

(2023) 08 DEL CK 0265

In the Delhi High Court

Case No : Civil Suit (COMM) No. 194 Of 2019

Central Park Estates Pvt. Ltd. & OthersVs

APPELLANT

Vs

Provident Housing Limited

RESPONDENT

Date of Decision : 29-08-2023

Acts Referred:

Code of Civil Procedure, 1908 — Order 14, Order 39 Rule 1, Order 39 Rule 2
Trade Marks Act, 1999 — Section 9, 9(1), 11, 17(2)(b), 31(1), 31(2), 32, 57(1),
57(2), 124, 124(1), 124(1)(a) , 124(1)(ii)

Citation : (2023) 08 DEL CK 0265

Hon'ble Judges : C. Hari Shankar, J

Bench : Single Bench

**Advocate : Kanishk Kumar, Abhiti Vachher, Priyansh Kohli, Shobhit Sharma,
Paritosh Dhawan, Mahima Arora**

Final Decision : Dismissed

Judgement

C. Hari Shankar, J

I.A. 1295/2023 (under Section 124 of the Trade Marks Act)

1. This is an application filed by the defendant under Section 124(1)(ii)1 of the Trade Marks Act 1999 praying that the present suit be adjourned by three months in order to enable the defendant to file a rectification petition seeking cancellation of the mark registered in favour of the plaintiff vide Registration No. 1346017 dated 21 March 2005.

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

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 trade mark are pending before the Registrar or the High Court, 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. Section 124(1) of the Trade Marks Act contains distinct ingredients, cumulative satisfaction of which alone would entitle a litigation to seek remedies in terms of the said provision. The right of a defendant to seek adjournment of a suit by three months in order to enable the defendant to file a substantive proceeding challenging the marks asserted by the plaintiff in the plaint, requires, under Section 124(1), chronologically, (i) the defendant to plead that the registration of the plaintiff's trade mark is invalid and (ii) the satisfaction, of the Court, that the plea of invalidity of the plaintiff's mark, as raised by the defendant, is tenable.

3. If these two criteria are cumulatively satisfied, then Section 124(1)(ii) requires the court to frame an issue regarding the validity of the plaintiff's mark and to adjourn the proceedings by three months in order to enable the defendant to apply to this Court for rectification of the register of Trade Marks by removal, therefrom, of the plaintiff's mark.

4. The very first condition that requires satisfaction, for Section 124(1) to apply, is, therefore, a plea by the defendant that the registration of the plaintiff's trade mark is invalid.

5. Though, in para 11 of the present application, there is an assertion, by the defendant, that "it has been a consistent stand of the Defendant since inception of the present suit that the mark over which the Plaintiff is claiming his exclusive right is invalid", there is, unfortunately, no such pleading anywhere prior to the present application. As the defendant did not file any written statement within time, the right to file written statement was closed vide order dated 24 February 2020. Even if the plea of invalidity of the plaintiff's trade mark may, *arguendo*, be permitted to be taken in any other application, no such plea finds place in any other application either.

6. Mr. Shobhit Sharma, learned Counsel for the defendant, has sought to contend that, even if there is no direct plea of invalidity of the plaintiff's trade mark taken in any of the pleadings of the defendant, there is an indirect challenge to the validity of the plaintiff's trade mark, contained in the reply filed by the defendant

to IA 5445/2019, preferred by the plaintiff under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC).

7. Mr. Sharma has taken me, in this context, through paras 10, 26, 43 and 61 of the said reply, which read thus:

"10. The Plaintiff has failed to disclose the prosecution history of its trademark registrations. The Plaintiff has purposefully concealed from this Hon'ble Court that the Plaintiff has secured registrations of trademark (most 'Device' registrations) not on the basis of any distinctiveness acquired by long user but on the basis that the same is a 'unique and conspicuous label'. In fact, it is pertinent to mention that the 'examination report no. 379' issued by the Registry for the Trade Mark dated 20.04.2005 (for the Trade Mark Application no. 1346017) noted its objection for non-registrability of the said device as distinctive'. In response to the said examination report the Plaintiffs have categorically stated that""...Our Mark is Unique and conspicuous lable consisting of device of Leaves and the word Central Park, which having taken from our trading style. The aforesaid is being used in respect of ^ "construction of apartments" since April 1999. The trade and customers do recognise the aforesaid level with our company only...". Thus, the Plaintiff is now barred from claiming exclusive rights over the independent elements forming part of the device mark registration. If at all the Plaintiff needed to secure rights over the independent elements forming part of the device mark, the Plaintiff ought to have applied for and obtained registration for such independent elements under Section 17 of the Trade Marks Act, which the Plaintiff has failed to do. In these facts, the Plaintiff cannot claim any exclusive right over the words Central and Park. A copy of the said Examination Report dated 20.04.2005 and reply by the Plaintiff is being filed in these proceedings as Document-1.

