

(2018) 07 DEL CK 0037
In the Delhi High Court
Case No : Cs(Os) 1188 Of 2011

Lt Foods Limited		APPELLANT
	Vs	
Heritage Foods (India) Limited		RESPONDENT

Date of Decision : 02-07-2018

Acts Referred:

Trade Marks Act, 1999 — Section 124, 124(1)(i), 124(5)
Code Of Civil Procedure, 1908 — Order 39 Rule 1, Order 39 Rule 2

Citation : (2018) 07 DEL CK 0037

Hon'ble Judges : VIBHU BAKHRU, J

Bench : Single Bench

Final Decision : Allowed

Judgement

IA No. 1942/2016

1. The defendant has filed the above application under Section 124 of the Trade Marks Act, 1999 (hereafter "the Act"), inter alia, praying as

under:-

a. stay all further proceedings in the above suit till final disposal of ORA No. 334/2012/TM/CH pertaining to trademark No. 799246 in class 30 in

the name of the Applicant and ORA No. 130/2011/TM/CH pertaining to trademark No. 597154 in class 30 in the name of the Plaintiff pending before

the Intellectual Property

Appellate Board;

2. The plaintiff has filed the above-captioned suit, inter alia, for a decree of permanent injunction restraining infringement of its trademark as well as a

decree restraining passing off and for rendition of accounts.

3. The dispute between the parties, essentially, relates to the trademark

HERITAGE®. The plaintiff sells rice, inter alia, under the aforementioned Trademark, ®HERITAGE® and the Trademark, HERITAGE (Label), has been registered under the Registration No. 799246 in class 30 in favour of the plaintiff. The defendant also is a registered proprietor of a Trademark, HERITAGE (Label) under the Registration No. 597154 with effect from 14.05.1993. Both the parties claimed to be the prior users of their respective trademarks.

4. Prior to institution of the suit, the plaintiff had filed an application (ORA No. 130/2011/TM/CH) for cancellation of the defendant's registered trademark being Registration No. 597154 in Class 30 HERITAGE (Label).

5. After the suit was filed, the applicant/defendant also filed an application (Application No. ORA No. 334/2012/TM/CH dated 10.05.2012) for cancellation of the plaintiff's trademark registered under the Registration No. 799246 in class 30.

6. In the aforesaid context, the applicant/defendant prayed that the proceedings in the present suit be stayed in terms of Section 124 of the Act.

7. Mr J. Sai Deepak, the learned counsel appearing for the plaintiff/non-applicant has resisted the aforesaid application. He submits that the rectification application filed by the applicant/defendant is not maintainable as the same was filed without seeking any permission from this Court. He contended that if the defendant raises a plea regarding validity of the registration of the plaintiff's mark and if the Court finds the same to be prima facie tenable, the Court would then frame an issue to the aforesaid effect and permit the defendant to approach the Intellectual Property Appellate Board for rectification of the registration in favour of the plaintiff. He submitted that in the present case, the issues were framed on 08.10.2012 and no issue was framed with regard to the validity of the plaintiff's trademark. Further, this Court had not permitted the defendant to file an application for rectification of the plaintiff's trademark. He referred to the decision of the Supreme Court in Patel Field Marshal Agencies v. P.M. Diesels Ltd.: (2018) 2 SCC 112 as well as the decision of a Coordinate Bench of this Court in Abbott Healthcare Pvt. Ltd. v. Raj Kumar Prasad and Anr.: IA No. 14337/2017 in CS(OS) 3534/2012, decided on 04.12.2017 in support of his contention.

8. Mr Saif Khan, the learned counsel appearing for the applicant/defendant

submitted that it was not necessary to go into the contentions advanced on behalf of the plaintiff considering that it was an admitted position that the plaintiff had filed an application for rectification in respect of the defendant's trademark. He submitted that in view of the above and in terms of Section 124(1)(i) of the Act, the present suit is liable to be stayed as the proceeding regarding rectification of the defendant's trademark were pending at the time of institution of the suit.

9. After some arguments, Mr J. Sai Deepak also conceded that the present suit is also liable to be stayed on account of the plaintiff's application for cancellation of the defendant's trademark, which was filed prior to the institution of the suit. He, however, stated that it would be necessary for this Court to consider the plaintiff's prayer for an interlocutory order before staying the suit. He relied on the provisions of Section 124(5) of the Act, in support of his contention.

10. In view of the above, there is no dispute that the proceedings in the present suit is liable to be stayed. This Court is also not persuaded to accept that the plaintiff's application for an interlocutory order under Order XXXIX Rule 1 and 2 of the Code of Civil Procedure, 1908 is required to be decided prior to allowing the defendant's application under Section 124 of the Act. Section 124(5) of the Act, reads as under:-

124(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.

11. It is apparent from the plain language of Section 124(5) of the Act that notwithstanding the proceedings in the suit are stayed under Section 124 of the Act, this Court would not be precluded from considering an application for an interlocutory order. Thus, the stay of the proceedings in the suit would not preclude the Court from making any interlocutory order and notwithstanding that no further proceedings in the suit are required to be conducted at this stage, the plaintiff's application for an interim relief is required to be considered.

12. In view of the above, the application is allowed and the proceedings in the present suit are stayed.

13. List before the Roster Bench on 09.07.2018 for consideration of the plaintiff's application under Order XXXIX Rule 1 and 2 (IA No.7950/2011).