
(2012) 08 DEL CK 0531

In the Delhi High Court

Case No : Writ Petition (C) 8694 of 2011 and C.M. No. 19662 of 2011

Costa and Company Pvt. Ltd.

APPELLANT

Vs

UOI and Others

RESPONDENT

Date of Decision : 03-08-2012

Acts Referred:

Trade Marks Act, 1999 — Section 125(2), 47, 57, 91, 92

Citation : (2012) 08 DEL CK 0531

Hon'ble Judges : Vipin Sanghi, J

Bench : Single Bench

Advocate : Rahul Beruar and Mr. Subhash Bhutoria, for the Appellant; Neeraj Chaudhari, CGSC, Mr. Akshay Chandra and Mr. Ravjyot Singh for R-1 Mr. Ajay Gupta, with Mr. Vishwanathan and Mr. Amol Dixit for R-3, for the Respondent

Final Decision : Dismissed

Judgement

Vipin Sanghi, J.—The petitioner assails the order dated 05.09.2011 passed by the learned Intellectual Property Appellate Board (the Appellate Board) in MP No. 171/2008 in ORA/105/2007/TM/DEL. By this order, the Appellate Board has allowed the respondent No. 3's application to seek transfer of the rectification application preferred by it u/s 47 of the Trade Marks Act, 1999 (the Act) before the Registrar of Trade Marks, Mumbai, (the Registrar), to the Appellate Board. Consequently, the rectification application No. BOM-183681 filed by the respondent No. 3 before the Registrar has been transferred to the Appellate Board from the stage at which it then stood. The Appellate Board has further directed that the two matters, i.e. ORA/105/2007/TM/DEL (rectification application preferred by the petitioner u/s 57 of the Act before the Appellate Board), and the transferred rectification application of the respondent No. 3 shall be listed together at Circuit Bench sitting at Delhi. The factual background may first be narrated. The petitioner applied for registration of the mark "Costa's" in the year 1990, which was granted in 1997. The same pertained to Class 30. On the other hand, the respondent No. 3 applied for registration of the trademark

"Costa" in respect of the goods under class 30 and 42 in the year 2003, and the same was granted registration in the year 2006.

2. The respondent No. 3 applied for rectification of the petitioner's trademark "Costa's" in classes 30 and 42 u/s 47 of the Trademarks Act in the year 2004. This application was moved before the Registrar. The petitioner also applied for rectification of the respondent No. 3's trademark "Costa" in the year 2006 by moving an application before the Appellate Board in the year 2007.

3. While both these proceedings were pending, the respondent No. 3 moved the aforesaid application being MP No. 171/2008 before the Appellate Board to seek the transfer and consolidation of its rectification proceedings pending before the Registrar to the Appellate Board. As aforesaid, by the impugned order, that application has been allowed.

4. The submission of learned counsel for the petitioner is that the Appellate Board has no statutory power or jurisdiction to transfer to itself the rectification application pending before the Registrar. It is argued that the impugned order denies the right of appeal, which would otherwise be available to the petitioner, in case the respondent No. 3 succeeds in its rectification application before the Registrar, as an appeal lies u/s 91 before the Appellate Board from the order of the Registrar. On this basis, the present petition has been preferred.

5. Upon issuance of notice, the respondent No. 3 has put in appearance to contest the petition without filing a reply. The submission of learned senior counsel for the respondent No. 3 is that u/s 125(2) of the Act, when an application for rectification of the register is made to the Registrar u/s 47, or Section 57, the Registrar may, if he thinks fit, refer the application at any stage of the proceedings to the Appellate Board. He submits that the respondent No. 3 could, therefore, have moved the Registrar for referring the respondent's application for rectification u/s 47 of the Act to the Appellate Board by resort to Section 125(2) of the Act, since the petitioner's application for rectification u/s 57 is already pending before the Appellate Board.

