Data Infosys Ltd. and Others Vs. Infosys Technologies Ltd.

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SooperKanoon Citation : sooperkanoon.com/1177969

Court : Delhi

Decided On : Feb-05-2016

Judge : S. Ravindra Bhat, Vipin Sanghi &Amp; Najmi Waziri

Appeal No. : FAO (OS) No. 403 of 2012 & C.M. APPL. Nos. 14591, 14592 of 2012 & 11302 of 2013

Appellant : Data Infosys Ltd. and Others

Respondent : Infosys Technologies Ltd.

Judgement :

S. Ravindra Bhat, J.

1. This Full Bench is called upon to answer a reference made in terms of the order of the Division Bench dated 27.08.2012. The Division Bench, by its order of reference noticed a judicial conflict on the question whether prior permission of the Court is necessary under Section 124(1)(b)(ii) of the Trade Marks Act, 1999 (hereafter "the Act") for rectification of a registered trademark, during the pendency of a suit. The first view is that proceedings for rectification of the defendant's mark cannot be initiated without the prima facie satisfaction of the plea by the Court and that the suit cannot be adjourned or stayed in terms of Section 124(1)(b)(ii) of the Act to await the outcome of the rectification proceedings initiated by the plaintiff before the Intellectual Property Appellate Board (hereafter IPAB ?) - if the procedure outlined therein is not followed. The other view is that

such proceedings (for rectification before the IPAB) can be initiated without the permission of the court trying the infringement suit and the consequence of not obtaining permission is only that the applicant cannot seek stay of suit.

2. Before discussion of the rival contentions and their merits on the question referred, a brief factual narrative is essential. The respondent, Infosys Technologies Ltd. (hereafter called "Infosys") sued the preset appellant Data Infosys (hereafter referred to as "the defendant") and claimed permanent injunction against infringement of its registered trademarks in "Infosys" and allied marks. The trademarks were registered in Classes 16, 9 and 7 under the erstwhile Trade and Merchandise Marks Act, 1958 (hereafter referred to as the 1958 Act ?). Infosys also sought relief against the use of its corporate name, including the use by the defendant of the domain name - www.datainfosys.net which - it was argued- amounted to infringement of its registered trademarks. The defendant entered appearance and contested the suit. It argued that whereas Infosys was in the field of software development, the defendant was providing internet services within India only and that the two business activities were different. Other defences such as delay etc. were set-up.

3. During the pendency of the suit, the defendant's application for registration of its mark "Data Infosys" was accepted and its registration was granted in class 38, i.e. telecommunication, communication by computer, by fibre, electronic transmission of voice, etc. The defendant was also granted registration of the same mark "Data Infosys" in Class 9 as on 22.03.2004, i.e. computer hardware; likewise, trademark registration was granted in respect of class 42. The defendant sought leave of the Court to amend its written statement and incorporate these developments; the Court permitted leave to amend the suit/its defence, on 19.07.2006.

4. Infosys thereafter sought rectification of the registered trademark "Data Infosys" under Classes 38, 9 and 42 (classified under Section 8 of the Act read with Rule 22 and Fourth Schedule to the Trademark Rules, 2001) before the Intellectual Property Appellate Board (IPAB). Upon becoming aware of these proceedings, the defendant moved an application alleging that the initial filing of rectification proceedings without seeking leave of the Court constituted an abuse of process

and that the proceedings before the IPAB were, therefore, null and void. By an order dated 17.07.2012, the learned Single Judge, before whom the defendant's application was listed considered and dismissed it.

5. Section 124 of the Act reads as follows:

"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 defense 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 plaintiffs 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 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."

6. The hearing before this Full Bench had been focused on the merits of the two opposing and divergent views of reasoning - one favoring the view espoused by Infosys, i.e. about its autonomy under Section 124 (1) (ii) to apply for rectification, and the other on which reliance is placed by the defendant that the provision itself constituted both a fetter and a condition upon which rectification proceedings can be initiated and presented by one of the parties to the litigation.

