

(2013) 04 KL CK 0086

High Court Of Kerala

Case No: O.P. (C) No. 4071 of 2012

Kadambukattil Exports

APPELLANT

Vs

Nilkamal Ltd.

RESPONDENT

Date of Decision: April 1, 2013**Acts Referred:**

- Designs Act, 2000 - Section 19, 22(4)

Citation: (2013) 2 ILR (Ker) 545 : (2013) 2 KHC 380 : (2013) 2 KLJ 598 : (2013) 2 KLT 507**Hon'ble Judges:** Thomas P. Joseph, J**Bench:** Single Bench**Advocate:** Shinu J. Pillai and Sri Saiby Jose Kidangoor and Sri George Briston, for the Appellant; C. Harikumar and Sri Vizzy George Kokkat, for the Respondent

Judgement

Thomas P. Joseph, J.

Ext. P-6, order dated 22-10-2012 on I.A. No. 489 of 2012 in O.S. No. 2 of 2012 of the Additional District Court, North Paravur is under challenge at the instance of petitioner/defendant. Respondent filed the suit under the Designs Act, 2000 (for short, "the Act") for a decree for prohibitory injunction against infringement of two designs claimed by it. According to the respondent, it has registered design Nos. 177413 and 219383 with effect from 16-9-1998 and 21-10-2008, respectively. Petitioner is engaged in the manufacture and exposition for sale etc., models of moulded plastic chairs infringing the above designs. Hence the suit for reliefs under Sec. 22(1) and (2) of the Act.

2. Petitioner inter alia, contended that designs allegedly registered by the respondent are not new or original the same having been already registered and published in the United States of America (for short, "the United States"). It is contended that registration of designs in favour of the respondent is liable to be cancelled under Sec. 19 of the Act. Petitioner filed I.A. No. 489 of 2012 under Sec. 22(4) of the Act requesting the learned Additional District Judge to transfer the suit

to this Court for trial and disposal. The said application was resisted by the respondent on various grounds including that averments in the written statement of petitioner lacked details so far as alleged publication of any of the designs in the United States.

3. Learned Additional District Judge accepted the objection raised by the respondent and dismissed I.A. No. 489 of 2012. Ext. P-6, order is under challenge.

4. Learned counsel for petitioner has contended that once petitioner has raised a plea falling under Sec. 19 of the Act that registration of designs in the name of the respondent is liable to be cancelled, then, jurisdiction of the District Court to deal with the matter is ousted. Thereon, the District Court is bound to transfer the suit to the High Court for trial and disposal. It is also argued that it is incorrect to say that written statement lacks details so far as publication of designs in the United States is concerned. Learned counsel has drawn my attention to the averments in the written statement. Reliance is placed on the decision in *M/s Astral Polytechnic Limited Represented by its [Astral Polytechnik Limited Vs. Ashirvad Pipes Private Limited and Another](#)*.

5. Learned counsel for the respondent argued that so far as design No. 177413 is concerned, its registration would expire by September, 2013 and hence respondent is not perusing the reliefs sought in the suit with respect to that design. It is argued that so far as design No. 219383 is concerned, there is no material even to show prima facie that the said design was registered, published or used in any other country. A mere plea raised by the petitioner in the written statement would not take away jurisdiction of the District Court. According to the learned counsel, the court whose jurisdiction is sought to be ousted by a plea raised in the written statement must have the prima facie satisfaction that it will not be able to grant relief sought in the suit. Then alone the said court need transfer the suit or other proceeding to the High Court. Learned counsel submits that though certain documents are produced by the petitioner along with this Original Petition, none of those documents were produced before the learned District Judge to arrive at such a prima facie satisfaction. Learned counsel has placed reliance on the decision in *Daniel Vs. A.R. Safiullah*.

6. In so far as design No. 177413 is concerned, in the light of submission made by the learned counsel that respondent is not perusing the relief sought, it is not necessary for me to go into that matter. I record the submission made by the learned counsel that respondent is not perusing the relief claimed in the suit with respect to design No. 177413.

7. What remains is whether in view of the contention petitioner has raised in its written statement concerning design No. 219383, it is necessary that learned Additional District Judge should transfer the suit to the High Court for trial and disposal.

8. Sec. 22(4) of the Act reads:

(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 u/s 19 has been availed of as a ground of defence and sub-section (3) in any suit or other proceeding for relief under sub-section (2), the suit or such other proceeding shall be transferred by the Court, in which the suit or such other proceeding is pending to the High Court for decision.

Sec. 19 of the Act deals with cancellation of registration, sub-sec. (1) states:

Any person interested may present a petition for the cancellation of 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 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.

9. Sec. 4 of the Act deals with prohibition of registration of certain designs and states:

A design which--

- (1) is not new or original; or
- (2) has been disclosed to the public anywhere in India or in any other country by publication in tangible form or by use or in any other way prior to the filing date, or where applicable, the priority date of the application for registration; or
- (3) is not significantly distinguishable from known designs or combination of known designs; or
- (4) comprises or contains scandalous or obscene matter, shall not be registered.

10. As per the above provisions, where any ground on which registration of a design may be cancelled under Sec. 19 has been availed of as a defence, the suit or other proceeding has to be transferred by the court in which the suit or other proceedings is pending, to the High Court for a decision.

11. Learned counsel for petitioner has invited my attention to Form 8 under the Design Rules, 2001 (for short, "the Rules") to contend that what is required to make a request for cancellation of registration before the appropriate authority is only to file an application in the form prescribed (Form No. 8). According to the learned

counsel, it is not necessary that evidence should be let in before the court where the suit or other proceeding is pending to show that the suit or proceeding has to be transferred to the High Court. It is argued that a plea in the written statement is sufficient.

