 TM Act.

23.1 As indicated above, Section 76 of the 1940 TM Act vested a right in the person aggrieved to prefer an appeal with the High Court *inter alia*, *qua* a decision rendered on his rectification application. The Supreme Court ruled, quite emphatically, that an intra-court appeal would lie against a decision rendered by a Single Judge under Clause 15 of the Letters Patent, which is *pari materia* to Clause 10 of the Letters Patent of the Lahore High Court.

23.2 To be noted, in the ***National Sewing Thread*** case, the decision of the Single Judge under Section 76 of the 1940 TM Act was rendered in the context of an application for opposition filed by the respondent in that case, with respect to an application for registration of a trademark which was deceptively similar to the respondent's trademark. In this backdrop, the following apposite observations were made by the court:

“5....The appellants preferred an appeal against the order of the Registrar to the High Court of Bombay as permitted by the provisions of Section 76 of the Trade Marks Act. Mr Justice Shah allowed the appeal, set aside the order of the Registrar and directed the Registrar to register the mark of the appellants as a trade mark. From the judgment of Mr Justice Shah an appeal was preferred by the respondents under clause 15 of the Letters Patent of the Bombay High Court. The appeal was allowed and the order of the Registrar was restored with costs throughout. Hence this appeal.

6. In our judgment both the questions canvassed in this appeal admit of an easy answer in spite of a number of hurdles and difficulties suggested during the arguments. It is not disputed that the decision of Mr Justice Shah does constitute a judgment within the meaning of clause 15 of the Letters Patent. That being so his judgment was subject to appeal under that clause, the material part of which relevant to this enquiry is:

“And we do further ordain that an appeal shall lie to the said High Court of Judicature at Bombay from the judgment of one Judge of the said High Court or one Judge of any Division Court, pursuant to Section 108 of the Government of India Act.”

It was said that the provisions of this clause could not be attracted to an appeal preferred to the High Court under Section 76 of the Trade Marks Act and further that the clause would have no application in a case, where the judgment could not be said to have been delivered pursuant to Section 108 of the Government of India Act, 1915. Both these objections in our opinion are not well founded.

7. Section 76(1) provides:

“Save as otherwise expressly provided in the Act an appeal shall lie, within the period prescribed by the Central Government, from any decision of the Registrar under this Act or the rules made thereunder to the High Court having the jurisdiction.”

*The Trade Marks Act does not provide or lay down any procedure for the future conduct or career of that appeal in the High Court, indeed Section 77 of the Act provides that the High Court can if it likes make rules in the matter. Obviously after the appeal had reached the High Court it has to be determined according to the rules of practice and procedure of that Court and in accordance with the provisions of the charter under which that Court is constituted and which confers on it power in respect to the method and manner of exercising that jurisdiction. **The rule is well settled that when a statute directs that an appeal shall lie to a Court already, established, then that appeal must be regulated by the practice and procedure of that Court.** This rule was very succinctly stated by Viscount Haldane, L.C. in *National Telephone Co. Ltd. v. Postmaster General* [1913 AC 546] in these terms:*

“When a question is stated to be referred to an established Court without more, it in my opinion, imports that the ordinary incidents of the procedure of that Court are to attach, and also that any general right of appeal from its decision likewise attaches.”

*The same view was expressed by Their Lordships of the Privy Council in *R.M.A.R.A. Adaikappa Chettiar v. Ra. Chandrasekhara Thevar* [74 IA 264] wherein it was said:*

“Where a legal right is in dispute and the ordinary Courts of the country are seized of such dispute the Courts are governed by the ordinary rules of procedure applicable thereto and an appeal lies if authorised by such rules, notwithstanding that the legal right claimed

arises under a special statute which does not, in terms confer a right of appeal.”

Again in *Secretary of State for India v. Chellikani Rama Rao* [ILR 39 Mad 617] when dealing with the case under the Madras Forest Act Their Lordships observed as follows:

“It was contended on behalf of the appellant that all further proceedings in Courts in India or by way of appeal were incompetent, these being excluded by the terms of the statute just quoted. In Their Lordships' opinion this objection is not well founded. Their view is that when proceedings of this character reach the District Court, that Court is appealed to as one of the ordinary Courts of the country, with regard to whose procedure, orders, and decrees the ordinary rules of the Civil Procedure Code apply.”