7. In view of these rival submissions, the defendant relies upon Section 124(1)(b)(ii) and states that in the present case that provision itself governs the present situation and mandates textually that wherever a suit with respect to trademark enforcement is filed first, and no rectification proceedings are pending, satisfaction of the Court with regard to prima facie tenability of the trademark validity plea is a condition precedent to the party setting-up the plea/agitating it by approaching the IPAB. This, learned counsel Sh. Pawan Duggal argues, is because Section 124(1)(b)(ii) spells-out distinct conditions, i.e.

(i) filing of a suit in the absence of rectification proceedings;

(ii) plea by the party concerned, i.e. the defendant or plaintiff with respect to invalidity of a trademark registration in the suit itself - which pre-supposes that registration occurs during pendency of the proceedings;

(iii) prima facie satisfaction as to tenability of the plea with respect to invalidity of the registration by a judicial order of the court;

(iv) framing of issue - of invalidity of the mark - by the Court and subsequent adjournment of the suit to enable the party seeking rectification to apply for it.

8. Sh. Duggal argues that the consequence of not applying for rectification is indicated specifically in Section 124(3); it is the statutory abandonment of the plea by the party interested in setting-up the plea of invalidity and correspondingly interested in its rectification in the suit. It is also emphasized that the further autonomy granted under Section 124(5) to the Court to proceed and make such interlocutory orders, including injunction, only emphasizes the interpretation pressed by the defendant. Learned counsel submitted that if the requested steps, which include, most importantly, prior permission of the Court through its satisfaction, as to invalidity, is not obtained, the right to apply for rectification itself is precluded.

9. The defendant relies upon the ruling in Kedar Nath v. Monga Perfumery and Flour Mills, Delhi-6 AIR 1974 Delhi 12, where interpreting Section 11 (of the 1958 Act), which corresponds to Section 124 in the present case, the Court held that:

" ..under Section 111(1)(ii) where no rectification proceeding is pending and the Court is satisfied that the contention as to validity is bonafide and prima facie sustainable and issue as to validity will be raised to enable the party concerned to apply to the High Court for rectification .."

Dealing with the contention that the Court has to stay the proceedings in the light of the expression "shall", it was further observed as follows:

"19 The defendant cannot file an application subsequent to the institution of the suit under Section 111(1)(i) and claim that the plaintiff's suit for infringement must be stayed. If no proceeding for rectification of the register is pending on the date of

the institution of the suit by the plaintiff then Section 111(1)(ii) is attracted and a Court may adjourn the case for a period of three months in order to enable the defendant to apply to the High Court for rectification of the register. In that case, the Court must be satisfied that the contention as to validity of the defendant's registration is bona fide and prima facie sustainable "

10. Similarly, the Gujarat High Court ruled in Patel Field Marshal Agencies v. P.M. Diesels Ltd. 1999 PTC (19) 718, to the following effect:

"8. In case, no such proceedings for rectification are pending at the time of raising the plea of invalidity, the prosecution of such plea by the person raising it depends on prima facie satisfaction of the court, about the tenability of this plea. If the plea has been found to be prima facie tenable and issue is raised to that effect then the matter is to be adjourned for three months at least to enable the person raising such plea to approach the High Court concerned, with a rectification application. In case, the rectification proceedings are not already pending, and the court is not even prima facie satisfied about the tenability of the plea raised before it, the matter rests there. In case, no issue is framed, the remedy of the aggrieved party is to agitate against non-framing of the issue for that reason either before the court itself, or by taking recourse to remedial forums, by which the suit is governed. One cannot envisage that a person who satisfies the court prima facie about the tenability of its plea, would be required to file an application for rectification within a specified time, else will lose his plea by abandonment, but, in case, a man facing infringement suit, after raising the plea about invalidity of registration of mark fails even prima facie to satisfy the court about tenability of its plea, is left free to agitate the issue de hors the suit as independent cause of action at any time thereafter, as in the present case, it would make the provision of Section 111, wholly irrelevant, and nugatory.

