IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 20TH DAY OF DECEMBER, 2023

BEFORE

THE HON'BLE MR JUSTICE RAVI V HOSMANI

WRIT PETITION NO.32838 OF 2015 (GM-CPC)

BETWEEN:

M/s. MEENU ELECTRIC CO.,
A PARTNERSHIP FIRM,
28, BVK IYENGAR ROAD,
BANGALORE – 560 053.
A PARTNERSHIP FIRM
REP. BY ITS PARTNER
MR. ASHOK DUNICHAND KHITRI, 59 YEARS.

…PETITIONER

[BY KUM. HARSHITA RATHOD, ADVOCATE FOR
SRI HARIKRISHNA S. HOLLA, ADVOCATE (PH)]

AND:

1 . M/s DYNAMIC ELECTRICALS,
8/D5 – B, SAHDEV GALI,
VISHWAS NAGAR, SHAHDARA,
DELHI – 110 032,
REP. BY ITS PROPRIETRIX,
SMT. SUNITA DEVI KUMBHAT.

2 . M/s. GOLDEN CAB INDUSTRIES,
PLOT NO.447, PATAPAR GANJ
INDUSTRIAL AREA, NEW DELHI-110 032,
REP. BY ITS PROPRIETRIX
SMT. SUNITA DEVI KUMBHAT.

3. M/s. VIJAY CABLE CO.,
1-2-13/1 HURIOPET, 1ST CROSS,
BVK IYENGAR ROAD,
BANGALORE – 560 053,
REP. BY ITS PROPRIETOR.

…RESPONDENTS

[BY SRI P. CHINNAPPA, ADVOCATE
& SRI LOMESH KIRAN N., ADV., FOR R1 & R2 (PH);
NOTICE SERVED TO R3 & UNREPRESENTED]

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 & 227 OF THE CONSTITUTION OF INDIA, PRAYING TO CALL FOR THE RECORDS ON THE FILE OF PRINCIPAL CITY CIVIL & SESSIONS JUDGE, BANGALORE (CCH-10) AND SET ASIDE THE ORDER 10.04.2015 PASSED ON I.A.NO.20 IN O.S.NO.25469/2008 AND RENDER JUSTICE AT ANNEXURE-P.

THIS PETITION IS HAVING BEEN HEARD AND RESERVED FOR ORDERS ON 26.07.2023, THIS DAY, THE COURT, PRONOUNCED THE FOLLOWING:

ORDER

Challenging order dated 10.04.2015 (Annexure-P) passed by Prl. City Civil & Sessions Judge, Bangalore (CCH-10) in O.S.no.25469/2008 on I.A.no.XX, this writ petition is filed.

2. Ms.Harshitha Rathod advocate, appearing for Sri Harikrishna S. Holla, learned counsel for petitioner submitted that petitioner was a partnership firm involved in business of manufacture and sale of electronic goods, electrical cables, control panels etc. It commenced business on 01.06.1981 under name and style '*Meenu Electric Company*'. On 05.11.1996, 'MEECO' was registered as it's trademark no.721518, for manufacturing control panels, electric cables, single phase preventers and auto start units in Class 9 of Trademarks Act, 1999 (hereinafter referred to as '**TM Act**', for short).

3. While, on 09.04.2022, respondent no.1 got registration of trademark 'MEECO CAB' with no.1903578 in Class 9 of TM Act and thereafter assigned it under Assignment Deed dated 29.05.2007 to respondent no.2, which was another proprietorship concern - manufacturing and selling cables through respondent no.3.

4. Aggrieved by such sale with deceptively similar trademark name infringing it's trademark, petitioner filed O.S.no.25469/2008 before City Civil, Bangalore on 13.03.2008, for permanent injunction restraining respondents etc. from infringing plaintiff's trademark and to restrain them from passing-off their deceptively similar goods; to direct respondents to surrender entire stock of unused trademark labels, advertisement materials etc. and for rendering true and faithful account of profits generated by using offending trademark etc. In said suit, respondents herein were arrayed as defendants no.1 to 3 respectively.

5. On 22.03.2008, respondent filed Application no.ORA/93/08/TMLH before Intellectual Property Appellate Board ('IPAB' for short) for rectification of Trademark no.721518. It was however dismissed for non-prosecution on 01.07.2011. And on 11.09.2008, petitioner filed application

no.ORA/211/08/TM/ DEL/6427 before IPAB, for rectification of Trademark no.1093578. Therefore, both rectification applications were filed during pendency of suit.

