
(2010) 09 IPAB CK 0004

In the Intellectual Property Appellate Board

Case No : M.P. No. 122/06 In OA/66/06/TM/KOL And OA/66/06/TM/KOL

Mex Switchgears Pvt. Ltd.

APPELLANT

Vs

Lg Electronics Inc., Goldstar Co. Ltd. And Ors.

RESPONDENT

Date of Decision : 30-09-2010

Acts Referred:

Income Tax Act, 1961 — Section 21(5), 21(7)
Code Of Civil Procedure, 1908 — Order 6 Rule 17

Citation : (2011) 46 PTC 366 (IPAB)

Hon'ble Judges : S. Usha, J; Syed Obaidur Rahaman, Technical Member

Bench : Division Bench

Final Decision : Allowed

Judgement

S. Usha, J

1. The first Respondent herein filed an application under No. 482104 for registration of the trade mark VIEWMAX label per se in respect of radio,

video cassette recorder, video camera, camera, cassette tape recorder, sound radio signal turner, loud speaker, headphone, receiver, graphic equalizer,

player, cassette deck, camcorder (video cassette recorder coupled with video camera), television set coupled with e recorder, computer, crt-display

terminal, monitor, electronic cash register, electronic or, integrated circuit, video cassette disk player, video disk player, computer disk player, e tape,

optical disk, telephone set, floppy disk drive, hard disk drive, optical disk drive, magneto-optical disk, printer tape, modem, facsimile transceiver,

copying & printing, all being goods included in class 9th. The said application was ordered to be advertised as accepted in the Trade Marks Journal No.

1208 (Supplement) dated 8.10.1999. On 1.02.2000 the Appellant herein filed their notice of opposition with a request on Form TM-44 for extension of

time by one month. The first Respondent filed their counter statement within the prescribed time. The first Respondent herein had not filed their evidence in support of application and sought time by filing Form TM-56 on 14.11.2005 and 19.12.2005 at regular intervals. The reason for the delay was that the evidence was still under preparation and that it would take some more time to file their evidence. The applicants on 14.12.2005 had filed their evidence along with the interlocutory petition to condone the delay in filing the evidence and to take the same on record. The Appellants were put on notice to the interlocutory petition to take on record the documents relied on by the first Respondent. Thereafter the matter was posted for hearing on 22.03.2006. On 20.03.2006, the Appellant herein had filed a request on Form TM-16 to get the copies of notice of opposition. The Registrar served a copy of the same on the first Respondent and the first Respondent herein filed their comments to the applicant for amendment of notice of opposition.

2. The second Respondent i.e. the Joint Registrar of Trade Marks had passed the impugned order allowing the application filed by the first Respondent to take on record the additional documents and providing an opportunity to the Appellant herein to file their rebuttal evidence, if any. The Registrar had dismissed the request on Form TM-16 filed by the Appellant as misconceived and totally devoid of merits. The learned Joint Registrar had also held that the proposed amendments in the notice of opposition are merely technical and are useless and of no substance and they are not necessary for determining the real issue involved in the proceedings. The proposed amendment cannot be permitted because the opponent (Appellant) would be allowed to set up a new case. Further, it is a well settled proposition of law that third party's orders or decision are not binding in any of the other proceedings as each case depends upon its own facts. Even if objections are not clearly taken, the Tribunal in the interest of purity of Register and in the interest of public of its own order can consider the same on merits including introduction of new grounds of opposition not relied on by the opponent (Appellant). The Appellants being aggrieved by the said order filed the above appeal stating the facts of the case. The Appellants are engaged in the business of manufacturing of electrical goods including electric switch gears and electric switches and parts thereof for last many

years. They had been continuously and uninterruptedly using the trade mark MEX since the year 1960 in respect of their business. The Appellants are the registered proprietors of the trade mark in respect of electrical goods in respect of goods under No. 211055, 230466 and 351897. The Appellants are also the registered proprietors of the trade mark MEX in class 7 in respect of electric motor (not for land vehicles) parts thereof. The Appellants are also the registered proprietors of trade mark MEX in class 9 and 11.

3. By virtue of long and established use since 1960 and by virtue of registrations the Appellant has acquired exclusive right to the trade mark MEX.

By reason of extensive sale under the trade mark MEX the value of goodwill and reputation has been built under the said trade mark. The trade and

public recognise the electric switch gear, electric switches and parts thereof as the goods of the Appellants. The Appellants have spent a large amount

on publicity and advertisement of the trade mark to popularise the same. The year-wise sales turnover of the Appellant under the trade mark MEX

runs to several lakhs of rupees. The Appellants have also spent huge amount towards advertisement expenses.