9. We are not impressed with the contention of the learned counsel for the appellant that Section 111 operates only if a party raises plea of invalidity of the mark and seeks stay of the proceedings and not otherwise. Plea that unless the defendant raising the plea of invalidity wants the stay of proceedings, the provision has no application does not commend itself on the plain reading of the section

itself. Two-fold consequence has been provided on raising of an issue about the validity. Firstly, the stay of the proceedings of the trial, in case, the opportunity is availed to get the issue decided through rectification application. If such issue is already subject matter of a pending rectification proceedings, the court cannot proceed until such issue is determined. If such proceedings are not pending the trial court has to raise an issue in the suit on being prima facie satisfied about its tenability, and give an opportunity to the objector to have resort to rectification application for which minimum of three monthstime is to be granted. That is to say trial is held up at least up to that time. On filing such rectification application within time allowed, entails further stay of proceedings in the suit until rectification application is decided. Secondly, failure to avail the opportunity results in abandonment of the issue. If the provision has been confined only to stay, proceedings of the suit at the request of the party concerned, subsection (3) of Section 111 sounds totally out of context ."

11. Considerable reliance was placed on Astrazeneca UK Ltd. and Anr. v. Orchid Chemicals and Pharmceuticals Ltd. 2006 (32) PTC 733 (Del), a Single Judge decision of this Court which supports the defendant's contention. There, the Court, after noticing the provisions of Section 124(1)(b)(ii) observed as follows:

"31. On plain reading of this provision, it is apparent that the plaintiffs could not file the application for rectification without showing and obtaining prima facie satisfaction of the Court about their plea of the invalidity of the registration of the mark of the Defendant. Section 124 of the Trade Marks Act, 1999 is similar to the Section 111 of the Trade and Merchandise Marks Act,1958 "

12. The Court rejected the plaintiff's argument, which sought to distinguish Kedarnath (supra) and Patel Field Marshal (supra), and held as follows:

"32. The plea of the plaintiffs, therefore, is that their application for rectification filed before the Appellate Board is maintainable without prima facie satisfaction of the tenability of their plea by the Court. If the application for rectification of the defendant's trade mark is maintainable without prima facie satisfaction of this Court, then this suit is also liable to be stayed as claimed by the plaintiffs under Section 124(b) of the Act, though under Section 124(5) of the Act, the application

for injunction and for vacation or modification of an ex-parte order can be considered and decided by this Court. The distinction between Section 124(b)(i) and 124(b)(ii) is on the basis of pendency of the proceedings for rectification of the register and not on the basis of whether the party initiating the proceedings for rectification could initiate such proceedings before the institution of the suit or not. There can be other eventualities under which a party may not be able to initiate the proceedings for rectification before the institution of the suit, but that will not give them a right to circumvent the prima facie satisfaction of his plea for invalidity, by the Court. The distinguishing feature of the two sub clauses is only pendency of the proceedings and nothing more can be read into them. The plea of substantial compliance of the requirement of Section 124 by the plaintiffs is also not sustainable. Either there is compliance of the said provision or non-compliance in the facts and circumstances. Compliance will be when after the institution of the suit, if an application for rectification is to be filed, prima facie invalidity of the opposing mark is to be demonstrated to the Court. The fact that the application could not be filed prior to the institution of the suit, will not entitle a party to circumvent the prima facie satisfaction of the Court. Consequently the proceedings for rectification of the defendant's mark could not be initiated by the plaintiffs without the prima facie satisfaction of their plea by this Court nor this case is liable to be adjourned or stayed for three months in terms of Section 124(b)(i) of the Act to await the outcome of the rectification proceedings initiated by the plaintiffs before the Appellate Board.

13. The above ruling of the Single Judge, in Astrazeneca UK Ltd. (supra) was affirmed by the Division Bench in Astrazeneca UK Ltd. and Anr. v. Orchid Chemicals and Pharmceuticals Ltd. 2007 (34) PTC 469 (DB) (Del) in the following terms:

"13. It was, however, submitted on behalf of the appellants/plaintiffs that in view of provisions of Section 124 of the Act there should have been a stay of the proceedings when the validity of the registration of trade mark is in question. However, in the present case, the provisions of Section 124(i)(b)(ii) would not be applicable. The said provisions are applicable only to an application for rectification which is already pending, in view of which, the suit could be stayed,

pending final disposal of such proceeding. The provisions which would be applicable to the facts and circumstances of the present case are those which envisage that where the application for rectification of the order in such proceeding is not pending, then a party seeking rectification applies for rectification, subject to a prima facie satisfaction of the Court regarding invalidity of the registration of the mark of the opposite party. The appellants/plaintiffs, therefore, could not have filed an application for rectification without showing, establishing and obtaining prima facie satisfaction of the Court that they have sufficient material to be able to invalidate the registration of the mark of the respondent/defendant. The aforesaid rectification proceeding which is filed is still pending for consideration. Therefore, the learned Single Judge was justified in not staying the Suit. In this connection, reference may be made to the provisions of Section 124(5) of the Trade Marks Act, which entitles the Court to deal with the interlocutory application. Therefore, the submission of the counsel for the appellants/plaintiffs in this regard, is misconceived and cannot be accepted."