6. After service of suit summons, defendant no.2, filed written statement. Based on pleadings, trial Court framed following issues:

1. *Whether plaintiff proves that it is first user of mark 'MEECO' in relation to electronic goods, electric cables, control panels, single phase preventers, auto-start units etc?*
2. *Whether plaintiff proves alleged infringement of its trademark 'MEECO' by defendants by adopting similar or deceptively similar mark in relation to similar goods?*
3. *Whether plaintiff proves that defendants are passing-off their goods as that of plaintiff by adopting a mark which is deceptively similar to its trademark 'MEECO'?*
4. *Whether defendants prove that plaintiff acquiesced in defendants carrying on business with mark 'MEECO' since year 2000?*
5. *Whether plaintiff is entitled for reliefs claimed in suit?*
6. *What decree or order parties are entitled to?"*

7. On 27.06.2014, when suit was at stage of arguments, defendants no.1 and 2 filed I.A.no.XX under Section 124 of TM Act read with Section 151 of Code of Civil Procedure, 1908 ('CPC' for short) for stay of suit pending out-come of rectification proceedings before IPAB.

8. It was submitted that petitioner filed objections against application contending that application filed by defendants before IPAB was dismissed for non-prosecution and therefore, requirements of Section 124 of TM Act were not met. Further, plea of invalidity of trademark was not taken in written statement and finally on ground that application for rectification could not be filed without obtaining leave of Court.

9. In reply, defendants merely stated that application for review of order dismissing their application for rectification was filed on 09.04.2015 and as such, there were sufficient grounds for allowing I.A.no.XX.

10. It was submitted that without proper consideration, trial Court allowed application under impugned order on 10.04.2015, staying further proceedings in suit till disposal of proceedings before IPAB in no.ORA/93/08/TM/CH/3263 and no.ORA/211/08/TM/DEL/6427.

11. It was submitted that Section 124 of TM Act could be invoked only if rectification proceedings were pending before IPAB, prior to suit and by taking specific plea about *invalidity* of Trademark, in Written Statement, which were both missing in instant case and moreover, I.A.no.XX was filed belatedly i.e. at stage of final arguments. It was contended it would be deemed that defendants had waived their right under Section 124 of TM Act, as held by High Court of Delhi in case of ***Country Inn Private Limited v. Country Inns and Suites by Carlson, Inc.***[1], that:

> "10. (ii) In my opinion the ratio of the judgment of the Supreme Court in the case of **Patel Field Marshal Agencies** (supra) has to be read that there is abandonment of the plea of invalidity of plaintiff's registration if this plea is not raised before the suit is set down for trial/leading evidence after framing of issues. The observations of the Supreme Court of abandonment of plea of invalidity of plaintiff's registration to have meaning will have to be read that the plea of invalidity of plaintiff's registration for approaching IPAB will be before the stage of trial inasmuch as raising the plea of invalidity of plaintiff's registration and for approaching IPAB is related to the passing of directions to stay trial of the suit. Trial of the suit starts after framing of issues and commencement of leading of evidence with respect to the issues framed and therefore stay of trial is before the commencement of trial and not after commencing of trial. Once therefore the defendant in an infringement suit does not seek framing of an issue of invalidity of plaintiff's registration by the Court by taking a prima facie view on invalidity of plaintiff's registration of its trademark before the commencement of trial then the defendant is deemed to have abandoned its right to question the

[1] ***2018 SCC OnLine Del 8549***

> validity of the registration of the plaintiff's trademark and such right to question plaintiff's registration is lost and will no longer survive."

12. It was submitted that Hon'ble Supreme Court in ***Patel Field Marshal Agencies and Ors. Vs. P.M.Diesels Ltd. and Ors.***[2], was dealing with Section 111 of Indian Trade and Merchandise Marks Act, 1958, which was similar to Section 124 of TM Act and therefore, sought for setting aside of impugned order.

13. On other hand, Sri P. Chinnappa, learned counsel for respondents no.1 and 2 sought to justify order. It was submitted that plaintiff's challenge was on three main grounds viz.,: (a) that rectification applications were filed after filing of suit; (b) that said application was dismissed for default on 01.07.2011 and (c) plea of invalidity of trademark was not urged in suit.

14. It was submitted that though rectification application filed by defendants was dismissed for non-prosecution, and it was restored on 04.03.2016, when Review Petition no.1/2016 was allowed. And with dismissal of petitioner's W.P.no.2212/2016 against said order, on 04.04.2017 all

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[2] *(2018) 2 SCC 112*

technical pleas against maintainability of application were deemed rejected.