6. It is further submitted that Section 96 enables a party to move an application, and also authorizes the Chairman to suo moto transfer any case pending before one bench for disposal to any other bench. It is submitted that the subject matter of both these applications concern the similar trademark, and the contesting parties are also the same, and this position is not even disputed by the petitioner.

7. It is also submitted that the Appellate Board is not bound by the procedure laid down under the CPC, and it is guided by the principles of natural justice. In this respect, reference is made to Section 92 of the Act.

8. Learned senior counsel for the respondent No. 3 submits that various decisions were cited before the Appellate Board at the time of hearing of the application. These decisions, though taken note of, have not been cited in the

impugned order. He places reliance on the Supreme Court decision in *State Bank of India Vs. Ranjan Chemicals Ltd. and Another*, and the decision of this Court in *S.C. Jain Vs. Bindeshwari Devi*,

9. The issue raised by the petitioner with regard to the power of the Appellate Board to transfer to itself the rectification proceedings pending before the Registrar is an issue of some importance.

10. The rectification proceedings under the Act - both, u/s 47 and Section 57, can be preferred either before the Registrar or before the Appellate Board. Both these authorities have concurrent jurisdiction. Whereas, the petitioner preferred rectification proceedings in respect of the registered Trade Mark of respondent No. 3 before the Appellate Board u/s 57 of the Act, respondent No. 3 preferred the rectification proceedings in respect of the petitioner's registered mark u/s 47 of the Act, before the Registrar. There is no doubt that both these rectification proceedings are between the same set of parties and that the subject matter of the two rectification proceedings is overlapping. The evidence in these proceedings would also be overlapping. In fact, learned counsel for the petitioner does not dispute this position. The primary grievance of the petitioner is that the Appellate Board did not have jurisdiction to order the transfer to itself, of the rectification proceedings pending before the Registrar at the behest of respondent No. 3.

11. Now, an appeal lies u/s 91 of the Act from the order that the Registrar may pass in proceedings u/s 47 or Section 57 of the Act before the Appellate Board. Consequently, the Appellate Board is the appellate authority of the Registrar qua proceedings u/s 47 or 57 of the Act. Therefore, the Registrar is subordinate to the Appellate Board qua proceedings under Sections 47 or 57 of the Act. By virtue of being an appellate authority of the Registrar, the Appellate Board has certain powers. The Appellate Board, being the appellate authority, would have the power to stay any proceeding pending before the Registrar u/s 47 or 57 of the Act; to remand the matter back for re-consideration to the Registrar in any proceedings arising u/s 47 or 57 of the Act; to uphold the order of the Registrar under the said provisions, and; to set aside the order passed by the Registrar under the said provisions. The Supreme Court in *Tirupati Balaji Developers Pvt. Ltd and others Vs. State of Bihar* AIR 2004 SCC 2351, was dealing with its own powers qua the High Courts. However, it made general observations with respect to the powers of an appellate forum qua the subordinate forum as follows:-

9. In a unified hierarchical judicial system which India has accepted under its Constitution, vertically the Supreme Court is placed over the High Courts. The very fact that the Constitution confers an appellate power on the Supreme Court over the High Courts, certain consequences naturally flow and follow. Appeal implies in its natural and ordinary meaning the removal of a cause from any inferior court or tribunal to a superior one for the purpose of testing the soundness of decision and proceedings of the inferior court or tribunal. The superior forum shall have jurisdiction to reverse, confirm, annul or modify the

decree or order of the forum appealed against and in the event of a remand the lower forum shall have to rehear the matter and comply with such directions as may accompany the order of remand. The appellate jurisdiction inherently carries with it a power to issue corrective directions binding on the forum below and failure on the part of the latter to carry out such directions or show disrespect to or to question the propriety of such directions would - it is obvious - be destructive of the hierarchical system in administration of justice. The seekers of justice and the society would lose faith in both.