26. The use of the words CENTRAL PARK is completely generic and descriptive to identify a location to identify a park in a central location. For this reason, to identify a particular location, the commonly used terms CENTRAL PARK have to be preceded or succeeded by a more precise descriptor. Resultantly, the Central Park in New York is preceded by The New York Central Park, the central park in Delhi is referred to as CENTRAL PARK in Connaught Place. Similarly, parks located centrally in different cities around the word are referred to as CENTRAL PARK preceded or succeeded by descriptors. Paragraphs 20 to 38 and paragraph 41 of the reply affidavit dated 23rd April 2019 be referred to.

43. In view of the above, it is submitted that the words CENTRAL PARK are generic and publici juris and the Plaintiffs cannot claim any monopoly over the same, additionally, the Plaintiffs being subsequent adopters and pirates of the said mark, cannot own any trade mark rights in the said mark.

61. ... It is submitted that this position of the Plaintiff is in derogation and contradiction to the response to examination reports represented/undertaken by the Plaintiff before the Registrar of Trade Marks since 2005; and that the Plaintiff cannot be allowed to change its position before this Hon'ble Court. It is submitted that the Plaintiff is estopped by its position before the Registrar of Trademarks from 2005; basis which representations/undertakings the Plaintiff was in fact granted the subject registrations. ...

Therefore, the Plaintiffs ought to be estopped from adopting a different position in the present case and for this reason the balance of convenience does not rest in favour of the Plaintiffs."

8. The italicised words in the afore-extracted passages, submits Mr. Sharma, ventilate an indirect challenge to the invalidity of the trade mark, asserted in the plaint.

9. I am unable to agree.

10. The assertions in para 10 merely note that the plaintiff had secured registration of the mark not on the ground of distinctiveness but on the ground that it was a "unique and conspicuous label".

11. Paras 26 and 43 aver that, as "CENTRAL PARK" is a commonly used term and is generic and descriptive in nature, no monopoly or exclusivity over the said part of the registered device mark could be claimed by the plaintiff. This assertion, quite obviously, is relatable to Section 17(2)(b) of the Trade Marks Act, and not either to Section 57(1) or (2)3, which stipulate the grounds on which invalidation of a registered trade mark could be sought, or to Sections 9 and 11 which specify the circumstances in which a trade mark would be ineligible for registration.

17. Effect of registration of parts of a mark. –

(1) When a trade mark consists of several matters, its registration shall confer on the proprietor exclusive right to the use of the trade mark taken as a whole.

(2) Notwithstanding anything contained in sub-section (1), when a trade mark –

(a) contains any part –

(i) which is not the subject of a separate application by the proprietor for registration as a trade mark; or

(ii) which is not separately registered by the proprietor as a trade mark; or

(b) contains any matter which is common to the trade or is otherwise of a non-distinctive character,

the registration thereof shall not confer any exclusive right in the matter forming only a part of the whole of the trade mark so registered.

12. Para 61 of the reply to IA 5445/2019 is completely unrelatable to the issue at hand, as it seeks to bring up the argument of prosecution history estoppel, by contending that the plaintiff could not, before this Court, raise a stand contrary to the stand taken while obtaining registration of the mark.

13. All that Section 124(1)(a) of the Trade Marks Act require the defendant to do was to plead that the plaintiff's mark is invalid. Such a plea is conspicuously absent in the defendant's pleadings.

14. The validity of the plaintiff's mark has not been challenged in any of the assertions contained in the reply filed by the defendant to IA 5445/2019. While Section 124(1) does not envisage an "indirect" challenge, no such indirect challenge, either, can be discerned from the pleadings in the reply to IA 5445/2019.

15. Mr. Shobhit Sharma has placed reliance on the judgment of a coordinate Bench of this Court in Clinique Laboratories LLC v. Gufic Limited (2009) 41 PTC 41. He has, particularly, drawn attention to para 12 of the report in the said case, which reads thus:

"12. I also find merit in the contention of the senior counsel for the plaintiff with reference to Section 31 (2) of the Act. Section 31(2) suggests that the court notwithstanding registration being prima- facie evidence of validity as provided in Section 31(1) can hold the registered trademark to be invalid. The court can hold the registration to be invalid, on any ground or for non compliance of any of the conditions for registration provided under the Act. It further provides that if the invalidity of registration is averred for the reason of non compliance of Section 9 (1), i.e. of evidence of distinctiveness having not been submitted before the Registrar, then the party pleading validity of registration shall be entitled to give evidence in legal proceedings where validity is challenged, of the mark having acquired distinctiveness on date of registration. Section 32 permits evidence of acquisition of distinctive character within the meaning of Section 9(1) post registration, also being led in such proceedings. It follows that where validity of registration is challenged on grounds other than provided in Section 9(1) of the Act, the test is whether the criteria laid down in such other provisions of the Act, for registration has been satisfied or not. Since, Section 124 otherwise provides for stay of proceedings in such suit and only permits passing an interlocutory order, such finding of invalidity naturally has to be on the touchstone of principles for interlocutory order only and not as at the time of final decision of the suit, in as much as the finding in the rectification proceedings has been otherwise made binding in the suit and on all aspects of validity i.e. under Section 9 as well as under Section 11."