15. It was also submitted that at time of vacating *ex-parte* order of temporary injunction, trial Court had held that goods of plaintiff and goods of defendants were different, which would render plaintiff's suit meritless and they were prior users of trademark.

16. It was submitted that to consider staying further proceedings in suit under Section 124 (1) (b) (i) of TM Act, fulfillment of following requirements was necessary:

a. Filing of suit for infringement;

b. Defendant raising plea under Section 30 (2) (e) of Act;

c. Plaintiff pleading invalidity of trademark of defendant; and

d. Pendency of rectification proceedings before Registrar or IPAB about invalidity of either Plaintiff's or Defendant's trademark;

17. It was submitted that above ingredients were fulfilled as O.S.no.25469/2009 filed by plaintiff was alleging infringement of plaintiff's registered trademark 'MEECO'. And in their written statement, defendants no.1 and 2 had set up plea

under Section 30 (2) (e) of Act claiming that they were entitled to use 'MEECO CAB' on basis of registration of trademark.

18. It was further pointed out that specific case of plaintiff in suit was that registration of trademark 'MEECO CAB' was invalid. Since, rectification applications filed both by plaintiff as well as defendants (after filing suit) were pending, decision of IPAB, was required to be awaited.

19. It was also submitted that filing rectification application during pendency of suit was not contrary to Sections 124 (1) (b) (i) and 125 of TM Act, as defendants could raise plea of invalidity only in suit for infringement. Moreover, Section 125 categorically permitted parties to file rectification application during pendency of suit for infringement. It was submitted that true intent of enactment was to allow IPAB, and not Civil Court, to decide on validity or otherwise of registered trademarks. As Section 124 (1) (b) (i) was intended to apply for rectification proceedings initiated after institution of suit and decision of IPAB would be virtually on merits of suit, it was necessary that said proceedings are decided earlier. Therefore, trial Court was justified in staying further proceedings in Suit.

20. It was submitted that decision in ***Patel Field Marshal***'s case (supra) was distinguishable as it involved plea of invalidity raised by defendants and rectification proceedings was initiated by defendants after institution of suit. But, in instant case, plaintiff had also filed rectification application, which would fall within folds of Section 124 (1) (b) (i) of TM Act. Hence, trial Court has fully justified in passing order impugned herein. In support of his submissions, learned counsel relied upon on decision of this Court in case of ***Akar Enterprises v. Sri Nanjundeswara Traders***[3], for proposition that even in case of rectification application is filed during pendency of suit, Section 124 of TM Act could be invoked.

21. It was also submitted that after abolition of IPAB vide The Tribunal Reforms Act, 2021, jurisdictional High Court was designated as Appropriate Authority to continue rectification proceedings falling within jurisdiction of IPAB. Accordingly, rectification proceedings in relation to trademarks of parties herein were taken on board by Hon'ble High Court of Delhi as C.O.(COMM.IPD-TM)384/2022 and C.O.(COMM.IPD-TM) 380/2022. On above grounds, sought for dismissal of writ petition.

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[3] **2015 SCC OnLine Kar 8820**

22. Heard learned counsel, perused writ petition and records.

23. From above submissions, it would appear that there is no dispute between parties about plaintiff having obtained registration of 'MEECO' as it's trademark on 05.11.1996 under registration no.721518 in Class 9 of Act, in respect of control panels, electric cables, single phase preventers and auto start units; while defendants obtained registration of trademark 'MEECO CAB' on 29.03.2005 under registration no.1093578 in Class 9 in respect of PVC wires and cables.

24. Admittedly, present suit was filed on 13.03.2008 for permanent injunction restraining defendants from infringing plaintiff’s trademark and to restrain them from passing-off their deceptively similar goods etc. In said suit, written statement was filed on 03.04.2008. On 22.03.2008, defendant no.2 filed application for rectification of plaintiff’s trademark 'MEECO' bearing registration no.721518, in IPAB proceedings no.ORA/93/08/TM/CH/5532.

25. Likewise, on 11.09.2008, plaintiff also filed rectification application against defendants' trade mark 'MEECO CABS' bearing registration no.1093582, in IPAB proceedings

no.ORA/211/2008/TM/DEL/6421. Another application was filed on 25.07.2008 for rectification of defendants' trade mark "MEECO CAB" bearing registration no.1093578 in IPAB proceedings no.ORA/209/2008/TM/DEL/6427.

26. It is also not in dispute that O.S.no.25469/2008 was filed by petitioner herein on 13.03.2008 and therefore, all three applications were filed during pendency of suit.