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11. The very conferral of appellate jurisdiction carries with it certain consequences. Conferral of a principal substantive jurisdiction carries with it, as a necessary concomitant of that power, the power to exercise such other incidental and ancillary powers without which the conferral of the principal power shall be rendered redundant. As held by their Lordships of the Privy Council in AIR 1932 165 (Privy Council) (Sir Dinshaw Mulla speaking for the Bench of five), an appeal is an application by a party to an appellate court asking it to set aside or revise a decision of a subordinate court. The appeal does not cease to be an appeal though irregular or incompetent. Placing on record his opinion, Subramania Ayyar, J. as a member of the Full Bench (of five Judges) in Chappan v. Moidin Kutti [ILR (1899) 22 Mad 68 : 8 MLJ 231] (at ILR p. 80) stated inter alia that appeal is "the removal of a cause or a suit from an inferior to a superior judge or court for re-examination or review". According to Wharton's Law Lexicon such removal of a cause or suit is for the purpose of testing the soundness of the decision of the inferior court. In consonance with this particular meaning of appeal, "appellate jurisdiction" means "the power of a superior court to review the decision of an inferior court". "Here the two things which are required to constitute appellate jurisdiction, are the existence of the relation of superior and inferior court and the power on the part of the former to review decisions of the latter. This has been well put by Story: "The essential criterion of appellate jurisdiction is, that it revises and corrects the proceedings in a cause already instituted and does not create that cause. In reference to judicial tribunals an appellate jurisdiction, therefore, necessarily implies that the subject-matter has been already instituted and acted upon, by some other court, whose judgment or proceedings are to be revised," (Section 1761, Commentaries on the Constitution of the United States)."

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30. The very existence of appellate jurisdiction obliges the lower jurisdiction to render all of its assistance to the higher jurisdiction to enable the exercise of appellate jurisdiction fully and effectively. The lower forum may be called upon to certify its record of case and proceedings to the superior forum. The superior forum may stand in need of some information which being in the possession or knowledge of the subordinate forum, shall have to be made available only by it. The superior forum may issue a stay order or restraint order or may suspend,

expedite or regulate the proceedings in the subordinate forum. During or at the end of exercise of the appellate jurisdiction any direction made by the higher forum shall have to be complied with by the lower forum, otherwise the hierarchy becomes meaningless.

12. The order of the Registrar under these provisions, i.e. Sections 47 or 57, would eventually (in case the same is appealed against) land up before the Appellate Authority for scrutiny. In the present case, as it is, one proceeding on the same issue, inter partes, is already pending before the Appellate Board. Ultimately, it is the view of the Appellate Board which would be final and binding in proceedings u/s 47 or 57 of the Act on the Registrar, and if the Appellate Board has already decided one of the matters inter partes concerning the same or similar set of registered trade marks, the Registrar cannot take a view to the contrary inter partes on the same issues.

13. In appropriate cases, the Registrar may, if he thinks fit, refer the application u/s 47 or 57 which may be pending before him at any stage of the proceedings, to the Appellate Board. (See Section 125(2)). Therefore, the movement of a pending rectification application from the jurisdiction of the Registrar to the Appellate Board is a phenomenon which is recognized and provided for by the Act. Since the orders passed by the Registrar are appealable before the Board, an order not to refer the rectification application pending before it (either u/s 47 or 57 of the Act) to the Appellate Board would also be appealable. In such an appeal, the Board could come to the conclusion that the Registrar ought to have referred the pending rectification application to the Board. Thus, by a quasi-judicial order, the Appellate Board can direct the Registrar to refer to it the pending rectification application to the Appellate Board. If the Appellate Board has the jurisdiction to pass such an order in appeal proceedings, I don't see any reason why it should not be able to pass a similar direction, otherwise, in quasi judicial proceedings pending before it.