Though the facts of the cases laying down the above rule were not exactly similar to the facts of the present case, the principle enunciated therein is one of general application and has an apposite application to the facts and circumstances of the present case. **Section 76 of the Trade Marks Act confers a right of appeal to the High Court and says nothing more about it. That being so, the High Court being seized as such of the appellate jurisdiction conferred by Section 76 it has to exercise that jurisdiction in the same manner as it exercises its other appellate jurisdiction and when such jurisdiction is exercised by a Single Judge, his judgment becomes subject to appeal under clause 15 of the Letters Patent there being nothing to the contrary in the Trade Marks Act.”**

[Emphasis is ours]

23.3 Thus, insofar as the 1940 TM Act was concerned, in the chartered High Courts, an intra-court appeal could be preferred under the Letters Patent. In the 1958 TM Act, the provision for intra-court appeal, against a decision on a rectification application rendered by a Single Judge under Section 56 of the said Act could lie under Sub-section (3) of Section 108 of the said Act.

24. In the 1999 (Unamended) TM Act, the appeal, as noticed above, against a decision rendered by the Registrar on a rectification application filed under Section 57 of the said Act, could be preferred to the High Court.

[See Section 91]. However, from a decision on a rectification application rendered by the IPAB under Section 57 of 1999 (Unamended) TM Act, no appeal was provided, perhaps for the reason that the original jurisdiction conferred on the High Court to decide rectification applications, as provided in the 1940 TM Act and 1958 TM Act, was taken away. The IPAB, under the 1999 (Unamended) TM Act, was required to comprise *inter alia*, a technical member i.e., a domain expert, along with a judicial member.

24.1 With the 2021 Reforms Act, in place of the IPAB under the 1999 (Unamended) TM Act, jurisdiction to decide a rectification application under Section 57 has *inter alia*, been vested both in the High Court and the Registrar. Insofar as the decision of the Registrar is concerned, a person aggrieved can carry the matter to an appeal to the High Court. [See Section 91].

25. At this stage we may note that an intra-court appeal in this court would, broadly, fall into four slots. [See *C.S. Aggarwal v State & Ors.* and *Jaswinder Singh*].

- (i) First, Appeals, which are available under the CPC.
- (ii) Second, where the provision of appeal is made in a given statute.
- (iii) Third, appeals available under Section 10 of the DHC Act, in respect of judgements which are rendered by a Single Judge in the exercise of ordinary original civil jurisdiction, as construed under Section 5(2) of the very same Act. Thus, an appeal under this provision i.e., Section 10(1) of the DHC Act would be available where a Single Judge passes an order while exercising ordinary original civil jurisdiction, which is otherwise not available under

Section 104 read with Order 43 Rule 1 of the CPC, as long as it meets the test of “judgement” as enunciated in ***Babulal Khimji***.

(iv) Lastly, appeals available under Clause 10 of the Letters Patent.

25.1 In the instant case, RIPL has slotted its appeal in the last category i.e., Clause 10 of the Letters Patent. The reason is quite clear; the first three slots would not apply as the learned Single Judge was not exercising ordinary original civil jurisdiction; there is no provision in the CPC for maintaining this appeal and the 1999 (Amended) TM Act does not provide for an appeal.

25.2 PPL, on the other hand, has, *inter alia*, emphasized that because of the history of trademark legislation, the exclusion of an intra-court appeal provision is implied.

25.3 We tend to disagree. To our minds, there is nothing in the framework of the 1999 TM Act which suggests that the legislature, by implication, sought to exclude one level of scrutiny that would be available by way of an intra-court appeal preferred under Clause 10 of the Letters Patent. Concededly, there is no provision in the 1999 (Amended) TM Act, which expressly excludes the applicability of the provision for appeal provided under Clause 10 of the Letters Patent.

26. The question that then arises is: whether the fact that there is no provision with regard to the applicability of the provisions of CPC would make any difference to the conclusion that we have reached in the matter?

26.1 In this context, it is to be noticed that in the ***National Sewing Thread*** case, when the Supreme Court was called upon to rule on whether an intra-court appeal would lie under Clause 15 of the Letters Patent, as applicable to the Gujrat High Court, the decision on the maintainability of the intra-court

appeal did not turn on the provisions of sub-section (3) of Section 76 of the 1940 TM Act, which provided that the provisions of the CPC would apply to the appeals preferred to the High Court under the Act.

26.2 Clearly, in Sub-section (3) of Section 76 of the said Act and in Sub-section (8) of Section 109 of the 1958 TM Act, provide for the application of the provisions of CPC. A plain reading of the said provisions would show that the CPC applies to appeals preferred with the High Court under the respective statute.

26.3 An appeal under the Letters Patent (in this case, Clause 10), however, is an appeal under a special law, and not an appeal under the Act. Therefore, the absence of a similar provision under the 1999 (Amended) TM Act would have, in our opinion, no impact on the sustainability of the instant appeals.