27. Before adventing into matter in controversy, it would be necessary to refer to Section 124 of Act, which is as follows:

> "***124****. Stay of proceedings where the validity of registration of the trade mark is questioned, etc.-*
>
> *(1) where in any suit for infringement of a trade mark -*
>
> *(a) the defendant pleads that registration of the plaintiff's trade mark is invalid; or*
>
> *(b) the defendant raises a defence under clause (e) of sub-section (2) of section 30 and the plaintiff pleads the invalidity of registration of the defendant's trade mark, the court trying the suit (hereinafter referred to as the court), shall -*
>
> *i. if any proceedings for rectification of the register in relation to the plaintiff's or defendant's trademark are pending before the Registrar or the Appellate Board, stay the suit pending the final disposal of such proceedings;*
>
> *ii. if no such proceedings are pending and the court is satisfied that the plea regarding the invalidity of the registration of the plaintiff's or defendant's trade mark is prima facie tenable, raise an issue regarding the same and adjourn the case for a period of three months from the date of the framing of the issue in order to*

enable the party concerned to apply to the High Court for rectification of the register.

(2) If the party concerned proves to the court that he has made any such application as is referred to in clause (b) (ii) of sub-section (1) within the time specified therein or within such extended time as the court may for sufficient cause allow, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings.

(3) If no such application as aforesaid has been made within the time so specified or within such extended time as the court may allow, the issue as to the validity of the registration of the trade mark concerned shall be deemed to have been abandoned and the court shall proceed with the suit in regard to the other issues in the case.

(4) The final order made in any rectification proceedings referred to in sub-section (1) or sub-section (2) shall be binding upon the parties and the court shall dispose of the suit conformably to such order in so far as it relates to the issue as to the validity of the registration of the trade mark.

(5) The stay of a suit for the infringement of a trade mark under this section shall not preclude the court from making any interlocutory order (including any order granting an injunction, directing account to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit."

28. Careful reading of above provision reveals under two contingencies, further proceeding in suit was to be stayed by trial Court trying suit for infringement of trademark. *Firstly*, under Section 124 (1) (a) – where defendants pleads that registration of plaintiff's trademark is invalid; and *secondly*, where defendants raise defence under Section 30 (2) (e) and plaintiff pleads invalidity of registration of defendants'

trademark. Under second contingency, duration till when suit would remain stayed is provided i.e. decision on application for rectification.

29. If no such proceedings are pending, then stay of further proceedings can be ordered only on *prima facie* satisfaction of trial Court about tenability of claim of invalidity, in which case, it would be required to frame an issue regarding invalidity and adjourn suit for three months to enable concerned party to apply for rectification. Section 124 (2) of TM Act, provides that, in case, filing of application for rectification is filed, then suit would remain stayed until decision on such application. And as per Section 124 (3) of TM Act, in case, no such application is filed, then plea of invalidity would be deemed to have been abandoned and suit could proceed only on other issues.

30. From written statement, it is seen that defendants have not taken specific plea regarding invalidity of registration of plaintiff's trademark. Therefore, there would be no scope for trial Court to stay further proceedings in suit under Section 124 (1) (a) of TM Act.

31. Insofar as second contingency, in para-20 of written statement, it is stated as follows:

> *"20.* ***As set out above, the Defendant has a right in the registered trademark MEECO CAB and is fully entitled to use the said mark****.* ……."

32. Thus, as contemplated in Section 124 (1) (b) of TM Act, defendants have taken up plea under Section 30 (2) (e) i.e. defence of doing business under it's own registered trademark.

33. Further, it is not in dispute, that during pendency of suit, plaintiff filed application for rectification of trademarks of defendants and proceedings in that regard were pending before IPAB, when I.A.no.XX was filed by defendant no.2. In affidavit filed in support of I.A.no.XX, particulars of pendency of applications for rectification filed by plaintiff as well defendants before IPAB were asserted. Whether above would trigger consequences in Section 124 (1) (b) (i) of TM Act resulting in further proceedings in suit being stayed until decision on rectification applications is rendered requires to be examined.

34. Indeed, as rightly contended, it would suffice if application for rectification filed either by plaintiff or defendant no.2 were to be pending and in case, no such proceedings are

initiated/pending, then trial Court would be required to adjourn suit by three months to enable concerned party to file application for rectification. It is provided that in case, concerned party establishes that application is filed, then suit would remain stayed until decision on rectification application.