14. Learned counsel also relied upon two Single Judge orders in Stokely Van Camp Inc. and Anr. v. Heinz India P. Ltd. 193 (2012) DLT 4 and Astrazeneca UK Ltd. and Anr. v. Orchid Chemicals and Pharmceuticals Ltd. (I.A. No.18464/2011 in CS 1421/2005, decided on 13.04.2012).

15. The view in Astrazeneca UK Ltd. and Anr. (supra) affirmed by the Division Bench was preferred in United Biotech Pvt. Ltd. v. Orchid Chemicals and Pharmaceuticals Ltd. 2012 (50) PTC 433 (Del) (DB) by the Division Bench which reviewed the existing law on the point, including the relevant judgments on the point. It concluded that as far as this Court is concerned, the view upheld was that unless permission under Section 124 is obtained - a provision referred to as "mandatory" - rectification proceedings would not be maintainable. The Division Bench summarized the position in the following terms:

Thus, insofar as this Court is concerned, it has taken the view that the permission under Section 124 (b) of the Act is mandatory and if the proceedings are filed without obtaining such a permission, those would not be maintainable. ?

After so stating, however, the Division Bench (in United Biotech (supra)) took note of a Division Bench ruling of the Madras High Court in B. Mohamed Yousuff v. Prabha Singh Jaswant Singh and Ors. 2008 (38) PTC 576 (Mad) (DB), and held, that had the respondent in that case approached the Madras High Court and sought permission for applying to rectify the mark, the position would have been different. However, noting that the suit was pending before the Madras High Court, which alone could have had the occasion to deal with such application, this court further felt that the application (for permission to file a rectification application) would have been an empty formality, in view of the Division Bench ruling of that court in B. Mohamed Yousuff. The Division Bench of this court therefore, held that the application could not be dismissed as not maintainable in the absence of specific permission of the Madras High Court under Section 124 (1) of the Trademark Act. ?

16. Ms. Prathiba Singh, learned senior counsel for one of the intervening parties who addressed arguments, supported the interpretation of the defendant and stated that the consistent view of this Court as to the mandatory nature of Section 124(1)(b) is sound and should not be disturbed. She argued that Section 124 is a special provision, which relates to situations wherein the defendant seeks to impeach a registered mark's validity in the context of, or during pendency of infringement proceedings. This provision is schematically placed after the general power conferred upon IPAB, for rectifying the trademark. Therefore, being a special provision, it prevails and the Court, in its obligation to harmonize any perceived conflict between the various provisions (wherever discerned) should apply the well accepted principle that a special provision would prevail over general provisions. It was therefore, argued that the summary of the legal position indicated in United Biotech (supra) should be left undisturbed and ought to guide the interpretation of Section 124.

17. It was argued by Ms. Singh, learned senior counsel that the principal objective of Section 124 is to avoid conflicting decisions as to the validity of the registered trademarks. Section 124(1)(a)(i) - first limb of the provision - merely mandates a stay of suit if a rectification petition is pending at the time. However, if no rectification is pending, the latter part, i.e. Section 124(1)(a)(ii) operates and

obliges the litigant seeking deferment of the suit proceedings to scrupulously follow the procedure, applying to the Court and satisfying it that prima facie the plea is tenable. Upon the Court being satisfied by its independent application of mind with respect to the tenability of the plea an issue has to be framed and the suit adjourned. The applicant seeking to rely on the plea of invalidity then has to approach the IPAB within three months. The ruling given by the IPAB becomes binding. This mechanism, i.e. Section 124(1)(a)(ii) is to be seen as a mandatory step to ensure that litigants do not frustrate an infringement proceeding or trial in a suit. It is thus urged that the important underlying purpose is to ensure that the discipline of approaching the IPAB only with the permission of the Court is an essential safeguard for the litigants who might be otherwise directly approaching the IPAB and thwart the infringement action which can independently proceed in terms of Section 125. The power under Section 124(5) in this regard was underlined. Learned counsel relied on the proposition that the Parliament creates every provision with a purpose and intention that each one of them should have effect and placed reliance on The J.K. Cotton Spinning and Weaving Mills Co. Ltd. v. The State of Uttar Pradesh and Ors. AIR 1961 SC 1170.