27. Therefore, in our view, the first issue has to be answered in favour of RIPL and against PPL. Intra-court appeals would lie against the decision of the Single Judge rendered under Section 57 of the 1999 (Amended) TM Act.

28. This brings us to the second issue i.e., the merits of the case.

29. Insofar as the following facts are concerned, there is no dispute between the parties:

(i) PPL is a prior registrant of the trademark  and its variants such as "PhonePe", etcetera falling in various classes. These registrations were obtained in 2016, with use dating back to September 2015.

(ii) Initially, RIPL had filed an application with the Trademarks Registry seeking registration of the mark  which was withdrawn on 08.11.2018.

(iii) Thereafter, RIPL commenced the use of the trademark , which led to PPL instituting the Delhi suit. This suit was filed on 29.05.2019.

(iv) On 01.07.2019, RIPL filed a written statement in the Delhi suit.

(v) On 28.04.2021, RIPL applied for the registration of the trademark "PostPe" under Class 9.

(vi) Thereafter, i.e., on 14.09.2021, PPL filed its opposition *qua* RIPL's application for having its trademark "PostPe" registered.

(vii) PPL followed this with the Bombay suit, which was instituted on 14.10.2021. However, this suit was withdrawn on 22.10.2021, with the liberty to institute a fresh suit.

(viii) On 25.10.2021, RIPL filed its rectification applications under Section 57 of the 1999 (Amended) TM Act for the cancellation and removal of PPL's trademark  falling in various classes.

30. Against the backdrop of these facts, the provisions that require to be dealt with are Sections 124 and 125 of the 1999 (Amended) TM Act.

30.1 Section 124 sets out the process to be followed where the validity of the registration of a trademark is questioned in a suit for infringement of a trademark.

30.2 The issue concerning the validity of the trademark can be raised either by the defendant *qua* the plaintiff's registered trademark or by the plaintiff where the defendant raises a defence under Section 30(2)(e) of the said Act.

30.3 In a situation where the proceedings for rectification are pending, the court trying the infringement action is required to stay the suit, pending the

disposal of the rectification application concerning the trademark in issue before the Registrar or the High Court.

30.4 However, in a situation where a rectification application is filed and a plea is raised about the validity of the trademark in issue before the court trying the infringement action and the court is satisfied that the plea is *prima facie* tenable, the court would, then, frame an issue regarding the validity of the trademark and adjourn the suit by three [3] months to enable the party concerned to apply to the High Court for rectification of the Register.

30.5 Sub-section (2) allows the court to extend the timeframe of three [3] months provided in Section 124(1)(b)(ii), *albeit* for sufficient cause, and if the concerned party proves that it has filed a rectification application within the prescribed three [3] months or the extended time, as may be granted by the court, the court is obliged to stay the suit till the final disposal of the rectification application.

30.6 Sub-section (3) of Section 124 provides where the party concerned does not apply within the prescribed three [3] months' time or the extended time granted by the court, the issue concerning the validity of the registration of the trademark shall be deemed to have been abandoned. The court, in such circumstances, would then be required to proceed with the suit with regard to issues other than that concerning the validity of the registered trademark.

30.7 Sub-Section (4) of Section 124 stipulates that the decision on the rectification application shall be binding on the parties and the court is then required to dispose of the suit concerning the issue involving the validity of

the registration of the trademark, in conformity with the decision rendered *qua* the rectification application.

30.8 Importantly, Sub-section (5) of Section 124 makes it clear that stay of the infringement action shall not come in the way of the court granting an interlocutory order.

30.9 Section 125 of the 1999 (Amended) TM Act provides that the issue concerning the validity of the registration of a trademark, whether by the defendant in a suit for infringement or by the plaintiff, where, in such a suit, the defendant raises a defence under Section 30(2)(e), the issue concerning the validity of the registration of the trademark will be determined only on an application for rectification and that such an application shall be made to the High Court and not to the Registrar.

31. Sub-section (2) of Section 125 states that subject to the provisions of Sub-section (1), where an application for registration is made before the Registrar, he may refer the application, at any stage of the proceedings, to the High Court.

32. In the facts of the case, we are unable to agree with the submission of Mr Jain that the Delhi suit instituted by PPL was directed only towards RIPL's trademark  and therefore, Section 124 of the Act had no application as the rectification applications were triggered on account of RIPL using its trademark "PostPe", which was the subject matter of the Bombay suit that stood withdrawn before the institution of the rectification applications.

