
(2010) 09 IPAB CK 0002

In the Intellectual Property Appellate Board

Case No : MP No. 123/06 In OA/67/06/TM/KOL, OA/67/06/TM/KOL

Mex Switchgears Pvt. Ltd.

APPELLANT

Vs

Shymal Kumar Ghosh, Trading As, Panel Lamp Mfg. Co. And
Registrar Of Trade Marks

RESPONDENT

Date of Decision : 30-09-2010

Acts Referred:

Citation : (2010) 09 IPAB CK 0002

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 filed an application under No. 542466 for registration of the trade mark 'OMEX' word per se in respect of filament indication

lamps, neon indication lamps, night lamps, pigmy lamps, automobile lamps and all other kinds of miniature lamps being goods included in class 11. The

said application was ordered to be advertised before acceptance in the Trade Marks Journal No. 1286 (Supplement) dated 8.01.2003. The notice of

opposition along with the request on Form TM-44 for extension of time by one month was filed on 21.04.2003. The first Respondent filed their

counter-statement to the notice of opposition. On completion of the formal procedures the matter was fixed for hearing on 3.10.2005 and subsequently

adjourned to 5.12.2005 and 20.1.2006. Finally the matter was fixed for hearing on 22.03.2006. On 20.3.2006 the Appellant herein filed a request on

Form TM-16 seeking leave of the tribunal to amend the notice of opposition already filed in respect of the opposition proceedings. The registrar served

a copy of the request on the first Respondent herein and fixed the hearing on 31.07.2006.

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 to 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. 123/06 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 in the Circuit Bench Sitting at Kolkata on 21.6.2010. There was no representation on behalf of the first Respondent.

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. We have heard and considered the arguments of the counsel for Appellant. 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.

11. 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.

12. 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.

13. 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.

1. 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.

2. 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.

1. In the said case, Pollock, J. quoting with approval the observation of *Bremwell, L.J.* 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.

1. In *Laxmidas Dayabhai Kabrawala v. Nanabhai Chunilal Kabrawala and Ors.* AIR 1964 SC 11, the Defendant's 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.

2. 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.

3. 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.

1. 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.

2. 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.

3. 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.

14. 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.

15. 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. 123/06 becomes infructuous.