12. In *M/s Astral Polytechnic Limited Represented by its Chief Finance Officer v. M/s Ashirvad Pipes Private Limited & another* (supra) it is held in Paragraph 14, that though the civil court is vested with the power and jurisdiction to decide question of infringement, payment of damages and other reliefs, it has not been vested with the jurisdiction to cancel registration of a design made under the Act. The said power is vested only with the controller and the High Court. Therefore, in a proceeding initiated by the registered proprietor for any reliefs to which he is entitled under Sec. 22(2) or in any suit claiming other reliefs which he is entitled in law, if the defendant sets up a defence and urges, in addition to other grounds mentioned in Sec. 19 for cancellation of registration of the design, the Civil Court shall transfer the suit or other proceeding to the High Court for a decision. It is also observed in the said decision that no discretion is left with the Civil Court and that once the ground set out in Sec. 19 of the Act is urged as a ground of defence, the Civil Court has to transfer the suit or proceeding to the High Court for a decision.

13. In [Daniel Vs. A.R. Safiullah](#), the Madras High Court held in Paragraph 18:

So far as the first provisions of law in Section 22(4) of the Designs Act, 2000 is concerned, it is a precondition imposed by law that only on ground which the registration of a design may be cancelled u/s 19 of the said Act has been availed of as ground of defence and sub-section (3) in any suit or other proceeding for relief under sub-section (2), the said suit or other proceeding shall be transferred by the Court wherein it is pending, to the High Court for decision. Whether this condition is prevalent in the suit registered by the plaintiff in OS. No. 1 of 2002 has neither been clarified in the petition nor argued before this Court and, therefore, factually it has to be decided whether such a condition is prevalent in the suit filed by the respondent/plaintiff only when the question of invoking this provision of law u/s 22(4) of the Designs Act would arise. Of course, it is the case of the respondent that such a condition is not prevalent in the suit registered by him and therefore, the applicant/defendant is not entitled to invoke the above provision of law.

14. True that Sec. 22(4) of the Act states that when a ground on which registration of a design may be cancelled is taken up as a defence, the District Court shall transfer the suit or proceeding to the High Court. Question is whether a mere plea that registration of a design is liable to be cancelled under any of the provisions of Sec. 19 would oust jurisdiction of the District Court requiring it to transfer the suit or proceeding to the High Court for a decision or whether the District Court whose jurisdiction is ousted, must have the prima facie satisfaction of the fact situation which requires it to transfer the suit or proceeding to the High Court for a decision?

15. The well-known rules as to ouster of jurisdiction of the court is that ouster of jurisdiction is not to be readily inferred. The required conditions are to be made out. A statute ousting jurisdiction of a court has to be strictly construed.

16. Though relating to a reference under Sec. 125(3) of the Kerala Land Reforms Act (for short, " the KLR Act") it is held that the Civil Court can consider whether the plea raised by the party concerned is bonafide or genuine and that if the Civil Court is of the opinion that there is not even a remote possibility of the plea (under the KLR Act) being upheld, such court can proceed to dispose of the suit without resorting to a reference.

17. Having regard to Sec. 22(4) of the Act, there is no reason why I should adopt a different standard. It is not as if the moment the defendant raises a plea which would enable him for cancellation of registration under Sec. 19 of the Act jurisdiction of the District Court is ousted. Since it is a matter ousting jurisdiction of the District Court, such court must have the prima facie satisfaction that its jurisdiction is ousted. If a view as pleaded by the petitioner and accepted by the Karnataka High Court in the decision cited supra is taken, it is possible for any defendant to raise even unnecessarily and without any basis a plea falling under Sec. 19 of the Act, thereby oust jurisdiction of the District Court and prolong the proceeding. I am not inclined to think, that is the purport of the exclusionary clause contained in Sec. 22(4) of the Act. In that view of the matter, I respectfully disagree with the view taken by the Karnataka High Court (in the decision entered supra) that when there is a plea falling under Sec. 19 of the Act, jurisdiction of the District Court is ousted. The District Court whose jurisdiction is sought to be ousted by the plea for cancellation of registration of design of the plaintiff must prima facie be satisfied that there is the possibility of the plea of defendant under Sec. 19 of the Act being upheld and thus its jurisdiction is ousted. Nor I am impressed by the contention that the defendant need only make an application for cancellation of registration in the prescribed form and hence a plea for cancellation of registration of the design alone is sufficient to oust jurisdiction of the District Court. A defendant who applies for cancellation of registration under Sec. 19 of the Act has to substantiate his claim in the application.

18. It is admitted that petitioner had not produced any document in the Additional District Court to show prima facie that any of the grounds under Sec. 19 of the Act is available to the petitioner. In that view of the matter, I am unable to accept the contention of petitioner that jurisdiction of the Additional District Court is ousted by the mere plea raised in the written statement and that the said Court ought to have transferred the suit to this court for a decision. But, as aforesaid if some materials are produced before learned Additional District Judge from which learned Additional District Judge is able to form a prima facie satisfaction of existence of grounds pleaded under Sec. 19 of the Act, the suit has to be transferred to this Court for a decision. I am inclined to give petitioner an opportunity to produce such materials.

Hence, I am inclined to interfere with dismissal of I.A. No. 489 of 2012. That application has to be considered by the learned Additional District Judge afresh based on the materials if any, parties produce.

Resultantly this original petition is allowed as under:

1. Ext.P-6, order 22-10-2012 on I.A. No. 489 of 2012 in O.S. No. 2 of 2012 of the Additional District Court, North Paravur is set aside.
2. I.A. No. 489 of 2012 is remitted to the learned Additional District Judge for fresh decision in the light of the observations made above and after giving parties opportunity to produce materials before the learned District Judge.