
(2012) 04 DEL CK 0504

In the Delhi High Court

Case No : I.A. No. 18464 of 2011 in CS (OS) No. 1421 of 2005

Astrazeneca Uk Ltd. and Others

APPELLANT

Vs

Orchid Chemicals and Pharmaceuticals Ltd.

RESPONDENT

Date of Decision : 13-04-2012

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2, Order 39 Rule 4, 124, 151

Trade and Merchandise Marks Act, 1958 — Section 107, 111, 111(1)

Trade Marks Act, 1999 — Section 124, 124(5), 30

Citation : (2012) 50 PTC 380

Hon'ble Judges : Manmohan Singh, J

Bench : Single Bench

Advocate : Neel Mason and Ms. Prerna, for the Appellant; Gladys Daniel and Mr. K.V. Balakrishnan, Adv, for the Respondent

Final Decision : Dismissed

Judgement

Manmohan Singh, J.—By this order, I shall dispose of the application bearing I.A. No. 18464/2011 filed by the defendant seeking stay of the suit u/s 124 of Trade Marks Act, 1999 (hereinafter referred to as the "Act") read with Section 151 CPC. Briefly stated, the defendant has filed this application on the ground that the rectification proceedings initiated by the defendant against the plaintiffs' registration of the trade mark MERONEM are pending disposal. It is stated in the application that the mark MERONEM on the basis of which, the infringement suit is filed is sought to be rectified by the defendants by filing an application for rectification bearing No. 94/TM/ Del/2005 pending before IPAB. It is also stated in the application that the plaintiffs have also challenged the validity of the defendant's trade mark MEROMER by filing similar application before IPAB against the defendant's registered trade mark and thus, the suit is liable to be stayed by this Court u/s 124 of the Act.

2. On the other hand, the plaintiffs have filed the reply taking the following objections:

(a) The present application is not maintainable as the same is filed in violation of the provisions of Section 124 of the Act.

(b) The present application is not maintainable as the defendants have filed the rectification without taking the leave of the Court and thus the same may not attract Section 124 of the Act.

(c) The said application is time barred as the rectification is filed by the defendant against the plaintiffs' trade mark in the year 2005 and the said application is thus not maintainable after the lapse of 5 years.

(d) It is also stated by the plaintiffs that the plaintiffs had filed the application earlier on the similar facts which was dismissed by this Court. The defendant has filed the similar application for the rectification filed during the same period. Thus, the said application should be dismissed on the same basis.

(e) The said application filed by the defendant is barred by the principles of constructive res judicata.

3. Thus, as per the plaintiffs, the said application is liable to be dismissed. The defendant again has filed the rejoinder to the said pleas taken by the plaintiffs by responding in the following manner:

(a) The defendant is not liable to seek the leave of the Court prior to filing of the rectification petition. The reasoning given by the defendant is that the mark of the plaintiffs stood in the name of some Zeneca Limited and the said company is not party to the proceedings. If that is so then, the leave of the Court is not required to be taken when the rectification proceedings is filed against the mark of the non party by the defendant but the defendant can certainly ask for stay as the mark MERONEM is relied upon by the present plaintiffs.

(b) There is no delay in filing the present application as the defendant has filed the application immediately after pleading the invalidity of the plaintiffs' registration.

(c) The plaintiffs' application for the stay was rightly dismissed by this Court as the plaintiffs had challenged the defendant's registration bearing No. 1299987 bearing the trade mark MEROMER and the said defendant is party to the proceedings and thus, the leave is warranted.

4. I have gone through the application, reply and rejoinder and carefully given consideration to the submissions made by the learned counsel for the parties at bar which are the same as noted above.

5. Before proceeding further in the matter, it is noteworthy to mention some more events which are the part of the records of the present proceedings and are worth mentioning and will aid in deciding the present application.

