

(2012) 01 BOM CK 0079

In the Bombay High Court

Case No : Notice of Motion No. 50 of 2012 in Suit No. 2727 of 2011

M/s. Siyaram Silk Mills Limited

APPELLANT

Vs

M/s. Shree Siyaram Fab Private Limited, M/s. Satyanarayan
Tawani, Mr. Kailash Chand Tawari and Mr. Kamal Kishore
Gupta

RESPONDENT

Date of Decision : 13-01-2012

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 7 Rule 11, Order 7 Rule 9, 151
Trade Marks Act, 1999 — Section 124, 134, 29, 30, 30(2)

Citation : (2012) 5 ALLMR 189 : (2012) 5 BomCR 306 : (2012) 2 MhLj 49 :
(2013) 53 PTC 410

Hon'ble Judges : S.J. Vazifdar, J

Bench : Single Bench

Advocate : Virendra Tulzapurkar, with Mr. Vishal Kanade, Ms. Mamta Chandan and Mr. Rahul Dhote instructed by Krishna and Saurashtri Associates, for the Appellant; Venkatesh Dhond, with Mr. Ashish Kamat, Amit Jajoo and Mr. Abhileen Chaturvedi instructed by Paras Kuhad and Associates, for the Respondent

Final Decision : Dismissed

Judgement

S.J. Vazifdar, J.—This is the defendants' notice of motion to reject the plaint in exercise of powers under order 7 rule 11 of the C.P.C. Mr.Dhond submitted that even assuming that the provision of order 7 rule 11 do not apply, the Court ought to reject the plaint in exercise of powers u/s 151 of the C.P.C.

2. The question that falls for consideration is whether the institution of an action for infringement is barred if the defendants' mark is also registered. I have held it is not.

3. The suit is filed for infringement and passing off. Leave under clause XIV of the Letters Patent has been sought but not obtained as yet. The contention in support of this notice of motion is that as the defendants' mark is also registered, this Court lacks inherent jurisdiction to entertain or try the suit for

infringement. If that is so, the question of granting leave under clause XIV cannot arise.

4. In support of this contention, Mr.Dhond firstly relied upon the following provision of section 29 of the Trade Marks Act, 1999 :

29. Infringement of registered trade marks.-(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of-

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which.

(emphasis supplied)

5. The words in section 29, underlined by me were relied upon in support of the submission. The submission is not well founded. Section 29 enumerates the circumstances in which a registered trade mark is infringed. I will presume that the effect of the underlined words is that even if the other factors exist a mark cannot be said to be infringed by the mark in question if it is registered to wit the act of infringement does not extend to persons whose marks are also registered. Section 29 however does not prohibit the filing of a suit for infringement merely because the defendants' mark is also registered. The defendants' mark being registered does not bar the inherent jurisdiction of the Court to try an action for infringement. Section 29 provides a defence to an infringement action but does not 4 nms50-12 bar the filing of the suit. It may well be that the suit would be dismissed or interim reliefs may be rejected on the ground that the defendants' mark is also registered. That however, is an entirely different matter. It does not affect the inherent jurisdiction of the Court to entertain the action.

6. For the same reasons, section 30(2)(e) also does not bar the filing of a suit for infringement merely because the defendants' mark is also registered. Section 30(2)(e) reads as under :

30. Limits on effect of registered trade mark.-

(2) A registered trade mark is not infringed where-

(e) the use of a registered trade mark, being one of two or more trade marks registered under this Act which are identical or nearly resemble each other, in exercise of the right to the use of that trade mark given by registration under this Act.

While section 30(2)(e) provides a defence to an action for infringement it does not bar the institution of a suit for infringement.

7. Mr.Dhond then relied upon section 134 of the Act which reads as under :

134. Suit for infringement, etc. to be instituted before District Court.-(1) No suit-

(a) for the infringement of a registered trade mark; or

(b) relating to any right in a registered trade mark; or

(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered, shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

(2) For the purpose of clauses (a) and (b) of sub-section (1), a "District Court having jurisdiction" shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908) or any other law for the time being in force, include a District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.

Explanation.-For the purposes of sub-section (2), "person" includes the registered proprietor and the registered user.

8. Section 134 merely provides the forum before which the action inter-alia for infringement may be filed. It does not deal with the question of maintainability of the suit.

9. Section 124 of the Act which is a complete answer to the defendants' contention reads as under :

124. Stay of proceedings where the validity of registration of the trade mark is questioned, etc.-

(1) Where in any suit for infringement of a trade mark -

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

(b) the defendant raises a defence under clause (e) of sub-section (2) of Section 30 and the plaintiff pleads the invalidity of registration of the defendant's trade mark, the court trying the suit (hereinafter referred to as the court), shall,-

(i) 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 Appellate Board, stay the suit pending the final disposal of such proceedings;

(ii) if no such proceedings are pending and the court is satisfied that the plea

regarding the invalidity of the registration of the plaintiff's or defendant's trade mark is prima facie tenable, raise an issue regarding the same and adjourn the case for a period of three months from the date of the framing of the issue in order to enable the party concerned to apply to the Appellate Board for rectification of the register.