4. The Appellants have been vigilant enough and had been taking action against the infringers and have been successful in obtaining injunction orders.

In such circumstances the Appellant being aggrieved by the said impugned order have filed the appeal on the following grounds:

(a) The impugned order is against fact and law.

(b) The learned Joint Registrar did not deal with the case as set up by the Appellants.

(c) The learned Joint Registrar failed to understand and apprehend law in relation to amendment and therefore liable to be set aside.

(d) The Registrar failed to apprehend and appreciate the nature of amendment sought.

(e) The second Respondent has not applied his mind to the facts and circumstances of the case.

(f) The second Respondent has chosen to ignore the cardinal principle of law that at the time of allowing amendment the merits of the amendment are not be seen.

(g) The Joint Registrar had no justification / reason to deal with the merits of the case.

(h) The Joint Registrar has dealt with the merits of the case and has committed irregularity.

(i) The Joint Registrar has failed to appreciate that mere delay is not a ground for rejecting the amendment application.

(j) The Joint Registrar has failed to appreciate that amendment can be sought at any stage of the proceedings.

(k) The learned Registrar failed to appreciate the injustice that has been caused to the Appellant by refusal of the amendment.

(l) The impugned decision suffers from error of law and fact and is liable to be set aside.

The Appellant prayed that the above appeal be allowed by allowing the Appellants to carry out the amendments in the notice of opposition as prayed for.

5. The Appellant has filed M.P. No. 122/06 to stay further proceedings before the Registrar in the opposition proceedings against which the present appeal has been preferred.

6. The first Respondent filed their counter-statement denying the various allegations made in the grounds of appeal. The first Respondent has stated that the impugned order passed by the Joint Registrar has legal validity and ought not to be set aside. They also denied and disputed that the balance of convenience lies in favour of the Appellant. The first Respondent prayed that the appeal be dismissed with exemplary costs.

7. We have heard Shri Shailen Bhatia learned Counsel for the Appellant and learned Counsel Ms. L. Bhaswati Singh and Ms. Sanchari Saha in the Circuit Bench Sitting at Kolkata on 21.6.2010.

8. The learned Counsel for the Appellant contended that the impugned order is passed dismissing the application for amendment of the notice of opposition. The counsel then relied on the provisions of Section 21(5) and 21(7) of the Act and stated that the Registrar had powers to allow amendment of the notice of opposition. The counsel drew our attention to the exhibits Annexure C & D of the appeal papers and stated that they were the notice of opposition and the Form TM-16 where only the amendment was with regard to the list of registrations mentioned, the list of oppositions decided in favour of the Appellants, amendment of the address for service of the Appellant and verification para included as per the new

Act as was not under the old Act when the notice of opposition was filed. The counsel further submitted that the word MEX was a well known mark

and if used with a prefix or suffix would definitely cause confusion among the public.

9. The counsel relied on a few judgments to say that amendments could be allowed at any stage and denial of the same would only lead to loss to the party concerned.

10. The learned Counsel for the first Respondent submitted that the Appellant's trade mark is not a well known trade mark. The concept of well

known mark was not available in the year 2000 when the notice of opposition was filed. The counsel further submitted that even in the court orders

the mark was not stated to be a well known mark. The counsel finally relied on the judgment reported in 2009 (10) SCC 84 Ravajeetu Builders and

Developers v. Narayanaswamy and Sons and Ors.

11. We have heard and considered the arguments of the counsel. Sub-Section 7 of Section 21 deals with the powers of the Registrar which enables

the Registrar to permit correction of an error in or any amendment of a notice of opposition or a counter-statement on such terms as he thinks fit or a

request made by the opponent on the applicant respectively.

12. In the case reported in 1997 (2) IPLR 160 p.162 (Delhi) relied on by the Appellant it was held that the Assistant Registrar has ample powers to

allow amendment of the notice of opposition including the introduction of a new ground of opposition, that the said power was not confined to

correction of a error or on occurrence of any subsequent event, but has wide power and must be construed liberally.