35. This Court in **Akar Enterprises'**s case (supra), while affirming order passed by trial Court allowing application for stay of suit under Section 124 of TM Act, held as follows:

> ***"20.*** *Suit in question was filed in the year 2009 and pleadings were complete. Hence, parties have proceeded to trial, knowing fully well that no proceedings were pending. However, during the pendency of the suit plaintiff filed an application or initiated proceedings before the Appellate Board under Sections 47(1)(a), 47(1)(b) and 50(2) of the Act and sought for invalidating the trade mark "AKASH" bearing No.1147895 in Class 30 standing in the name of the first defendant, which resulted in notice dated 7-5-2014 being issued to the defendants by the Appellate Board and immediately thereafter i.e., on 20-6-2014, interlocutory application LA no.12 for stay of the proceedings came to be filed under Section 124(1)(b)(i) of the Act by the defendant. In that view of the matter, no illegality can be found in the order passed by the Trial Court whereunder proceedings having been stayed till disposal of proceedings before Appellate Board. Judgments relied upon by the learned Advocates appearing for the parties as noticed herein have been obtained in the facts and circumstances of the said case and in fact in the judgment relied upon by Mr. Holla, in the matter of Sabmiller India Limited, it has been held that, where no proceedings for rectification of the plaintiff registered trade mark was pending on the date of the institution of the suit and in the circumstances, obtained in the said case, it came to be held that Section 124(1)(b)(i) was not attracted. Even in the present case though no proceedings were pending as on the date of filing of the suit and defendant had set*

up a plea of having a registered trade mark issued in its favour, has taken umbrage under Section 30(2)(e) of the Act. Subsequent to the filing of the suit, plaintiff has filed an application before the Appellate Board seeking for invalidating defendant's trade mark, which gave cause of action for the defendant to press into service Section 124(1)(b)(i) and rightly defendant sought for stay of the proceedings, which was on account of said issue being seized by the Board namely with regard to invalidation of the defendants trade mark. Hence, Trial Court has rightly dismissed the application which is in consonance with Section 124(1)(b)(i) of the Act. Disposal of this writ petition would not come in the way of the plaintiff seeking for any interlocutory order as contemplated under sub-section (5) of Section 124 of the Act. With this observation order passed by Trial Court dated 4-12-2014 Annexure-M is hereby affirmed."

36. In ***Patel Field Marshal***'s case (supra), Hon'ble Supreme Court held as under:

"34. *The intention of the legislature is clear.* ***All issues relating to and connected with the validity of registration has to be dealt with by the Tribunal and not by the civil court. In cases where the parties have not approached the civil court, Sections 46 and 56 provide an independent statutory right to an aggrieved party to seek rectification of a trade mark. However, in the event the civil court is approached, inter alia, raising the issue of invalidity of the trade mark such plea will be decided not by the civil court but by the Tribunal under the 1958 Act. The Tribunal will however come into seisin of the matter only if the civil court is satisfied that an issue with regard to invalidity ought to be framed in the suit.*** *Once an issue to the said effect is framed, the matter will have to go to the Tribunal and the decision of the Tribunal will thereafter bind the civil court. If despite the order of the civil court the parties do not approach the Tribunal for rectification, the plea with regard to rectification will no longer survive.*

35. *The legislature while providing consequences for non-compliance with timelines for doing of any act*

must be understood to have intended such consequences to be mandatory in nature, thereby, also affecting the substantive rights of the parties. This is how Section 111(3) of the 1958 Act has to be understood. That apart, it is very much within the legislative domain to create legal fictions by incorporating a deeming clause and the court will have to understand such statutory fictions as bringing about a real state of affairs between the parties and ushering in legal consequences affecting the parties unless, of course, there is any other contrary provision in the statute. None exists in the 1958 Act to understand the provisions of Section 111(3) in any other manner except that the right to raise the issue of invalidity is lost forever if the requisite action to move the High Court/IPAB (now) is not initiated within the statutorily prescribed time-frame.