16. I fail to see how para 12 of the decision in Clinique Laboratories LLC⁴ can come to the assistance of the defendant. There being no challenge, in any pleading in the present proceedings, to the validity of the plaintiff's mark, the very first ingredient which requires satisfaction, for Section 124(1) to apply, to

entitle the defendant to seek an adjournment of three months to challenge the validity of the plaintiff's trade mark, remains unsatisfied.

17. Mr. Shobhit Sharma also placed reliance on the judgement of a learned Single Judge of the High Court of Bombay in *Cipla Ltd. v. Cipla Industries Pvt. Ltd* (2014) 58 PTC 370, in which the High Court of Bombay sought to distinguish the word "plead" as used in Section 124(1)(a) of the Trade Marks Act, with "pleadings". The Bombay High Court opined that the two words could not be treated as synonymous and that, therefore, it was not necessary that the plea of invalidity of the mark (in that case, it was the defendant's mark) had invariably to be taken up in the plaint or in replication. Even if it was taken up in any other written document such as a separate affidavit, for example, the Bombay High Court expressed the view that it would suffice as a plea of invalidity of the defendant's trade mark for the purposes of Section 124(1)(a) of the Trade Marks Act.

18. While I have my reservations regarding the correctness of that view, even if, the sake of argument, it is to be assumed that the plea of invalidity of the plaintiff's trade mark, for the purposes of Section 124(1)(a), could be taken outside the written statement filed by way of response to the suit, there is, even then, no such plea to be found in any of the documents filed by the defendant, including the response to IA 5445/2019, which is the only document on which Mr. Shobhit Sharma relies to contend that a plea of invalidity of the plaintiff's trade mark was in fact taken by him.

19. Mr. Shobhit Sharma carried his argument to the point of seeking to urge that, even if there was no written pleading regarding invalidity of the plaintiff's trade mark, Section 124(1)(a) would, nonetheless, stand satisfied if, during arguments in court, such a plea was taken.

20. The submission is astounding, to say the least. There can be no argument which is beyond the pleadings in a commercial suit – or, for that matter, even in a non-commercial suit. It is only that which is pleaded which can be urged or argued in the court. Invalidity of a registered trade mark is a mixed question of fact and law and, therefore, has to be pleaded. In the absence of a written pleading regarding invalidity, a party cannot merely stand up in court and argue that a registered trade mark is invalid and seek to contend that such an oral submission suffices as a "plea" within the meaning of Section 124(1)(a) of the Trade Marks Act.

21. The assertion, in para 11 of the present application, that it has been the constant stand of the defendant, since inception, that the mark asserted in the plaint is invalid, indicates that the defendant is well aware not only of what is required to be pleaded for Section 124(1) to apply, but also how and where the plea is required to be raised. The defendant is well aware of the fact that Section 124(1)(a) requires a plea of invalidity of the plaintiff's mark to be specifically raised by the defendant. Despite that, the defendant has, for reasons best known

to it, not sought to raise such a plea even in the reply filed by way of response to IA 5445/2019.

22. In the absence of any plea, by the defendant, to the effect that the mark of the plaintiff is invalid, Section 124(1) cannot apply.

23. Mr. Sharma next contends that, as a plea regarding invalidity of the plaintiff's mark stands specifically framed by this Court, Section 124(1)(ii), to that extent, stands worked out and all that is required of this Court, now, is to adjourn the matter by three months to enable the defendant to file a rectification application, challenging the plaintiff's mark.

24. The submission is factually incorrect. In the order dated 16 December 2022, this Court had specifically refused to frame an issue regarding the plaintiff's trade mark.

25. Mr. Sharma then modifies the submission to urge that the said order, if properly read, indicates that the court did not frame a separate issue regarding validity of the plaintiff's trade mark only because it felt that the issue was already covered by the issues framed in the suit. No such explicit observation is contained in the order. That apart, the fact of the matter is that no issue regarding validity of the plaintiff's trade mark was in fact framed by this Court and the specific prayer to frame such an issue was specifically denied, against which the defendant has not, apparently, preferred any challenge.

26. Even if were to be assumed that, by the order dated 16 December 2022, or elsewhere, this Court has framed an issue regarding validity of the plaintiff's mark, that would not suffice for Section 124(1) to apply. The framing of an issue is an exercise relatable to Order XIV of the CPC. Even in cases where Section 124 does not apply, the court would invariably frame issues in the suit, before proceeding to trial. We are not concerned, here, with whether an issue regarding invalidity was, or was not, framed. What is being sought by the defendant is adjournment of the proceedings by three months so that the defendant could file a substantive application challenging the validity of the plaintiff's mark, under Section 124 of the Act. For that, all ingredients of Section 124 would have to be satisfied. As I have already held, the very first ingredient, of a plea by the defendant that the plaintiff's mark is invalid, is absent. Ergo, no relief under Section 124 can enure to the benefit of the defendant.

27. This application is, therefore, misconceived and is accordingly dismissed.

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28. List before the learned Joint Registrar (Judicial) for continuation of the recording of evidence on 27 September 2023.