

(2009) 03 IPAB CK 0014

In the Intellectual Property Appellate Board

Case No : M.P. Nos. 111/2007 And 106/2008 In ORA/14/2007/TM/MUM

Midas Hygiene Industries Pvt. Ltd

APPELLANT

Vs

Sudhir S. Bhatia, V. Bhatia International

RESPONDENT

Date of Decision : 13-03-2009

Acts Referred:

Intellectual Property Appellate Board (Procedure) Rules, 2003 — Rule 8, 8(1)
Code Of Civil Procedure, 1908 — Section 107, 107(d), 151, Order 41 Rule 27, Order 61 Rule 27
Trade Marks Act, 1999 — Section 92, 125

Citation : (2009) 03 IPAB CK 0014

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

Bench : Division Bench

Advocate : Darius F. Dalal, Shailen Bhatia

Final Decision : Dismissed

Judgement

Z.S. Negi, J

1 . The above rectification application is for the removal of trade mark registered under No. 1212915B, in the name of Sudhir S. Bhatia trading as V.

Bhatia International, from the register of trade marks or rectification of register under Section 125 of the Trade Marks Act, 1999 (hereinafter referred

to as the Act). During the pendency of the application, the respondent in the rectification application (for the sake of convenience hereinafter referred

to as the respondent) has under Section 151 of the Code of Civil Procedure, 1908 filed a miscellaneous applications being M.P. No. 111/2007 seeking

permission to file additional evidence and the applicant in the rectification application (for brevity to be called as the applicant) has also filed M.P. No.

106/2008 seeking consolidation of all the five matters specified in that miscellaneous application.

2 . In the miscellaneous application (M.P. No. 111/2007) for consolidation of five cases viz. TA/62 & 63/2003, OA/20 & 90/2004 and ORA/14/2007,

the applicant states that these matters may be consolidated on the grounds that the trade marks sought for registration, goods in respect of which trade

marks are registered, documents on which the parties relied upon, the issue involved therein is and the parties to the proceedings are same or

substantially same. The applicant craves to rely upon the Order No. 75 of 2006 dated 4th day of August 2006 in M.P. No. 91/2004 in

OA/90/2004/TM/MUM, wherein this Appellate Board was, after hearing arguments by both the parties, pleased to observe, inter-alia, that "...it will be

in the interest of justice, if the Registrar of Trade Marks, Mumbai is directed not to issue the certificate of registration till further order" and "directing

the Ld. Registrar of Trade Marks not to issue certificate of registration until further directions". It is submitted that the basic issues to be adjudicated in

all the matters, inter-alia, (i) as to prior user of the LAXMANREKHA/LAXMANREKHAA in respect of goods, such as, insecticid and pesticide

preparations covered under class 05 of the Fourth Schedule of the Trade Marks Rules, 2002; (ii) dishonest subsequent adoption of an identical and/or

deceptively similar mark MAGIC LAXSHMANREKHA/MAGIC LAXMANREKHA in resp of the same or similar goods covered under class 5 of

the Fourth Schedule to the Trade Marks Rules, 2002; and (iii) fraud played by the respondent upon the Registrar and also upon this Appellate Board

by suppression of material facts and documents and, producing and relying upon false, fabricated, forged and obtained documents to prove is false

claim of proprietorship. That, in view of the issues, trade marks, goods, documents used and relied upon, grounds adopted and parties to the

proceedings are same or common, and this Appellate Board be pleased to permit consolidating all the above said five cases and list it together. It is

stated that no prejudice whatsoever will be caused to the respondent or any other person if all the proceedings are consolidated and listed together for

final hearing. Hence, the applicant has prayed for consolidating all the five matters and list them for final hearing.

3. In the miscellaneous application (M.P. No. 106/2008), the respondent states that its case through out has been that the applicant has manipulated

records to create a case based on false user and that it has through the right to information applications collected certain materials in respect of the

applicant and now seeks permission to file the additional affidavit with those documents/materials as additional evidence. It is alleged that the applicant has deliberately concealed material particulars and approached the Registrar of Trade Marks with unclean hands and made false statement of user before him. Averment is made that at the time of filing evidence and/or hearing of the matter by the Registrar, the respondent was not in possession of the documents presently sought to be filed, whereas the applicant was always aware of the same though it sought to camouflage the same. The respondent has stated that the documents along with its affidavit are otherwise very relevant and necessary for proper adjudication of the matter and the present application is bona fide and made for genuine reasons. It is urged that in the interest of justice, equity and good conscience, the additional evidence may not be shut out and is taken on record.