36. Thus, by virtue of the operation of the 1958 Act, the plea of rectification, upon abandonment, must be understood to have ceased to exist or survive between the parties inter se. *Any other view would be to permit a party to collaterally raise the issue of rectification at any stage notwithstanding that a final decree may have been passed by the civil court in the meantime. True, the decree of the civil court will be on the basis of the conclusions on the other issues in the suit.* ***But to permit the issue of rectification, once abandoned, to be resurrected at the option of the party who had chosen not to pursue the same at an earlier point of time would be to open the doors to reopening of decrees/orders that have attained finality in law. This will bring in uncertainty if not chaos in the judicial determinations between the parties that stand concluded. Besides, such an interpretation would permit an aggrieved party to get over the operation of a statute providing for deemed abandonment of the right to raise an issue relevant; in fact, fundamental to the lis.***

37. *The position may be highlighted by reference to a suit for infringement where the defendant raises the plea of invalidity of the plaintiff's trade mark and also in the alternative takes up any of the defences available in law. The defendant by operation of Section 111(3) of the 1958 Act is deemed to have abandoned the plea of invalidity. In the trial it is found that the defendant is*

> *guilty of infringement and is appropriately restrained by a decree of the civil court. If the right under Sections 46/56 of the 1958 Act is to subsist even in such a situation, the possible uncertainty and possible anarchy may well be visualised. This is why the legislature by enacting Section 111 of the 1958 Act has mandated that the issue of invalidity which would go to the root of the matter should be decided in the first instance and a decision on the same would bind the parties before the civil court.* ***Only if the same is abandoned or decided against the party raising it that the suit will proceed in respect of the other issues, if any. If the above is the legislative intent, which seems to be clear, we do not see how the same can be overcome by reading the rights under Sections 46 and 56 of the 1958 Act to exist even in a situation where the abandonment of the same right under Section 111(3) has taken effect in law.***
>
> ***38.*** *The mandate of the 1958 Act, particularly, Section 111 thereof, appears to be that if an aggrieved party does not approach the Tribunal for a decision on the issue of invalidity of registration as provided for under Sections 111(2) and (3), the right to raise the issue (of invalidity) would no longer survive between the parties to enable the party concerned to seek enforcement of the same by recourse to or by a separate action under the provisions of Sections 46/56 of the 1958 Act."*
>
> (Emphasis supplied)

37. High Court of Delhi in case of ***Abbott Healthcare Pvt. Ltd. v. Raj Kumar Prasad***[4]***,*** decided after ***Patel Field Marshal'***s case (supra), held as under:

> *"30. Thus, the only question which remains to be decided is, whether the plea of the plaintiff in the plaint of invalidity of the mark of the defendants is a material or substantive plea so as to invite framing of an issue.*
>
> *31. Though the counsel for the plaintiff has sought to contend that no plea is required to be raised and it is*

[4] 2018 SCC OnLine Del 6657

sufficient for the litigant to merely plead invalidity, inasmuch as the Civil Court does not have the jurisdiction to decide the plea of invalidity, but no merit is found in the said contention. Supreme Court, in Patel Field Marshal Agencies supra has held that in cases where proceedings for rectification are not pending at time of institution of the suit, IPAB will come into seisin of the matter of rectification only if the Civil Court is satisfied that an issue with regard to invalidity ought to be framed in the suit and once an issue to the said effect is framed, the matter will have to go to the IPAB and the decision of the IPAB will thereafter bind the Civil Court. It thus cannot be urged today that the plea of invalidity has to be any different from a plea on which the CPC requires an issue to be framed and which as aforesaid, has to be in terms of Order XIV Rule 1 of the CPC.

32. I have considered the aforesaid controversy.

33. The pleas of the plaintiff in the plaint, qua similarity and confusion are found to be in the context of infringement and passing off and the plaintiff is not found to have made the requisite pleas of the entry made in the Register with respect to the defendants' mark being without sufficient cause. In my view, when no proceedings for rectification of the Register in relation to the trade mark of the opposite party to a suit are pending before the Registrar or the IPAB, Section 124 of the Act cannot be invoked till the party invoking the same has, in its pleadings, pleaded the invalidity of registration of the mark of the opposite party. However, merely pleading invalidity would not suffice, inasmuch as the further requirement of Section 124 of the Act, is that the party so invoking Section 124 of the Act, must satisfy the Court that the plea regarding invalidity of registration of the mark of other is prima facie tenable and the Court raises an issue regarding the same. For the Court to raise an issue qua the plea of invalidity, the provisions of Order XIV Rule 1 of CPC, which provides that issues arise when a material proposition of fact or law is affirmed by one party and denied by the other. Issues are not to be framed on all propositions of fact or law to be found in the pleadings.

