

(2011) 01 DEL CK 0451

Delhi High Court

Case No: FAO 335 of 2008

Ramjilal Madan Lal Jain

APPELLANT

Vs

Shiva Tobacco Co.

RESPONDENT

Date of Decision: Jan. 12, 2011

Acts Referred:

- Trade Marks Act, 1999 - Section 1(1), 11, 11(2), 124(5), 28

Citation: (2011) 45 PTC 472

Hon'ble Judges: Mool Chand Garg, J

Bench: Single Bench

Advocate: Shailen Bhatia, Amit Jain, A.P.S. Jadaun, Zeba T. Khan and Priyanka Singh, for the Appellant; Gurvinder Singh and Anu Sharma, for the Respondent

Judgement

@JUDGMENTTAG-ORDER

Mool Chand Garg, J.

In this case, both the parties claim to be the registered trademark owner of the trademark "Tiger" with respect to chewing tobacco. Both the parties are also before the Intellectual Property Appellate Board (IPAB). They have filed rectification applications against the trademark of each other which are pending. An appeal filed by the Respondent is also pending before the IPAB against order dated 12.10.1995 with respect to refusal of his request for registering his trademark vide his application registered as 450946 in Clause 34, advertised in the Trademark Journal on 22.11.1993.

2. This appeal as well as the rectification applications of both the parties are to be decided by the IPAB constituted under the Trade Marks Act. It is informed that the said Board is now going to sit in April, 2011.

3. Parties agree that a direction may be issued to the Board to decide the rectification applications as well as the appeal filed by the Respondents within a time

bound manner. This mandate is also available in Division Bench judgment of this Court in the case of [Rhizome Distilleries P. Ltd. and Others Vs. Pernod Ricard S.A. France and Others](#), Reference in this regard can be made to paragraph 20 and 22 of the aforesaid judgment where the Division Bench has been pleased to held as under:

20. Mr. Sudhir Chandra next contends that Section 28(3) of the TM Act does not apply to the present dispute and the Civil Court is competent to grant an injunction by virtue of Section 124(5) of the TM Act. Where the trademark is defective u/s 11(1)(a), a Civil Court need not await rectification proceedings since it retains the power to grant an injunction. Our attention has also been drawn to the presence of the words "if valid" in Section 28 of the TM Act which, according to learned Senior Counsel, is indicative of the fact that where a prima facie case has been shown to a Civil Court, an injunction can follow. As we see it, Section 11(a) adumbrates the grounds for refusal of registration. The proviso to Section 9(1) of the TM Act carves out an important exception to the absolute ground for refusal of registration, viz., that a trade-mark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it, or that it is a well-known trademark. Section 28(1) bestows the exclusive right to the use of a trademark to the party in whose favour the registration has been allowed and justifiably waters down finality and absoluteness or conclusiveness of this exclusivity by stating that the trademark must be valid. We have already seen that Sub-section (3) permits the use of a registered trademark accorded to two parties with the caveat that neither of them claims exclusivity against the other merely on the basis of registration. "Chapter-V deals with the power to cancel or vary the registration or to rectify the registration, and reposes this power either on the IPAB or on the Registrar." By virtue of Section 28(3) of the TM Act a registered trademark is not infringed where there are other trademarks which are identical or nearly resemble the other but have received registration. In such an impasse the adversaries must be directed towards the IPAB for rectification of the registration; and the suit must be stayed.

21. xxxx

22. The legal nodus which still remains to be unravelled is whether the interlocutory orders postulated in Section 124(5) of the TM Act would include those flowing from the concept of infringement. It is our considered opinion that while staying proceedings in the suit, a Civil Court can pass such orders for a multitude of reasons. Firstly, it is trite that registration of a trademark is always susceptible to challenge on the ground of prior user as is evident from a reading of Section 11 of the TM Act and a volume of precedents which exists on this aspect of the law. In this regard, Section 34 would also be of advantage. Secondly, all other things being largely equal, the party with prior registration of a trademark would logically be entitled to claim exclusive use in the case of any litigation as is obvious from a

perusal of Section 11(2)(a) of the TM Act. In saying so, we are not unmindful of Section 28(3) of the TM Act, which the Courts seized with the dispute would keep in mind in arriving at any decision. In other words, unless there are strong reasons in favour of the Plaintiff, the Court would decline injunctions predicated on the prayer of infringement. Section 91 of the TM Act provides for an Appeal to the IPAB to any person aggrieved by an order or decision of the Registrar, which in the context of the present conflict, is the grant of registration of a trademark to more than one person. Section 93 of the TM Act contains a bar on jurisdiction of Courts on matters falling within the province of IPAB. The intervening Section 92(2) of the TM Act states that the IPAB shall have, for the purposes of discharging its functions under the Act, the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 while trying a suit in respect of the following matters, namely, (a) receiving evidence, (b) issuing commissions for examination of witnesses, (c) requisitioning any public record and (d) any other matter which may be prescribed. The power to grant an injunction is conspicuous by its absence.

4. In view of the aforesaid observations, I feel it appropriate to direct the parties to appear before IPAB with a request to the IPAB to decide the rectification applications filed by both the parties against each other as well as the appeal of the Respondents within three months of their next sitting to be held in April, 2011.

5. The Respondent agrees to continue his undertaking till the disposal of the rectification applications and the appeal. The Appellant submits that he shall make a statement before the Board on the very first date of appearance that he does not press his stay application for deciding the rectification application.

6. The IPAB is directed to decide the rectification applications and the appeal within three months from April, 2011 and would deal with every other matter concerning the decision of rectification applications/appeal of the Respondent in accordance with law and rules as are applicable for deciding them.

7. The parties are given liberty to approach this Court in case the rectification applications/appeal is not disposed of except on account of non-cooperation of either of the parties within a period of three months from the date of sitting of the Board.

8. In the meanwhile, the parties will also appear before the trial Court, who is directed to dispose of the suit within a period of six months.

9. Nothing stated herein would influence the outcome of the rectification applications/appeal/suit.

10. The appeal be now listed on 01.09.2011 for awaiting the orders of IPAB. Till then, the statements made by the Respondents with regard to injunction order shall continue.

11. A copy of this order be sent to the Registrar, Intellectual Property Appellate Board as well as to the Trial Court along with record.
12. Dasti under the signatures of the Court Master.