32.1 The reason why we say so, to our minds, is simple. PPL, in the Delhi suit, had sought reliefs *qua* all variants of its registered mark "Pe".

Therefore, whether or not, ultimately,  would be held by the court to be an infringing mark will be determined only after trial. Concededly, RIPL has indeed taken a defence that the "Pe" marks were laudatory and descriptive of the services that PPL offered.

32.2 However, Mr Jain is right on facts that in Delhi suit filed by PPL, only three¹¹ [3] out of the four [4] marks had been referred to and therefore, the rectification application¹² corresponding to the fourth mark¹³ could not have been dismissed by the learned Single Judge. This is evident on perusal of the tabular chart appended to paragraph thirteen of the plaint. However, the prayers in the suit are broad-based, as it seeks to cover all variants of PPL's registered trademarks.

32.3 That said, the issue before the learned Single Judge, to our minds, was whether the rectification applications should have been dismissed, or kept in abeyance till such time the concerned court took a decision as to whether or not, *prima facie*, a tenable issue arose concerning the validity of the trademark, and was inclined to frame it as an issue in the suit. There is nothing in Section 124 of the 1999 (Amended) TM Act that says that a rectification application ought to be dismissed *in limine*, in a situation such as the one which arose in the instant case. As a matter of fact, the following observations of the Supreme Court in the ***Patel Field Marshal*** case, shed, to our minds, some light on the aspect:

¹¹ Application nos. 3425325 (Class 38), 3425326 (Class 42) and 3425322 (Class 9)

¹² C.O. (COMM.IPD-TM) 40/2021

¹³ Application no.3425319(Class 36)

“40. The first question posed is how an approach to the superior court i.e. the High Court, under Section 111 of the 1958 Act, can be contingent on a permission or grant of leave by a court of subordinate jurisdiction. The above is also contended to be plainly contrary to the provisions of Section 41(b) of the Specific Relief Act, 1963. It is also urged that Section 32 of the 1958 Act provides a defence to a claim of infringement which is open to be taken both in a proceeding for rectification as well as in a suit. The said defence statutorily available to a contesting party cannot be foreclosed by a deemed abandonment of the issue of invalidity, it has been contended.

*41. Section 111 of the 1958 Act, and the corresponding Section 124 of the 1999 Act, nowhere contemplates [the] 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 is ours]

33. The position that we have taken above is best explained by adverting, illustratively, to even those statutes, for example, the Indian Companies Act, 1913 [hereafter referred to as the “1913 Act”] and the Companies Act, 1956 [hereafter referred to as the “1956 Act”] which contained provisions that prevented suit actions or other legal proceedings either being proceeded with or commenced against the companies *qua* which a winding up order had been made or a provisional liquidator was appointed, except by leave of the

court and subject to such terms and conditions that the court may impose. For the sake of convenience, the relevant provisions are extracted hereafter:

“1913 Act

Section 171: Suits stayed on winding up order.

When a winding up order has been made or a provisional liquidator has been appointed no suit or other legal proceeding shall be proceeded with or commenced against the company except by leave of the Court, and subject to such terms as the Court may impose.

xxx.

xxx

xxx

1956 Act

Section 446: Suits stayed on winding up order.

(1) When a winding-up order has been made or the Official Liquidator has been appointed as provisional liquidator, no suit or other legal proceeding shall be commenced, or if pending at the date of the winding-up order, shall be proceeded with, against the company, except by leave of the court and subject to such terms as the court may impose.”

34. Both provisions, i.e., Section 171 of the 1913 Act and Section 446 of the 1956 Act are *pari materia*. Section 171 of the 1913 Act was the subject matter of the decision of the Supreme Court in ***Bansidhar Shankarlal v Mohd. Ibrahim and Anr.*** 1970(3) SCC 900. This was a case where the first respondent before the Supreme Court (i.e., Mr Mohd. Ibrahim) had filed a civil suit and obtained a decree of ejectment against a company which was occupying a parcel of land. However, before the suit was decreed, the company had executed a deed in favour of the appellant before the Supreme Court (i.e., Mr Bansidhar Shankarlal), mortgaging its fixed assets for securing the repayment of certain amounts owed to the said mortgagee.

Thereafter, a second deed was also executed in favour of Mr Shankarlal, which, once again, mortgaged the fixed assets for securing repayment of an additional sum of money.