34. I have in Kawal Sachdeva v. Madhu Bala Rana 2013 SCC OnLine Del 1479 held that the Court is required to

peruse the pleadings together with material on record to determine whether the plea taken can be said to be a material one or not so as to invite framing of an issue thereon. Reference was made to D.M. Deshpande v. Janardhan Kashinath Kadam (1998) 8 SCC 315, where, in the absence of particulars viz. date, mode and terms of creation of tenancy in the pleadings, it was held that an issue on a bare claim of tenancy ought not to have been framed. Reference in Kamal Sachdeva supra was also made to Lakshmikant Shreekant (HUF) v. M.N. Dastur & Company Pvt. Ltd. 1998 (44) DRJ 502 holding that the Court is required to frame issues of fact or of law that necessarily and properly arise for determining the real controversy involved on the pleadings of the parties and that such issues arise when a material proposition of fact or law is affirmed by one party and denied by the other and the Court would not frame an issue which does not arise on the pleadings nor an issue need be framed on a point of law which is perfectly clear; it was further held that the Court is required to apply its mind and understand the facts before framing the issue and that if a plea is mala fide or preposterous and vexatious and can be disposed of without going into the facts or is contrary to law or the settled legal position, the Court will not be justified in adopting a hands off policy and allow the game of the defendant to have its sway. Reference was also made to Zulfiquar Ali Khan v. Straw Products Limited 87 (2000) DLT 76 where it was observed that a litigant often takes all sorts of false or legally untenable pleas and legal process should not be allowed to be exercised by such persons and only such pleas which give rise to clear and bona fide dispute or triable issues should be put to trial and not illusory, unnecessary or mala fide, based on false or untenable pleas. It was also held that Court is not bound to frame an issue on an unnecessary or baseless plea, thereby causing unnecessary and avoidable inconvenience to the parties and waste of valuable court time. Reliance was also placed on Mohammad Hayatkhan Karimkhan v. Taramati holding that in order to frame an issue, it is necessary to consider, whether the plea raised is bona fide or merely raised to delay the decision in the matter and that the Court is not under any obligation to frame and remit the issue mechanically, merely on the same being raised in the written statement, without judicial satisfaction of its necessity and justification. It was yet further held that the Court has a duty to examine the substance and refuse to frame and remit any issue, if

the same appears to be demonstrably frivolous and mala fide. Reliance was also placed on Sociedade Patriotica Dos Baldios Das Novas Conquistas v. Sudhakar Sagun Bhandari and Uttam Sambha Deshmukh v. Yamunabai holding that when a vague plea is taken, the Court should hesitate to frame an issue on such a vague and bald plea unsubstantiated by any material.

35. I may add that Order XIV Rule 1(2) of CPC defines 'material propositions' to be those propositions of law or fact which a plaintiff must allege in order to show a right to sue or a defendant must allege in order to constitute his defence.

36. I may also add that Kawal Sachdeva supra was followed in Adarsh Kumar Puniyani v. Lajwanti Piplani 2015 SCC OnLine Del 14022.

37. I am thus of the opinion that a mere plea of invalidity in the pleading would not be enough to raise an issue of invalidity or to satisfy the Court that the said plea is prima facie tenable. The party invoking Section 124 of the Act in its pleading will have to make specific averments that may entail it to have the registration of the mark of the other expunged from the Register, even though no such relief can be claimed from the Civil Court.

38. Supreme Court in Patel Field Marshal Agencies supra analyzed by me in the earlier judgment dated 4th December, 2017 in this suit, held that the plea with regard to invalidity of registration of trade mark can be deemed to have been abandoned on non-filing of an application for rectification, after order under Section 124 of the Act. It follows that (i) if no application under Section 124 of the Act is filed, even though plea of invalidity is taken in the suit, the said plea would also be deemed to be abandoned; and, (ii) that if plea of invalidity, though is taken but, is not a plea within the meaning of Order XIV Rule 1 of CPC on which the Court can raise an issue or on which the Court can be satisfied of the prima facie tenability thereof, even then the party taking such a plea would be deemed to have abandoned the right to challenge the validity of the registration of the mark of the other.

> *39. Though I have hereinabove observed that the pleas in the plaint pointed out by the counsel for the plaintiff are not requisite but following the principle enunciated in Teva Pharmaceutical Industries Ltd. v. Natco Pharma Ltd. (2014) 210 DLT 591 (DB) that the litigant ought not to suffer for poor pleadings and in view of the fact that Patel Field Marshal Agencies supra is of recent vintage and the counsels, on enquiry, state that there is no precedent on the said aspect, I am of the view that benefit should be given to the plaintiff and the aforesaid weakness in the pleadings of the plaintiff should not be allowed to come in the way of the plaintiff to now have an issue on the said aspect framed."*

38. Thus, where any issue regarding invalidity of trademark arises, it would be mandatory for Civil Court to frame issue and take *prima facie* view about plea of invalidity.