(2) If the party concerned proves to the court that he has made any such application as is referred to in clause (b)(ii) of sub-section (1) within the time specified therein or within such extended time as the court may for sufficient cause allow, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings.

(3) If no such application as aforesaid has been made within the time so specified or within such extended time as the court may allow, the issue as to the validity of the registration of the trade mark concerned shall be deemed to have been abandoned and the court shall proceed with the suit in regard to the other issues in the case.

(4) The final order made in any rectification proceedings referred to in sub-section (1) or sub-section (2) shall be binding upon the parties and the court shall dispose of the suit conformably to such order in so far as it relates to the issue as to the validity of the registration of the trade mark.

(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.

10. Section 124 expressly recognizes the right to file an action for infringement even if the defendants' mark is registered. Whether or not the plaintiff has challenged the defendants' registration as yet or 7 nms50-12 not is not relevant. Section 124 establishes that the legislature did not intend prohibiting the filing of a suit for infringement merely because the defendants' mark is also registered. Section 124 in fact expressly recognizes the right to file such an action. This is clear from the fact that section 124 provides that such an action may be stayed, if it otherwise satisfies the provisions thereof. If it were not so, the Act would have provided for a bar to the filing of such an action.

11. Even in the absence of section 124, it would make no difference. Once it is held that this Court has jurisdiction to entertain such an action, the Court can always adjourn the hearing of the application for interlocutory reliefs or even the suit pending rectification proceedings.

12. The defendants' application in any event cannot be granted under order 7 rule 11, which reads as under:

Order 7 Rule 11. Rejection of plaint

11. Rejection of plaint.- The plaint shall be rejected in the following cases:-

- (a) where it does not disclose a cause of action;
- (b) where the relief claimed is undervalued, and the plaintiff, on being required by the Court to correct the valuation within a time to be fixed by the Court, fails to do so;
- (c) where the relief claimed is properly valued but the plaint is written upon paper insufficiently stamped, and the plaintiff, on being required by the Court to supply the requisite stamp-paper within a time to be fixed by the Court, fails to do so;
- (d) where the suit appears from the statement in the plaint to be barred by any law;
- (e) where it is not filed in duplicate;
- (f) where the plaintiff fails to comply with the provisions of Rule 9;

It cannot be stated that the plaint does not disclose a cause of action. The plaintiff is the registered proprietor of the mark. Whether on the basis of this cause of action the plaintiff succeeds or not is a question which relates to the merits of the contention. Nor is there a statement in the plaint on the basis of which it can be held that the suit is barred by any law. The plaint itself does not refer to the defendants' label mark being registered. In that event even assuming as correct, the submission that a suit is barred in view of section 29, the suit cannot be held to be not maintainable under order 7 rule 11 on the ground that it appears from any statement in the plaint to be barred by any law.

13. Dr.Tulzapurkar's submission in this regard is supported by the judgment in the case of *Sopan Sukhdeo Sable and Others Vs. Assistant Charity Commissioner and Others*, , where the Supreme Court held :

10. In *Saleem Bhai and Others Vs. State of Maharashtra and Others*, , it was held with reference to Order 7 Rule 11 of the Code that the relevant facts which need to be looked into for deciding an application thereunder are the averments in the plaint. The trial court can exercise the power at any state of the suit - before registering the plaint or after issuing summons to the defendant at any time before the conclusion of the trial. For the purposes of deciding an application under clauses (a) and (b) of Order 7 Rule 11 of the Code, the averments in the plaint are germane; the pleas taken by the defendant in the written statement would be wholly irrelevant at that stage.

(emphasis supplied)

14. The contention that the plaint is liable to be rejected under order 7 rule 11 is therefore rejected.

15. Mr.Dhond submitted that in any event the plaint ought to be rejected in exercise of powers u/s 151 of the C.P.C., as the action for infringement is not maintainable in view of the defendants' mark being registered.

16. The submission is not well founded even on facts. The plaintiff is the registered proprietor of the word mark "SIYARAM" as well as the device/label mark, a prominent part whereof is the word "SIYARAM". The defendants rely upon their label mark which comprises of the device of a circle and a horizontal bar curved at either end below the circle. Within the horizontal bar, are the letters "SRF". Within the band which forms the circle are the words "SHREE SIYARAM FAB PVT. LTD."

Dr.Tulzapurkar rightly submitted that the defence u/s 29 can only be limited to and qua the use of the defendants' registered label mark and nothing else. In other words, the fact that the defendants' label mark is registered would not affect the plaintiff's action for infringement on the basis of its registered marks at least so far as it pertains to the use of the plaintiff's registered word mark "SIYARAM" as a part of the defendants' corporate name. Whether this contention is accepted on merits by the Court is another matter altogether. It is a question on merits which falls for consideration in the notice of motion for injunction or in the suit. This in any event, is not a fit case for exercising powers u/s 151 by rejecting the plaint.

17. The suit is therefore, maintainable. In the circumstances, the defendants' notice of motion is dismissed.