

(2010) 11 KAR CK 0021
In the Karnataka High Court
Case No : Writ Petition No. 6682 of 2010

Shri Lakshmi Venkataramana and T. Varada Raj Pai	APPELLANT
Vs	
P. Kiran Kumar	RESPONDENT

Date of Decision : 25-11-2010

Acts Referred:

Trade Marks Act, 1999 — Section 124, 124 (1) (b), 30 (2) (e)

Citation : (2011) 45 PTC 475

Hon'ble Judges : A.N. Venugopala Gowda, J

Bench : Single Bench

Advocate : M. Sudhakar Pai, for the Appellant; V. Gopalakrishna, for the Respondent

Final Decision : Allowed

Judgement

A.N. Venugopala Gowda, J.—The Respondent/Plaintiff has filed suit against the Petitioners/Defendants to grant a decree of permanent injunction restraining the Defendants and persons claiming under them from passing off the malt powder in the market under the names "Sri Raghavendra Malt" and "Sri Raghavendra Badami Feast" or any other mark deceptively similar to the marks being used by the Plaintiff. A further relief of mandatory injunction for delivering up of the deceptively similar marks, cartons, packages by the Defendants to the Plaintiff has also been sought. The Petitioners/Defendants have filed written statement and have contested the relief claimed in the suit.

2. Along with the suit, the Plaintiff filed I.A No. 1 for passing of an order of temporary injunction restraining the Defendants in the similar manner as sought for in the plaint and in aid of the main prayer. The Defendants filed statement of objections to the said application. The trial court finding I.A No. 1 to be devoid of merit, passed an order of dismissal dated 20.06.2008, which was questioned by the Plaintiff in MFA No. 8280/2008. The said appeal was held to be devoid of merit. However, the trial court was directed to decide the suit on its merit as expeditiously as possible, but in any event, not later than nine months from the

date of production of copy of the order.

3. The Defendants filed I.A No. 4 u/s 124 of Trade Marks Act (for short "the Act") 1991 read with Sections 94(e) and 151 of CPC to stay further proceedings of the suit till the disposal of the application filed by them u/s 125 of the Act before the Intellectual Property Appellate Board at Chennai, for removal of trade mark No. 1266408 granted to the Plaintiff. Along with I.A No. 4, copy of the application dated 26.12.2009 filed before the Board was enclosed. The Plaintiff filed counter statement to I.A No. 4 contending that, the applicants do not satisfy the mandatory requirements of Section 124 of the Act so as to entitle them to an order of stay of proceedings of the suit and that the application is hit by inordinate delay, negligence, laches, acquiescence, waiver and estoppel and that, the application is intended to frustrate and defeat the direction issued in MFA No. 8280/2008.

4. The trial court has rejected I.A No. 4 on two counts, namely,

(1) As per Section 124(1)(b), the Defendant should have raised a defence under Clause (e) of Sub-section (2) of Section 30 and pleaded the invalidity of registration of the trade mark and that there is no such plea taken.

(2) There is a direction issued by the Appellate Court for disposing off the matter within 9 months period.

Aggrieved, the Defendants have filed this writ petition.

5. Sri M. Sudhakar Pai, learned Counsel appearing for the Petitioners contended that, since the Petitioners have filed an application u/s 125 of the Act before the Board for removal of trade mark No. 1266408 registered in the name of the Plaintiff from the Registrar and the same is pending enquiry before the board and in view of pendency of the said application before the Board, the proceedings in the suit cannot continue and is required to be stayed in exercise of power u/s 124 of the Act. Learned Counsel submits that, the crucial aspect has been ignored by the trial court and the rejection of LA No. 4 is irrational and illegal.

6. Sri V. Copalakrishna, learned Counsel appearing for the Respondent, in reply, firstly contended that, the Petitioners have not taken specific defence under Clause (e) of Sub-section (2) of Section 30 of the Act and the Plaintiff has not specifically pleaded the invalidity of registration of the trade mark. Secondly, I.A No. 4 is malafide, intended to overcome the specific direction issued in MFA No. 8280/2009 to decide the suit expeditiously and at any event not later than nine months period, which was due to expire when I.A No. 4 was filed. Learned Counsel submits that, I.A No. 4 has been considered in the correct perspective by the trial court and the impugned order is justified.

7. In view of the rival contentions and the record of the writ petition, which I have perused, the point for consideration is :

Whether the trial court is justified in refusing to stay the proceedings of the suit

and in rejecting I.A No. 4?

8. Section 124 of the Act provides for stay of proceedings where the validity of registration of the trade mark is questioned etc.

9. The Respondent/Plaintiff has alleged infringement of its trade mark and the Petitioners/Defendants in their written statement have pleaded that, the registration of the Plaintiff's trade mark is invalid and the same has been fraudulently obtained. After filing of the written statement on 04.12.2007, the Petitioners filed an application on 26.12.2009 u/s 125 of the Act before the Intellectual property Appellate Board, Chennai, against the Respondent I.A No. 4 was filed in the trial court on 15.01.2010 to stay further proceedings in the suit. The trial court by examining the claim in the application with reference to the provision u/s 124(1)(b) of the Act and the written statement filed, has held that the Defendant has not raised specific defence under Clause (e) of Sub-section (2) of Section 30 of the Act and has held the application to be devoid of merit. Apparently, the case of the applicants/Defendants with reference to the provision contained u/s 124(1)(a) has not been considered. The provisions under Clause (a) and Clause (b) of Sub-section (1) of Section 124 of the Act are independent since the word used is "or" and the case is required to be examined with reference to both the provisions.

10. Since the trial court has not considered the case of the Defendants in accordance with law, noticed supra, the impugned order is irrational.

In the result, the writ petition stands allowed and the impugned order stands quashed.

The trial court is directed to re-consider I.A No. 4 keeping in view the observations made supra and in accordance with law as early as practicable and at any event, within a period of three weeks from the date a copy of this order is placed on its record by either of the parties.

Contentions of both parties are kept open for consideration.

No costs.