39. But, material question that arises in instant case will be, though defendants claim to have sought for stay of further proceedings in suit under Section 124 (1) (b)of TM Act and stated that necessary factors therefor namely filing of suit for infringement; defendant raising plea under Section 30 (2) (e) of TM Act and pendency of rectification proceedings before Registrar or IPAB about invalidity of either Plaintiff's or Defendants' trademark as existing, whether same would suffice. As contended by learned counsel for defendants himself, there is yet another material factor namely whether plaintiff has pleaded about invalidity of trademark of

defendants especially, as said requirement is a cumulative and mandatory requirement in Section 124 (1) (b) of TM Act.

40. Learned counsel sought to rely on following pleading in plaint, for said purposes:

> *"10A. …Further, the defendant has also instructed her sister Smt.Shanti Devi Kumbhat to make an application for registration of trademark MEECO CAB in Class 9 under no.1567445 by giving address as 447, Patpar Ganj, Industrial Area, Delhi 110 092. It is therefore, evident that the defendant has fraudulently using the trademark MEECO CAB for PVC wires and cables, besides instructing her sister to apply for registration of trademark MEECO CAB in Class 9.*
>
> *10B. The plaintiff submits that after they came to know that defendant obtained registration of MEECO CAB and MEECO, they filed one application for rectification of trademark no.1093582 registered in favour of defendant no.1, before Intellectual Property Appellate Board, Chennai under Sections 47, 57 and 125 of Trade Marks Act, 1999, numbered as no.ORA/211/08/TM/DEL/6421 and another application for rectification of trademark no.1093578 in Class 9 obtained by defendant no.2, numbered as no.ORA/209/08/TM/DEL/6427."*

41. From careful reading of above, plaintiff's grievance against defendants appears to be passing off of deceptively similar goods. Despite defendants having taken up defence of having it's own registered trademark, plaintiff has not chosen to plead about invalidity of same. Even issues framed would not indicate same.

42. In fact petitioner's pleading in plaint paragraph no.10 is as follows:

> *"10. The defendants have fraudulently obtained registration of trademark MECCO CAB claiming the user from the year 2000. whereas, the plaintiff is using the trademark MEECO since 1981.* ***The plaintiff is having separate action to get the trademark rectified before the Trade Mark Registry.*** *In the mean time the defendants have been selling PVC wires and cables by using the trademark MEECO CAB. Therefore, the action of defendants to use the similar name amounts to an act of deceit and fraud and therefore, it is necessary for this Hon'ble Court to inject the defendants from the using the said trademark MEECO CAB for manufacturing and marketing of PVC wires and cables. The defendants have no authority to use the said trademark. The defendants in order to encash upon the goodwill and reputation built by plaintiff have been using the trademark MEECO CAB. Since the plaintiff and defendants are engaged in common field of activity namely marketing and manufacturing of electrical cables, PVC wires and cables, the plaintiff will be put to great loss and irreparable injury which cannot be compensated in terms of money, if the defendants are not restrained by an order of injunction. The plaintiff submits that they have made out a prima facie case for grant of injunction. The balance of convenience is also in favour of plaintiff. Hence this suit."*
>
> *(Emphasis supplied)*

43. Above assertion would clarify that plaintiff has sought to pursue it's remedies under TM Act independently. Merely on ground that parties have filed rectification applications during pendency of suit, requirement of Section 124 of TM Act cannot be deemed satisfied. Same in any case would not meet legal

requirements as per ratio in **Abbott Healthcare Pvt. Ltd.**'s case (supra).

44. As observed by Hon'ble Supreme Court even in **Patel Field Marshal**'s case (supra), remedy of filing application for rectification under provisions of TM Act would be independently available. Absence of plea of invalidity of defendant's trademark, would consequently mean that same has been abandoned insofar as suit is concerned and suit has to be proceeded accordingly.

45. While passing impugned order, trial Court has not properly appreciated factors necessary for invoking Section 124 of TM Act. Merely noting pendency of rectification applications filed by both plaintiff and defendants against others trademark has arrived at conclusion that requirements of statute were met. For above reasons said conclusion would be unsustainable.

46. Consequently, following :

ORDER

Writ petition is allowed, impugned order dated 10.04.2015 (Annexure-P) passed by Prl. City Civil & Sessions Judge, Bangalore (CCH-10) in

O.S.no.25469/2008 on I.A.no.XX, is set-side, I.A.no.XX stands rejected.

Assistance rendered by learned counsel on both side is appreciated and placed on record.

Sd/-
JUDGE

Grd/-