13. Any amendment which would naturally change the nature or character of the matter or case will not be allowed. If the amendment is only to bring

in a fact or to give in detail the fact, such amendments can necessarily be allowed. In the case of hand, the Appellants had sought four amendments

which in our considered opinion does not materially or substantially alter the notice of opposition which will cause injury or loss to the other side. The

four amendments are that (i) list of registrations granted (ii) a list of oppositions which were decided in favour of the Appellants (iii) verification column

added as per the new Act and (iv) address for service change to be brought on record. The above four amendments in our opinion does not materially

alter the case by which the Respondent would be put to loss or injury. In case where such amendments are allowed, the other side is to be given an opportunity to amend their counter-statement accordingly.

14. It is worthwhile to quote the observations of the Supreme Court in the case reported in 2009 (10) SCC 84 *Ravajeetu Builders and Developers v.*

Narayanaswamy and Sons and Ors.

25. If we carefully examine all the cases, the statement of law declared by the Privy Council in *Ma Shwe Mya v. Maung Mo Hnaung*, AIR 1922 PC

249 has been consistently accepted by the courts till date as correct statement of law. The Privy Council observed:

All rules of court are nothing but provisions intended to secure the proper administration of justice, and it is therefore essential that they should be

made to serve and be subordinate to that purpose, so that full powers of amendment must be enjoyed and should always be liberally exercised, but

nonetheless no power has yet been given to enable one distinct cause of action to be substituted for another, nor to change, by means of amendment,

the subject-matter of the suit.

33. The general principle is that courts at any stage of the proceedings may allow either party to alter or amend the pleadings in such manner and on

such terms as may be just and all those amendments must be allowed which are imperative for determining the real question in controversy between

the parties. The basic principles of grant or refusal of amendment articulated almost 125 years ago are still considered to be correct statement of law

and our courts have been following the basic principles laid down in those cases.

34. In the leading English case of *Cropper v. Smith*, (1884) 29 Ch D 700, the object underlying amendment of pleadings has been laid down by

Brown, L.J. in the following words:

It is a well established principle that the object of the courts is to decide the rights of the parties and not punish them for mistakes they make in the

conduct in their cases by deciding otherwise than in accordance with their rights. I know of no kind of error or mistake which, if not fraudulent or

intended to overreach, the court ought not to correct if it can be done without injustice to the other party. Courts do not exist for the sake of discipline

but for the sake of deciding matters in controversy, and I do not regard such amendment as a matter of favour or grace ... it seems to me that as soon

as it appears that the way in which a party has framed his case will not lead to a decision of the real matter in controversy, it is as much a matter of

right on his part to have it corrected if it can be done without injustice, as anything else in the case is a matter of right.

40. In the said case, Pollock, J. quoting with approval the observation of Bremwell, LJ. rightly observed:

The test as to whether the amendment should be allowed is, whether or not the Defendants can amend without placing the Plaintiff in such a position

that he cannot be recouped, as it were, by any allowance of costs, or otherwise. According to him such an amendment ought not to be allowed.

50. In *Laxmidas Dayabhai Kabrawala v. Nanabhai Chunilal Kabrawala and Ors.* AIR 1964 SC 11, the Defendants prayer for amendment by treating

a counter claim as cross-suit was objected to by the Plaintiff inter alia on the ground of limitation. The amendment, however, was allowed.

51. When the matter reached this Court, while affirming the order of the High Court, the majority stated:

... It is, no doubt, true that, save in exceptional cases, leave to amend under Order 6, Rule 17 of the Code will ordinarily be refused when the effect of

the amendment would be to take away from a party a legal right which had accrued to him by lapse of time. But this rule can apply only when either

fresh allegations are added or fresh reliefs sought by way of amendment. Where, for instance, an amendment is sought which merely clarifies an

existing pleading and does not in substance add to or alter it, it has never been held that the question of a bar of limitation is one of the questions to be

considered in allowing such clarification of a matter already contained in the original pleading.

52. The Court further observed that since there was no addition to the averments or relief, it was not possible to uphold the contention of the Plaintiff

that by conversion of written statement into a plaint in a cross-suit, a fresh claim was made or a new relief was sought. To the facts of the present

case, therefore, the decisions holding that amendments could not ordinarily be allowed beyond the period of limitation and the limited exceptions to that

rule have no application.

54. Reversing the order of the High Court, this Court (per Shah, J., as he then was) made the following oft- quoted observations:

Rules of procedure are intended to be a handmaid to the administration of justice. A party cannot be refused just relief merely because of some mistake, negligence, inadvertence or even infraction of the rules of procedure. The Court always gives leave to amend the pleading of a party, unless it is satisfied that the party applying, was acting malafide, or that by his blunder, he had caused injury to his opponent which may not be compensated for by an order of costs. However negligent or careless may have been the first omission, and, however late the proposed amendment, the amendment may be allowed if it can be made without injustice to the other side.

