

(1985) 03 DEL CK 0054

In the Delhi High Court

Case No : Suit No. 248 of 1983 and Interim Application No. 79 of 1985

Elofic Industries (India)

APPELLANT

Vs

Steel Bird Industries and Others

RESPONDENT

Date of Decision : 04-03-1985

Acts Referred:

Citation : AIR 1985 Delhi 258 : (1987) 2 ARBLR 29 : (1985) 2 ILR Delhi 450

Hon'ble Judges : M.K. Chawla, J

Bench : Single Bench

Advocate : Anoop Singh, M.M. Singh and K.L. Singh, for the Appellant;

Judgement

M. K. Chawla, J.

(1) Under the provisions of Section 111 of the Trade and Merchandise Marks Act, 1958 the Court has the power and the duty to Stay the plaintiff's suit where the Validity of the registration of the trade mark is questioned by the defendants. Relevant Section 111 reads as under : Section Iii (1) Where in any suit for the infringement of a trade mark,

(A)the defendant pleads that the registration of the plaintiff's trade mark is invalid; or

(B)the defendant raises a defense under clause (d) of sub-section (1) of Section 30 and the plaintiff pleads the invalidity of the registration of the defendants' trade mark; the Court trying the suit (hereinafter referred to as the court), shall.

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;

IF no such proceedings are pending and the Court is satisfied that the plea regarding the in- tendant's trade mark is prima facie "tenable, raise an issue regarding the same and adjourn the case for a period of there 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. This provision requires interpretation in the application of the defendant (1. A. 79 of 1985) filed during the pendency of the plaintiff's suit seeking the decree of perpetual injunction restraining the defendants from issuing the Trade Mark "Steel Bird" in relation to oil, air and fuel filters and other motor parts. which is an infringement of plaintiff's registered trade. Marks .The defendant has alleged that in para No. 3(d) of the plaint the plaintiff has specifically relied upon the registered trade mark No. 252967B in Class 7 as of 21-10-1968, in respect of oil and fuel fitters being elements .in the lubrication system of the internal combustion engines; that the said registration is the main basis of their suit; that the defendant has. filed the written statement and has challenged the validity o{ the said registered trade mark ; that the defendant honestly and bona fide adopted the trademark" "Steel Bird" in the year 1964 and has been using the same continuously and extensively; that the defendant is the registered proprietor of the said trade mark under No. 274111 in class (II) and No. 278745 in class 12 under the provision of Trade and Merchandise Marks Act; that the defendant is also the registered owner of copyright in the Carton entitled "Steel Bird" under No. A-3976 69 under the Provisions of the Copyright Act, 1957; that the said carton entitled "Steel Bird" with the picture of "dots" thereon was honestly adopted by the defendant and has been used continuously and extensively; that the picture of dots on the carton has a purely descriptive significance, as the. article packed in the carton is filter which processes dots; that the trade mark "Steel Bird" of the defendant is absolutely different and distinct from the alleged trade mark "Elofic" of the plaintiff: that the plaintiff however. by virtue of the registration referred to above in clause .7 on the carton entitled "Elofic" with picture of dots thereon, claims to be entitled to the exclusive use of. the picture of dots on the carton, to which he is not .entitled under the law; that the said picture of dots being descriptive and amounting to a bona fide description of the article packed therein, cannot become the exclusive property of the plaintiff, that it belongs to all and is open .to all traders to denote their article packed in their carton; that in the circumstances, the said registration obtained by the plaintiff is absolutely illegal, unlawful and invalid and is liable to be removed rectified", that the defendant has already filed a cancellation petition feeing C. O. No. 1711983 pending before this court which is based on strong, valid and appealing grounds and has every possibility to succeed; that the decision of the said cancellation petition is bound to affect the decision of the present suit and in case the said trade mark of the plaintiff is removed, the whole suit of the plaintiff will become infructuous. Hence the present application.

(2) The plaintiff has not cared to file the reply to this application and has argued the matter on the basis of the pleadings and the documents already on record.

(3) According to the learned counsel for the plaintiff, the plaintiff firm is engaged in the business of manufacture and sale of oil, air and fuel filters for automobiles and are the registered proprietors of as many as 5 trade marks "Elofic" in respect of the motor parts, oil and fuel filters being elements in the lubrication

system of the internal combustion engines. .It is also alleged that the plaintiffs are the registered proprietors of "cartons having black background with red spots and white and black writing on them, under the Copyright Act. They have been using the cartons continuously for the last over 24 years for the sale of their filters under the trade mark "Elofic" and on account of the long, continuous and extensive use the public has come to denote and connate the goods as that of. the plaintiff and of no one else. It is also. alleged that the defendants applied for registration of. "Steel .Bird" under No. 2S2:375,in. class 12 in respect of filters for the use in automobile enables and on the opposition of the. plaintiff the defendant's trademark was disallowed by the order of the Registrar of trade marks dated 16-6-1982. On the. basis of these averments the plaintiff filed the suit proving for the issuance of a perpetual injunction restraining the defendants, their servants, agents, stockists and all other persons on their behalf from using the trade mark "Steel Bird in relation lo oil air and fuel filters and other motor parts which is an infringes ment of the plaintiff's registered trade mark referred to in para No. 3 of the plaint. A restraint order from using the offending cartons in which the goods of the defendants can-be passed off was also sought for.