34.1 Against a decree for ejectment, both the company and Mr Shankarlal preferred second appeals to the High Court of Calcutta, after the decree was confirmed by the First Appellate Court. Mr Shankarlal also filed a suit in the High Court of Calcutta to enforce the mortgage created in his favour; a preliminary decree was passed in the said suit. While this was at play, a creditor filed a winding-up action against the company and obtained an order for winding up. The High Court of Calcutta, while exercising appellate jurisdiction, confirmed the decree of ejectment. Given this position, the first respondent i.e., Mr Ibrahim filed an application for enforcement of the decree of ejectment against the company, without obtaining leave of the High Court of Calcutta, as required under Section 171 of the 1913 Act.

34.2 The Supreme Court, on this aspect, arrived at two conclusions. First, the execution proceedings were a continuation of the suit action and if leave has been obtained for prosecuting the suit, it would be unnecessary to obtain fresh sanction to initiate proceedings at the instance of the relevant party. Second, suits and proceedings initiated without leave of the court may be regarded as ineffective until leave is obtained, and once leave was obtained, the proceedings would be deemed to be initiated on the date of granting leave. The relevant observations made in this behalf are contained in paragraph 7 of the judgement rendered in the case. For the sake of convenience, the said observations are extracted hereafter:

*“7. Even granting that sanction under Section 179 does not dispense with the leave under Section 171 of the Act, to institute a proceeding in execution against a company ordered to be wound up, **we do not think that there is anything in the Act which makes the leave a condition precedent to the institution of a proceeding in execution of a decree against the company and failure to obtain leave before institution of the proceeding entails dismissal of the proceeding. The suit or proceeding instituted without leave of the Court may, in our judgment, be regarded as ineffective until leave is obtained, but once leave is obtained the proceeding will be deemed instituted on the date granting leave.**”*

[Emphasis is ours]

34.3 This precedent was affirmed by the Supreme Court in the matter of ***State of J&K v UCO Bank and Ors.*** (2005) 10 SCC 331 while interpreting Sub-section (1) of Section 446 of the 1956 Act. In this case, however, no leave was obtained when the suit was filed and despite this factual distinction, the Court affirmed the second principle enunciated in the case of ***Bansidhar Shankarlal***, which was that the suit or proceedings only became ineffective till leave was granted. For the sake of convenience, the relevant observations made in paragraph 17 of the judgement rendered in ***State of J&K v UCO Bank and Ors.*** are extracted hereafter:

17. According to the apparent language of the section, a suit cannot be instituted once a winding-up order is passed except by leave of the Court. This sub-section has been construed by this Court in the decision of Bansidhar [(1970) 3 SCC 900 : AIR 1971 SC 1292] . In that case leave had been obtained at the time of filing of the suit and the question was whether fresh leave ought to be obtained before proceeding under Section 446(1) before institution of execution proceedings. This Court considered the contrary views expressed by the different High Courts on the effect and purport of Section 446(1) and came to the conclusion that the view expressed by the Calcutta

High Court was correct, namely, that the failure to obtain leave prior to institution of suit would not debar the Court from granting such leave subsequently and that the only consequence of this would be that the proceedings would be regarded as having been instituted on the date on which the leave was obtained from the High Court. In view of this categorical pronouncement of the law, the grounds on which the Division Bench has sought to distinguish the aforesaid principle are not only specious but contrary to the provisions of Section 446(1) and the decision of this Court in Bansidhar case [(1970) 3 SCC 900 : AIR 1971 SC 1292].

[Emphasis is ours]

35. Having regard to the foregoing, we are of the opinion that the dismissal of the rectification applications was uncalled for. The learned Single Judge should have kept the rectification applications in abeyance.

Conclusion:

36. Given the discussion above, our conclusions are as follows:

- (i) The appeals are maintainable.
- (ii) The decision to dismiss the rectification applications is not sustainable. The learned Single Judge ought to have kept the rectification applications in abeyance, to await the decision of the court on the aspect concerning the validity of the registered trademarks of PPL. Consequently, the impugned decision is set aside.
- (iii) In case the learned Single Judge in the Delhi suit frames an issue with regard to the validity of the concerned registered trademarks of PPL, then the applications for rectification would spring to life and a decision would have to be taken *qua* them. However, if the learned Single Judge in the said suit rejects the plea for framing an issue concerning the validity of the concerned registered

trademarks of PPL, the rectification applications would be rendered inefficacious and would be closed.

(iv) Till such time, the rectification applications shall remain in abeyance until a decision is taken in line with (iii) above.

37. The appeals are disposed of in the aforesaid terms. Pending applications shall, consequently, stand closed.

(RAJIV SHAKDHER)
JUDGE

(TALWANT SINGH)
JUDGE

MAY 18th, 2023