6. The plaintiffs had filed the rectification against the mark of the defendant in the year 2005 by filing rectification on TM-26 before IPAB. In the present suit,

I.A. No. 8561/2005 was filed by the defendant under Order XXXIX, Rule 4 CPC which was decided by the learned Single Judge of this Court along with I.A. No. 10097/2005 filed under Order XXXIX, Rules 1 and 2 by an order dated 16.05.2006. In the said order, the learned Single Judge of this Court discussed extensively about the aspect of the stay of the suit as well as the applicability of Section 124 of the Act on the premise that the plaintiffs have challenged the validity of the defendant's mark MEROMER. The learned Single Judge of this Court after discussing the applicability of the Section 124 of the Act and eventualities prescribed therein observed that the plaintiffs ought to have taken the leave of this Court prior to filing of rectification petition in order to invoke the provisions of Section 124 of the Act. The learned Single Judge observed thus:

The said provision envisages two eventualities in case the defendant has raised a defense u/s 30 of the Act and the plaintiff has pleaded invalidity of the registration of the defendant's trade mark, one where the application seeking rectification is already pending and the other where the application is to be filed seeking rectification. In the present case the application for rectification is filed after the institution of the suit which fact has not been denied.

7. u/s 124(b) CPC, if the application for rectification is already pending the suit can be stayed pending final disposal of such proceedings. In case the application for rectification or any such proceeding is not pending, then a party seeking rectification can apply for rectification subject to prima-facie satisfaction of the Court regarding invalidity of the registration of the mark of the opposite party. In the present case, the plaintiffs, however, have sought rectification of the trade mark of the defendant by filing an application first to the Registrar and thereafter to the Appellate Board without seeking prima-facie satisfaction of this Court.

8. On plain reading of this provision, it is apparent that the plaintiffs could not file the application for rectification without showing and obtaining prima-facie satisfaction of the Court about their plea of the invalidity of the registration of the mark of the defendant. Section 124 of the Act is similar to Section 111 of the Trade and Merchandise Marks Act, 1958. Under the Trade and Merchandise Marks Act, 1958 in *Kedar Nath v. Monga Perfumary and Flour Mills* reported in AIR 1974 Delhi 12, this Court had held that an application could not be filed subsequent to the institution of the suit u/s 111(1) (i) of the earlier Act. The Learned Single Judge had held as under:

The defendant cannot file an application subsequent to the institution of the suit u/s 111(1)(i) and claim that the plaintiff suit for infringement must be stayed. If not proceeding for rectification of the register is pending on the date of the institution of the suit by the plaintiff then Section 111(1)(ii) is attracted and the Court may adjourn the case for a period of three months in order to enable the defendant to apply to the High Court for rectification of the register. In that case the Court must be satisfied that the contention as to validity of the defendant's registration is bona fide and prime facie sustainable. In the present case I am not satisfied that the contention as to validity and raised by the defendant is

bona fide and prima-facie sustainable. No material has been placed on the record to prove a prime facie case that the plaintiff's registration is invalid or that the defendant has been carrying on business since 1952 as alleged by him.

9. Reliance can also be placed on Patel Field Marshal Agencies vs. P.M. Diesels Ltd. reported in 1999 IPLR 1425, wherein, it was held that if the proceedings are not pending and the plea regarding invalidity of registration of the mark is raised, the Court trying the suit is to be prima-facie satisfied about tenability of the issue. The Division bench of the Gujarat High Court had held:

As we notice, u/s 107, it has been provided that on such plea being raised, the plea can be decided only in appropriate rectification proceedings. In conformity with that provision, Section 111 envisages that if proceedings for rectification of the register in relation to plaintiff or defendant's trademark, as the case may be, are pending before the registrar or the High Court, further proceedings in the suit shall be stayed, until final disposal of rectification proceedings. If proceeding are not pending, and the plea regarding invalidity of registration of concerned mark is raised, the Court trying the suit is to be prima-facie satisfied about tenability of the issue, and if it is so satisfied, it shall frame an issue to that effect and adjourn the case for three months, from the date of framing of the issue, in order to enable the party concerned to apply to the High Court for rectification of register. The consequences of the raising of issue are twofold. In case, the party concerned, makes an application for rectification within the time allowed, under sub Clause (ii) of sub Clause (b) of sub Section (1), whether originally specified or extended later on, the civil Court trying the suit has to stay the further proceedings of the suit until disposal of the rectification proceeding. At the same time, if no such application is made within the time allowed, the party, has raised the plea of invalidity of the opponent's registered mart, is deemed to have abandoned the issue. This provision permitting raising of an issue only on prima-facie satisfaction of the Court, with further requirement that the party, at whose instance an issue has been framed, is to apply for rectification before the High Court concerned, and failure to make such application within the time allowed results in deemed abandonment of plea, leads us to conclude that once a suit has been filed, the rectification proceedings at the instance of either party to the suit against the other, must take the course and envisaged u/s 111, that is to say, if proceedings for rectification are already pending before raising the plea of an invalidity, that is to say, the attention of an appropriate forum having already been invited to that issue, those proceedings must first be continued, decision thereon to be obtained and then civil suit for infringement can proceed in the light of that decision. In case, no such proceedings for rectification are pending at the time of raising the plea of invalidity, the prosecution of such plea by the reason raising it depends on prima-facie satisfaction of the Court, about the tenability of this plea. If the plea has been found to be prima-facie tenable and an issue is raised to that effect then the matter is to be adjourned for three months at least to enable the person raising such plea to approach the High Court concerned, with a rectification application. In case, the rectification

proceedings are not already pending, and the Court is not even prima-facie satisfied about the tenability of the plea raised before it, the matter rests there.....

10. The Learned counsel for the plaintiffs has tried to distinguish these cases. According to him, on the date of filing of the present suit, no application seeking invalidity of the registration of the defendant's trade mark was pending, as the trade mark of the defendant has been registered during the pendency of the suit and the certificate of registration was issued after filing of the suit and therefore, the application for rectification could not be filed prior to the institution of the suit. The plea of the plaintiffs therefore, is that their application for rectification filed before the Appellate Board is maintainable without prima-facie satisfaction of the tenability of their plea by the Court. If the application for rectification of the defendant's trade mark is maintainable without prima-facie satisfaction of this Court, then this suit is also liable to be stayed as claimed by the plaintiffs u/s 124(b) of the Act, though u/s of 124(5) of the Act, the application for injunction and for vacation or modification of an ex parte order can be considered and decided by this Court. The distinction between Sections 124(b)(i) and 124(b)(ii) is on the basis of pendency of the proceedings for rectification of the register and not on the basis of whether the party initiating the proceedings for rectification could initiate such proceedings before the institution of the suit or not. There can be other eventualities under which a party may not be able to initiate the proceedings for rectification before the institution of the suit, but, that will not give them a right to circumvent the prima-facie satisfaction of his plea for invalidity, by the Court. The distinguishing feature of the two sub clauses is only pendency of the proceedings and nothing more can be read into them. The plea of substantial compliance of the requirement of Section 124 by the plaintiffs is also not sustainable. Either there is compliance of the said provision or non compliance in the facts and circumstances. Compliance will be when after the institution of the suit, if an application for rectification is to be filed, prima-facie invalidity of the opposing mark is to be demonstrated to the Court. The fact that the application could not be filed prior to the institution of the suit, will not entitle a party to circumvent the prima-facie satisfaction of the Court.

11. Consequently the proceedings for rectification of the defendant's mark could not be initiated by the plaintiffs without the prima-facie satisfaction of their plea by this Court nor this case is liable to be adjourned or stayed for three months in terms of Section 124(b)(i) of the Act to await the outcome of the rectification proceedings initiated by the plaintiffs before the Appellate Board.

(Emphasis Supplied).

12. It is seen that the above observations of the learned Single Judge of this Court were made in the applications under Order XXXIX Rule 1 and Order XXXIX Rule 4 of the Code of Civil Procedure, 1908 decided by him. The said order is dated 16.05.2001. Till that time, the defendant had already the filed the rectification before the IPAB (as it appears from the number that the said

rectification was filed in the year 2005) which the defendant is setting up now in order to invoke Section 124 of the Act at its behest.