4 . The applicant filed reply to the miscellaneous application for filing additional evidence only by denying the material averments made in the application and stating that the application is beyond the scope of statutory provisions, frivolous, vexatious, founded with mala fide and ulterior motive, and without any merit. It is stated that the applicant categorically deny the allegations, in particular that it has manipulated records to create a case based on false user or approached the Registrar with unclean hands or suppressed any material facts or documents relevant to the proceedings. It is submitted that collecting copies of the documents through the right to information application is a deliberate attempt of respondent to project that it had no prior knowledge about those documents and thus to mislead this Appellate Board. The documents sought to be filed are irrelevant to the proceedings and in any event all along the proceedings right from the lower tribunal up to present proceedings, the documents referred to by the appellant were within its knowledge and at no point of time the respondent whispered about these documents in its pleadings and apart from this, the documents are old and most of them are forming part of the records of the proceedings and not required at this stage of proceedings. It is further stated that the present application, even otherwise, is not maintainable at this highly belated stage and in contravention of Rule 8 of the Intellectual Property Appellate Board (Procedure) Rules, 2003. The present application is against the principles of allowance of further evidence and further

evidence is permissible only to put forth the subsequent events and happenings before the court/tribunal. Therefore, the question of taking them as further evidence does not arise as the respondent was always aware of these documents and should have filed the same by obtaining them from the authorities at the earlier stages of proceedings. It is submitted that the respondent is time and again filing frivolous applications in order to build up the case in this manner knowing well that the present proceedings are appeal proceedings wherein the Appellate Board has to appreciate the evidence which is adduced in the lower tribunal and not to permit further documents on record, especially which is bound to delay the final disposal of the appeal (sic it is rectification proceedings). The present application is nothing but yet another attempt to stall the proceedings and to divert the attention of this appellate Board from the merits of the case.

5 . Both the miscellaneous applications came up before us for hearing on 4.2.2009 when Shri Darius Dalal, Advocate, appeared for the applicant and

Shri Shailen Bhatia, Advocate, appeared for the respondent.

6. We have carefully heard the learned Counsel for either side who made submissions mostly on the lines of averments made in the pleadings in

respect of application for filing additional evidence. Learned Counsel for the respondent vehemently opposed the application for consolidation by

submitting that out of five matters, two are appeals transferred from the High Court of Bombay, two are original appeals and one is rectification

application. He submitted that consolidation of all the matters would be inconvenient to the parties as well as to the Appellate Board. In the case of

transferred appeals the provisions of the Trade and Merchandise Marks Act, 1958 will apply and in the case of original appeals the provisions of the

Trade Marks Act, 1999 will apply. In some appeals, there are miscellaneous applications pending adjudication.

7 . Now the issues before us is whether the documents sought to be filed as additional evidence by the respondent is to be allowed or not and whether

all the five matters as prayed for be consolidated. We would first take up the application filed under Section 151 of the CPC. As the application is

made under Section 151 of the Code of Civil Procedure, 1908 but there is no express provision in or under the Act empowering the Appellate Board to

allow filing of additional evidence. However, Sub-rule (1) of Rule 8 of the

Intellectual Property Appellate Board (Procedure) Rules, 2003 provides that every application shall be in paper-book form and all evidences shall be in the form of affidavits, if any. Obviously this provision does not provide for filing of additional evidence. Section 92 of the Trade Marks Act, 1999 deals with the procedure and powers of Appellate Board. Sub-section (1) of that section provide that the Appellate Board is not bound by the procedure laid down by the CPC but shall be guided by the principles of natural justice and Sub-section (2) thereof provide that the Appellate Board shall have, for the purpose of discharging its functions under the Act, the same powers as are vested in a civil court under the CPC while trying a suit in respect of receiving evidence, etc. When the Appellate Board is to be guided by the principles of natural justice, the burden is onerous on the Appellate Board and there cannot be any better principles than the time tested principles of the CPC, to which we can fall back safely. The principle for adducing additional evidence contained in Order LXI Rule 27 of the CPC is well known. It would be worth while to refer the judgment of the Apex Court in the case of Mahavir Singh and Ors. v. Naresh Chandra and Anr.

2001 (1) SCC 309 wherein the Court observed thus:

5 . Before we proceed further we would like to refer to the scope of an application under Order 41 Rule 27 CPC. Section 107 CPC enables an appellate court to take additional evidence or to require such other evidence to be taken subject to such conditions and limitations as are prescribed under Order 41 Rule 27 CPC. The principle to be observed ordinarily is that the appellate court should not travel outside the record of the lower court and cannot taken evidence on appeal. However, Section 107(d) CPC is an exception to the general rule, and additional evidence can be taken only when the conditions and limitations laid down in the said rule are found to exist. The court is not bound under the circumstances mentioned under the rule to permit additional evidence and the parties are not entitled, as of right, to the admission of such evidence and the matter is entirely in the discretion of the court, which is, of course, to be exercised judiciously and sparingly. The scope of Order 41 Rule 27 CPC was examined by the Privy Council in Kessowji Issur v. Great Indian Reninsual Rly. Co. in which it was laid down clearly that this rule alone can be looked to for taking additional evidence and that the court has no jurisdiction to admit such evidence in cases

where this rule does not apply. Order 41 Rule 27 CPC envisages

certain circumstances which additional evidence can be adduced:

(i) the court from whose decree the appeal is preferred has refused to admit evidence which ought to have been admitted, or

(ii) the party seeking to produce additional evidence, establishes that notwithstanding the exercise of due diligence, such evidence was not within his knowledge or could not, after the exercise of due diligence, be produced by him at the time when the decree appealed against was passed, or

(iii) the appellate court requires by any document to be produced or any witness to be examined to enable it to pronounce judgment, or for any other substantial cause.

In the present case, it is not the case of either party that the first situation is attracted. So far as the second circumstance noticed above is concerned,

question of exercise of due diligence would not arise because the scientific equipment concerned from which examination is sought to be made itself

was not in existence at the time of trial and so that clause is also not attracted. In the third circumstance at the time of trial and so that clause is also

not attracted. In the third circumstance, the appellate court may require any document to be produced or any witness to be examined to enable it to

pronounce the judgment, or for any other substantial cause. The expression "to enable it to pronounce judgment" has been the subject of several

decisions including *Syed Abdul Khader v. Rami Reddy* wherein it was held that when the appellate court finds itself unable to pronounce judgment

owing to a lacuna or defect in the evidence as it stands, it may admit additional evidence. The ability to pronounce a judgment is to be understood as

the ability to pronounce a judgment satisfactory to the mind of the court delivering it. It is only a lacuna in the evidence that will empower the court to

admit additional evidence (see *Municipal Corporation of Greater Bombay v. Lala Pancham*). But a mere difficulty in coming to a decision is not

sufficient for admission of evidence under this rule. The words "or for any other substantial cause" must be read with the word "requires", which is set

out at the commencement of the provision, so that it is only where, for any other substantial cause, the appellate court requires additional evidence that

this rule would apply as noticed by the Privy Council in *Kessowji Issurji v. G.I.P. Rly.* it is under these circumstances such a power could be exercised.

8. Now we would come to the facts of the case to see whether a case has been made out by the respondent to attract any of the above

circumstances enunciated under the above referred provision. It is not the case of either party that the first situation is attracted. In so far as the

second circumstance is concerned, it is noticed that the respondent has not averred that the subject documents were not in its knowledge but only has

said that the subject documents were not in its possession at the time of filing evidence or during the course of proceedings before the Registrar of

Trade Marks. It is not specified whether the respondent has made any diligent attempt or effort to obtain copies of those documents from the

concerned authorities. Further, the respondent has not pointed out that it has mentioned in the pleadings about the non-availability of those documents

and reserved its right to produce as and when the same comes in its possession. It is also not the case of the respondent that notwithstanding the

exercise of due diligence, the evidence presently sought to be filed was not within its knowledge or could not, after exercise of due diligence, be

produced by it at the time when the impugned order was passed by the Assistant Registrar of Trade Marks. The diligence or otherwise of the

respondent can be safely inferable from the instance that the materials pertaining to the period before 1999 are sought to be filed as the additional

evidence in the second half of the year 2008. The third circumstance is, therefore, not attracted in the case on hand as almost all the documents

sought to be filed as evidence pertain to the period prior 1999. The averment of the applicant that the documents are old and most of them are forming

part of the records of the proceedings and not required at this stage of proceedings remains unrebutted by the respondent. We are of the opinion that

the Appellate Board can pronounce the order without having the documents sought to be filed now. This Appellate Board has so far neither required

these documents to enable it to pronounce the order nor there is any other substantial cause which exists to require such documents.

9 . Coming to the next issue of consolidation of the matters, we find that the submission made by learned Counsel Shri Bhatia has a merit. It is true

that provisions of two statutes will apply to the transferred appeals and the original appeals. There is yet another application seeking rectification of the

trade mark from the register of trade mark for which to some extent different provisions will be attracted. It would be administratively difficult for the

Appellate Board to hear all the five matters by the Appellate Board Bench in one sitting the span of which is at the most five days in one visit as the

hearing may continue for more than two days. The records also reveal that there are as many as five miscellaneous petitions pending adjudication so

far. Apart from that, one party in the proceedings is opposing the consolidation request. In view of this, it may be difficult to allow the request made for

consolidation of hearing of the aforesaid five matters.

10. For the reasons stated above, we are of the view that both the miscellaneous applications deserve to be dismissed and accordingly, both

applications are dismissed without any order as to costs.