14. A perusal of the Act shows that there is no express provision vesting supervisory jurisdiction on the Appellate Board over the Registrar. However, that does not mean that while exercising its quasi-judicial appellate authority, the Appellate Board cannot take cognizance of the fact that there are multiple proceedings pending before the same set of parties, involving the same issues of fact & law, and, with a view to have consistency of decisions and to save the parties the botheration of leading the same evidence repeatedly in different proceedings and pursuing different proceedings simultaneously, the Appellate Board cannot take measures to preserve consistency in the decision making process and to save the parties from harassment and costs of multiplicity of proceedings on the same subject matter inter partes. The power vested in the Chairman u/s 96 of the Act to transfer the proceedings pending before one bench, for disposal, to another bench shows that the intent of the Parliament was to provide sufficient flexibility to the Chairman in the matter of case management.

15. The Hon''ble Supreme Court in *State Bank of India (supra)* was dealing with the case where a dispute arose between a debtor and its bank. Whereas the debtor instituted civil proceedings in a Civil Court against the bank alleging breach of the conditions on which loans and facilities were agreed to be granted and, on that account, claiming certain reliefs, the bank claimed that the debtor had failed to repay the outstanding loan and, therefore, preferred recovery proceedings by resort to the Recovery of Debts Due to Bank and Financial Institutions Act, 1993 before the Debt Recovery Tribunal (DRT). The bank then moved the Civil Court to transfer the proceedings pending before it to the DRT for being tried jointly with the recovery proceedings launched by the bank. The said application was dismissed by the Trial Court. Revision proceedings before the High Court also failed. The Hon''ble Supreme Court while reversing these decisions held that a joint trial of proceedings pending before different forums could be ordered if common questions of fact or law in both proceedings arise, or the right to relief claimed in them is in respect of, or arise out of, the same transaction or series of transactions, or that for some other reason it is desirable to make an order for a joint trial. Where plaintiff in one action is the same person as the defendant in another action, if one action can be ordered to stand as a counter claim in the consolidated action, then also the proceedings could be ordered to be jointly tried. When the Court finds that the ordering of such a trial would avoid separate overlapping of evidence being taken in the two causes put in suit, a joint trial could be ordered as it would be very convenient to try them together in the interest of the parties and have effective control of the cases. The Hon''ble Supreme Court observed that it is not necessary that all the questions or issues that arise should be common to both actions. If some issues and some evidences are common, that would be sufficient to order a joint trial, especially when the two actions arise out of the same transaction/series of transactions. The Hon''ble Supreme Court held that the power to order joint trial cannot be curtailed by introducing restrictions, to the effect that such an order can be passed only if there is consent of both the sides. The Court held that the power inherent in the Court, on well-accepted principles, to order a joint trial does not depend upon the volition of the parties but it depends upon the convenience of the trial, saving of time and expenses and avoidance of duplicating at least a part of the evidence, leading to saving of time and money. In the present case, all the above considerations are very much present, as noticed above.

16. I may also take note of Section 98 of the Act, which provides that the Registrar shall have the right to appear and be heard in a variety of proceedings before the Appellate Board. The said provision reads as follows:

98. Appearance of Registrar in legal proceedings.-

(1) The Registrar shall have the right to appear and be heard-

(a) in any legal proceedings before the Appellate Board in which the relief sought includes alteration or rectification of the register or in which any question relating to the practice of the Trade Marks Registry is raised;

(b) in any appeal to the Board from an order of the Registrar on an application for registration of a trade mark-

(i) which is not opposed, and the application is either refused by the Registrar or is accepted by him subject to any amendments, modifications, conditions or limitations, or

(ii) which has been opposed and the Registrar considers that his appearance is necessary in the public interest, and the Registrar shall appear in any case if so directed by the Board.

(2) Unless the Appellate Board otherwise directs, the Registrar may, in lieu of appearing, submit a statement in writing signed by him, giving such particulars as he thinks proper of the proceedings before him relating to the matter in issue or of the grounds of any decision given by him affecting it, or of the practice of the Trade Marks Registry in like cases, or of other matters relevant to the issues and within his knowledge as Registrar, and such statement shall be evidence in the proceeding.