13. It is further seen that after obtaining the said findings from the learned Single Judge, the defendant herein, had neither challenged the said findings in the appeal nor brought the factum of filing of cancellation or rectification action to the notice of this Court and remained silent for years till the time of filing of the present application. It is further seen that it is only the plaintiffs who had assailed the order of the learned Single Judge of this Court and appealed before the Division Bench of this Court wherein, the Division Bench of this Court again observed that the leave of the Court is required prior to the filing of the rectification petition in order to enable the party to invoke the provisions of Section 124 of the Act. The learned Division Bench observed thus:

It was however submitted on behalf of the appellants/plaintiffs that in view of provisions of Section 124 of the Act there should have been a stay of the proceedings when the validity of the registration of trade mark is in question. However, in the present case, the provisions of Section 124(i)(b)(ii) would not be applicable. The said provisions are applicable only to an application for rectification which is already pending, in view of which, the suit could be stayed, pending final disposal of such proceedings. The provisions which would be applicable to the facts and circumstances of the present case are those which envisage that where the application for rectification of the order in such proceeding is not pending, then a party seeking rectification applies for rectification, subject to a prima-facie satisfaction of the Court regarding invalidity of the registration of the mark of the opposite party. The appellants/plaintiffs therefore could not have filed an application for rectification without showing, establishing and obtaining prima-facie satisfaction of the Court that they have sufficient material to be able to invalidate the registration of the mark of the respondent/defendant. The aforesaid rectification proceeding which is filed is still pending for consideration. Therefore, the learned Single judge was justified in not staying the Suit. In this connection, reference may be made to the provisions of Section 124(5) of the Trade Marks Act, which entitles the Court to deal with the interlocutory application. Therefore, the submission of the counsel for the appellants/plaintiffs in this regard, is misconceived and cannot be accepted.

(Emphasis Supplied)

14. The afore quoted findings of the Division Bench in FAO(OS) Nos. 445-46/2006 filed by the plaintiffs reveals that the defendant's stand before that Court was consistent and the defendant was satisfied with the findings of the learned Single Judge and Division Bench of this Court that the leave of the Court is required prior to filing of the rectification petition in order to enable the party to invoke Section 124 of the Act. If the defendant was dissatisfied with the position in law and findings arrived by the learned Single Judge or Division Bench that the leave is not required for the said purposes (as the defendant is urging today by filing the application and citing judgments to that effect), the defendant

ought to have filed either the cross objections challenging the findings of the learned Single Judge only to the extent of Section 124 aspect or resisted in the appeal stage therein before Division Bench by urging that the leave of the Court is not a condition precedent for invocation of Section 124 and could have brought to the notice of the Court about the filing of the rectification petition by the defendant against the plaintiffs' trade mark. But, the defendant did nothing of this sort. Neither the defendant filed the cross objections before the Division Bench nor the challenged the said position in law by contending otherwise, before the appellate Court and not further challenged the order of Division Bench by preferring further remedies. Clearly, the defendant has accepted the findings of the Division Bench and propositions laid down therein and remained contended with the same.

15. Now, the defendant is urging to the contrary by filing the present application and praying for the stay of suit u/s 124 of the Act on the basis of the rectification petition which was filed by the defendant against the plaintiffs trade mark more or less during the same period in the year 2005, when the suit was pending and with the similar facts.

16. Once, it is clear that the defendant has accepted the findings of the learned Division Bench and the facts and circumstances in which the present rectification is filed are the same as that of the plaintiffs' rectification, then the findings of the Division Bench will continue to bind the defendant as well and thus, no differential treatment can be given to the defendant's rectification application which was filed in the year 2005, once the defendant accepted the finding that the leave of the Court is a condition precedent for invocation of Section 124 of the Act.