(4) The defendants in their written statement not only raised the objections forming pan of their application u/s 111"of the Trade and Merchandise Marks Act, 1958 but also alleged that the plaintiff's suit is liable to be dismissed in liming as the same suffers from unreasonable and undue delay and laches on their part, in as much as, to their knowledge the business activities of the defendants under the impugned trade mark carton "Steel Bird" extend from "the year 1968 ; that the suit also suffers from acquiescence on the part of the plaintiff in as much as to their knowledge the advertisement of the impugned trade mark appeared in the magazine entitled "Motor Tractors" where the plaintiff's advertisement also appeared and they never took any action; that the defendants also adopted the use of the trade mark "Steel Bird" prior to the use of the trade mark "Elofic" by the plaintiff: that the plaintiff has deliberately concealed the fact relating to the opposition filed by the defendants to the application in Class 7 of the plaintiff, before the Deputy Registrar, Trade Marks, at New Delhi, where in the judgment it was observed that the essential features of the competing marks are dissimilar. Almost similar grounds were taken in the written statement on merits.

(5) On the basis of these facts, the contention of the learned counsel for the plaintiff is that provisions of Section 111 of the Trade and Merchandise Marks Act, have not been complied with, inasmuch as the proceedings for rectification were neither pandering before this Court at the time of the filing of the suit, nor the defendant sought he permission of this Court for filing the same. According to him the filing of the C.O. 1711983 by itself is not enough. Prima-facie I do not find any substance in the contention of the learned counsel. It is not disputed that after the service of the summons in represent suit, the defendants filed their written .statement on. 14-9-1983. and simultaneously filed C. O. No. 17 1983, a petition, under sections 107, 46 and 56 of the Trade & Merchandise Marks Act for the rectification of the plaintiffs trade Mark No. 252967-B in Class 7, dated.

7-11-1968. Section 111 seeks to prevent parallel enquiries in the same matter. The intention of the Legislature is that the Court trying the suit must wait for the result of rectification proceedings before it passes any final order or decree involving the validity of the registration. Instead of requiring the Court to raise as issue regarding the invalidity, of the plaintiff's registration of the trade mark, the defendant filed the rectification proceedings. In my opinion this is a substantial compliance with the provisions of clause B(ii) of sub-section 1 of Section 111 of the Trade & Merchandise Marks Act. Even otherwise u/s 151 of the CPC this Court under its inherent powers can grant the stay of the action of the plaintiff, as no useful purpose would be served by proceeding with the case while the plaintiff's trade mark is in jeopardy and the outcome of the rectification proceedings is awaited. Now it has only to be seen if the grounds incorporated in the rectification proceedings are prima facie tenable or not. The statutory provisions have taken a good care to see that the claim for rectification which necessitates stay of the suit must be prima facie tenable, and it is not the object of the law that in every action for infringement of trade mark stay should be granted, as soon as the defendant raises, however false pleas of the invalidity of the trademark and rectification of the register. In this case the defendant has raised as-many as 26 grounds for the rectification of the plaintiff's trade mark. Prima facie these objections are good, valid and tenable. It is not a case where these grounds have been urged for the, sake of opposition to the plaintiff's suit. At present advised I do not propose to express any opinion on any of the grounds taken in the rectification proceedings but the fact remains, that this court cannot lose sight of the fact that the picture of dots as depicted on the label registered in the name of the plaintiff is a pure, exact and direct description of the character of the goods as to what it contains Furthermore the defendants, to the knowledge of the plaintiff have honestly adopted the impugned picture of dots in their carton entitled "Steel Bird" since 1964.

(7) The last contention of the learned counsel "for the plaintiff is that by virtue of the order of the Registrar, Trade Marks dated 16-6-1982, the defendant's objections having been dismissed, and their appeal having met with the same fate. they cannot be allowed to raise the same objections for the stay of the suit. Even this contention has no merit.

(8) The order of the Registrar of the trade marks dated 16-6-1982 prima facie will have no heading to the maintainability of the defendant's application. The registration of a trade mark or its cancellation prima facie is quite a different and distinct aspect than that of the user of a trade mark. It may be that the learned Registrar did not agree with the objections of the defendant against the registration of the plaintiff's trade mark "Elofic" in respect of oil, air and fuel filters being elements in the lubricating system of internal combustion engines on the various grounds, but the learned Registrar under no circumstances can deprive the defendants of their right to use the carton of "Steel Bird" trade mark which they are continuously using since 1964. Unfortunately this aspect has not been gone into by the Registrar. On the other hand learned counsel for the

defendants has rightly placed reliance on the observation of the learned Deputy Registrar of Trade Marks holding that the essential features of the competing marks are the words "Steel Bird" and "Elofic" which obviously are dissimilar. It is settled law that the order of the Registrar refusing an application for registration of the offending mark may not effect the issue in an infringement action. All these facts taken together leave no doubt in my mind that the defendant has been able to make out a case for the stay of the present suit.

(9) In the result, the defendant's application is allowed. The suit of the plaintiff is hereby stayed, till the disposal of C.O. No. 17 of 1983 pending in this court.