57. In *Haridas Aildas Thadani and Ors. v. Godraj Rustom Kermnani* (1984) 1 SCC 668 this Court said that "It is well settled that the court should be extremely liberal in granting prayer for amendment of pleading unless serious injustice or irreparable loss is caused to the other side. It is also clear that a revisional court ought not to lightly interfere with a discretion exercised in allowing amendment in absence of cogent reasons or compelling circumstances.

58. In *B.K. Narayana Pillai v. Parameshwaram Pillai and Anr.* (2000) 1 SCC 712, a suit was filed by A for recovery of possession from B alleging that B was a licensee. In the written statement B contended that he was a lessee. After the trial began, he applied for amendment of the written statement by adding an alternative plea that in case B is held to be a licensee, the licence was irrevocable. The amendment was refused.

59. Setting aside the orders refusing amendment, this Court stated:

The purpose and object of Order 6 Rule 17 Code of Civil Procedure is to allow either party to alter or amend his pleadings in such manner and on such terms as may be just. The power to allow the amendment is wide and can be exercised at any stage of the proceedings in the interests of justice on the basis of guidelines laid down by various High Courts and the Supreme Court. It is true that the amendment cannot be claimed as a matter of right and under all circumstances. But it is equally true that the courts while deciding such prayers should not adopt hyper-technical approach. Liberal approach should be the general rule particularly in cases where the other side can be compensated with the costs. Technicalities of law should not be permitted to hamper the courts in, the administration of justice between the parties. Amendments are allowed in the pleadings to avoid uncalled for

multiplicity of litigation.

WHETHER AMENDMENT IS NECESSARY TO DECIDE REAL CONTROVERSY:

61. The first condition which must be satisfied before the amendment can be allowed by the court is whether such amendment is necessary for the determination of the real question in controversy. If that condition is not satisfied, the amendment cannot be allowed. This is the basic test which should govern the courts' discretion in grant or refusal of the amendment.

NO PREJUDICE OR INJUSTICE TO OTHER PARTY:

62. The other important condition which should govern the discretion of the Court is the potentiality of prejudice or injustice which is likely to be caused to other side. Ordinarily, if other side is compensated by costs, then there is no injustice but in practice hardly any court grants actual costs to the opposite side.

64. In Ganga Bai's case (supra), this Court has rightly observed:

The power to allow an amendment is undoubtedly wide and may at any stage be appropriately exercised in the interest of justice, the law of limitation notwithstanding. But the exercise of such far-reaching discretionary powers is governed by judicial considerations and wider the discretion, greater ought to be the care and circumspection on the part of the court.

APPLICATIONS FOR AMENDMENTS:

67. On critically analyzing both the English and Indian cases, some basic principles emerge which ought to be taken into consideration while allowing or rejecting the application for amendment.

(1) Whether the amendment sought is imperative for proper and effective adjudication of the case?

(2) Whether the application for amendment is bonafide or malafide?

(3) The amendment should not cause such prejudice to the other side which cannot be compensated adequately in terms of money;

(4) Refusing amendment would in fact lead to injustice or lead to multiple litigation;

(5) Whether the proposed amendment constitutionally or fundamentally changes the nature and character of the case? and

(6) As a general rule, the court should decline amendments if a fresh suit on the amended claims would be barred by limitation on the date of

application.

15. Based on the observations, we are of the opinion that the amendment sought by the Appellant ought to have been allowed by the Registrar.

Considering the amendments sought for, we do not find any material change, if allowed will not cause any hardship to the Appellant. The Appellant

has satisfied the above test of deciding the question of allowing the amendments. As observed above, we are of the opinion that the Appellant has

sought amendment of including the brief fact i.e. to mention the registrations which were already pleaded by giving a clear list. The other amendments

were only regarding verification and change of address which are only subsequent developments. The amendment sought would not cause hardship to

the Respondent as there is no material alteration in our considered opinion.

16. The Registrar is therefore, directed to allow the Appellant to amend the notice of opposition as prayed for in the request on Form TM-16, granting

an opportunity to the first Respondent to file amended counter-statement and to dispose of the matter in accordance with law. Accordingly the appeal

is allowed. There shall be no order as to costs. As the appeal has been allowed MP No. 122/06 becomes in fructuous.