(Emphasis supplied)

17. Therefore, even if the proceedings pending before the Registrar u/s 47 or 57 of the Act are transferred before the Appellate Board, the Registrar can still play a role by putting across to the Appellate Board its stand in the matter. It is not that the pending rectification proceedings get snatched away, so to say, from the hands of the Registrar. He can still participate in the rectification proceedings after they are transferred to the Appellate Board.

18. Another aspect to be noted is that the proceedings before the Appellate Board are deemed to be judicial proceedings, and it is not bound by the procedure prescribed in the Code of Civil Procedure. Therefore, no specific procedure is required to be followed by the Appellate Board, so long as it is fair and complies with the principles of natural justice.

19. The grievance raised by the petitioner with regard to the petitioner being denied a right of appeal in case of the transfer of the proceedings from the Registrar to the Appellate Board, in my view, has no merit. Firstly, respondent No. 3 is the applicant in the rectification proceedings u/s 47 of the Act before the Registrar. Respondent No. 3 had an option to file the said proceedings either before the Registrar or the Appellate Board as both forums have concurrent jurisdiction. The respondent No. 3 is the dominus litus. It is for him to decide whether to pursue his remedy u/s 47 of the Act before the Registrar, or the Appellate Board. Respondent No. 3 may not have been entitled to seek a transfer of the proceedings pending before the Registrar to the Appellate Board, but for the fact that the Appellate Board is already seized of the rectification proceedings initiated by the petitioner u/s 57 of the Act against respondent No. 3, and the fact that both the proceedings involve the same subject matter and evidence. If the petitioner were so concerned about preserving its right of appeal, it would

have preferred its own rectification proceedings u/s 57 of the Act before the Registrar, which it did not do. Had respondent No. 3 initially filed the rectification proceedings u/s 57 of the Act before the Appellate Board, the petitioner could not have raised a grievance that his right of appeal is being denied due to such institution and that the respondent No. 3 should file the rectification proceedings before the Registrar.

20. This Court in *Ranjan Kumar Singh & Another Vs. Angoori Singh & Others*, while deciding I.A. Nos. 3213/2009 and 3240/2009 in CS(OS) No. 2615/2008 decided on 11.03.2010, held that:

It is settled law that the plaintiff is a dominus litus i.e. master of or having dominion over the case. He has the right to have a "forum convenience" by approaching the court where part of cause of action arises. His actions must be directed towards such a forum unless approaching the said forum is opposed to public policy or will be an abuse of the process of law. The plaintiff has every right to choose the forum best suited to him.

21. In the facts of the present case, it cannot be said that the endeavour of respondent No. 3 in seeking to approach the Registrar in the first instance, or to seek transfer of the said proceedings to the Appellate Board is opposed to public policy, or is an abuse of the process of law. On the contrary, the step taken by respondent No. 3 appears to be well-reasoned and logical, aimed at saving time, costs and unnecessary inconvenience due to multiplicity of proceedings, and to avoid conflicting decisions in proceedings inter se the parties, involving the same subject matter; the same issues and; the same evidence.

22. At the same time, the absence of a specific provision in the Act vesting supervisory jurisdiction in the Appellate Board over the functioning of the Registrar, and the absence of a provision vesting the jurisdiction in the Appellate Board to transfer pending cases before the Registrar to itself, or from one Registrar to another, shows that the Parliament was desirous of maintaining sufficient autonomy in the working of the office of the Registrar.

23. Considering the aforesaid aspects, I am of the view that the Appellate Board is empowered to transfer the rectification proceedings pending before the Registrar u/s 47 or 57 of the Act, albeit in appropriate cases where there are proceedings pending before it involving the same parties; concerning the same subject matter; substantially the same evidence and raising the same issues. It may exercise this jurisdiction after considering the relevant aspects as enumerated by the Supreme Court, unless it appears to the Appellate Board that the request made by one or the other person to seek the transfer of proceedings pending before the Registrar to itself has been made mala fide; to abuse the process of the Court, or for other purposes. The writ petition is accordingly dismissed leaving the parties to bear their respective Costs.