17. In the case of Barkat Ali and Another Vs. Badri Narain (D) by LRs., the Hon'ble Supreme Court has held as under:

8. The principles of res judicata not only apply in respect of separate proceedings but the general principles also apply at the subsequent stage of the same proceedings also and the same Court is precluded to go into that question again which has been decided or deemed to have been decided by it at an early stage.

(Emphasis Supplied)

18. It would be therefore against the rule of the conclusiveness of judgment if the defendant is allowed to re-agitate the same issue again once the said issue has been decided by the learned Single Judge and Division Bench of this Court and the defendant accepted the said finding did not remain dissatisfied ever with the same.

19. It is equally well-settled that the party cannot be allowed to approbate or reprobate at the same time so as to take one position, when the matter is going to his advantage and another when it is operating to his detriment and more so, when there is a same matter either at the same level or the appellate stage.

20. In the case of Kok Hoong vs. Leong Cheong Kweng Mines Ltd. reported in 1964 Appeal Cases 993, the Privy Council held that "a litigant may be shown to have acted positively in the face of the Court, making an election and procuring from it an order affecting others apart from himself, in such circumstances the Court has no option but to hold him to his conduct and refuse to start again on the basis that he has abandoned.

(Emphasis Supplied)

21. In the case of Dwijendra Narain Roy Vs. Joges Chandra De and Others, , The Division Bench of the Calcutta High Court has succinctly held :

It is an elementary rule that a party litigant cannot be permitted to assume inconsistent positions in Court, to play fast and loose, to blow hot and cold, to approbate and reprobate to the detriment of his opponent. This wholesome doctrine, the learned Judge held, applies not only to successive stages of the same suit, but also to another suit than the one in which the position was taken up, provided the second suit grows out of the judgment in the first.

(Emphasis Supplied)

22. Applying the said principles of law to the present case, it is apparent that if the defendant is allowed to re-agitate, it would also lead to allowing the party to approbate and reprobate at the same time which is clearly impermissible. The application is thus barred by way of principle of approbate or reprobate which is a facet of estoppel as the defendant had accepted the findings of the Division Bench and Single Judge. There are no subsequent events which have changed warranting re-adjudication of the matter.

23. It is just that another rectification was preferred by the defendant against the plaintiffs' mark just like the plaintiffs preferred the same against the defendant's mark during the same time in the year 2005. That however by itself does not mean that the party may be allowed to take contradictory pleas and seek re-adjudication of the same issue.

24. Furthermore, allowing the present application would be abuse of the process of the law as the same may lead to recalling the order of the learned Single Judge of co-ordinate bench which had been affirmed in the appeal by the Division Bench. Thus, going in to the enquiry on the aspect of leave of the Court which has been decided by the Division Bench and finding variance would be an exercise against judicial discipline. Thus, the present application cannot be entertained in view of the decision of Division Bench and reasons stated above.

25. The application is thus, a clear abuse of the process of the law. The distinctions which the learned counsel for the applicant/ defendant has drawn in order to distinguish the previous decisions are miniscule in nature and do not change the case of the defendant at all. It is immaterial if the name of the plaintiff was not recorded in the trade mark register and that cannot absolve the aspect of leave declared by this Court. If that is the case, then why the

defendant is seeking stay of the proceedings in the plaintiffs' suit and even if the said name change recorded took time, what has to be seen is the time of filing of the rectification proceeding which is in the year 2005. If the plaintiffs had in the year 2005 asserted upon the registered trade mark, then as per the observations of the Division Bench in order to invoke Section 124, the defendant ought to have approached this Court first by applying for the prima-facie satisfaction, which defendant did not prefer before approaching IPAB. Accordingly, the defendant's rectification and circumstances therein are squarely covered within the ambit of judgment of Division Bench and learned Single Judge and are no different from the ones which the learned Single Judge and Division Bench was earlier concerned with. The other contentions raised by the learned counsel for the applicant are equally unmeritorious and the same are rejected. Resultantly, the application is dismissed with the cost of Rs. 5,000/-.

CS(OS) No. 1421/2005 List before the Joint Registrar on 29.05.2012.