18. Learned counsel also submitted that there are several ways in which Section 124 can and is being abused. The first could be where the plaintiff registered trademark owner, in whose favour an interim injunction is granted in a suit, seeks stay of the suit to perpetuate the injunction where the defendant has sought rectification. The second would be where the defendant owns a registered trademark and an interim injunction is granted after which the plaintiff seeks rectification and then a stay under Section 124, to perpetuate the injunction and the third, where the plaintiff, a registered trademark owner, upon being refused interim injunction, after which the defendant files a rectification proceeding, seeking stay of the suit so that the matter never proceeds to trial. It was urged that in each of these situations, the purpose of application under Section 125 is not seeking adjudication of the question but prolong the status quo in the suit. It was argued that each of these could indicate methods of abuse of Section 124. Commenting on the conflict of judicial opinions, learned counsel stated that Astrazeneca UK Ltd.'s (supra) approach curtails the prejudice of an aggrieved person to the remedy afforded by Sections 47 and 57 of the Act to seek

rectification. She submitted that where, with or without obtaining permission, a rectification proceeding can be initiated, however, if a suit is pending and the rectification proceeding is availed later, Section 124 operates and if the party wishes a stay on the infringement action, it must necessarily approach the Court for stay of the suit. The Court would, then consider the prima facie tenability and if satisfied, frame an issue and grant liberty to the party seeking rectification to do so. The decision of the IPAB would be binding upon the parties. The question, therefore, is not whether permission is required to file rectification but whether to seek stay of proceedings, it is necessary to seek permission and follow the procedure under Section 124 strictly and scrupulously. Learned counsel urges that Sections 47 and 57 provide generally for rectification and removal of marks and confer jurisdiction upon the IPAB and Section 124(1)(a)(ii) regulates rectification of marks in particular situations, i.e. during pendency of the litigation. Being a specific provision which deals with one situation alone, Section 124(1)(a)(ii) has to prevail over the general provision of Sections 47 and 57.

Arguments of Infosys

19. It was argued on behalf of Infosys by Sh. Sanjay Jain, learned senior counsel that the view contrary to Astrazeneca UK Ltd.(supra) taken by the Madras High Court in B. Mohamed Yousuff (supra) is the correct one. It was argued that the Division Bench ruling in Astrazeneca UK Ltd.(supra) and the other judgments of this Court, in their interpretation of Section 124(1)(b), have overlooked a salient and important aspect, namely that the prima facie view of the Court in regard to tenability of a trademark invalidity plea is not to enable it to move the IPAB for rectification of a registered trademark during pendency of the suit, but only for the purpose seeking stay of the suit. As a consequence of the court holding that the invalidity of the mark is not prima facie tenable, is limited, only for the purpose mentioned in Section 124, i.e there would not be a stay of the suit. It was argued that thus, if the party seeking rectification does not obtain a favourable ruling of the Court under Section 124(1)(b)(ii) or obtains prima facie view of the invalidity plea being tenable and yet does not avail of it, (or does not avail of the plea by applying to the IPAB within the time granted) the only result can be its abandonment or inability to set-up the invalidity of the mark as a defence in the suit. It does not oust

the jurisdiction of the IPAB, which is the sole statutory body charged with the duty of considering the validity of the mark.

20. Learned senior counsel elaborated the submission by urging that the constitution, powers and functions of the IPAB have been independently dealt with in separate provisions of the Act, i.e. Sections 57 (power to cancel or vary registration and to rectify the register) and 47 (removal for register and imposition of limitations on grounds of non-use). There is no bar to indicate an embargo on the powers of the Board, i.e. IPAB- or the Registrar (who has concurrent powers with the IPAB under those provisions) from examining the validity of a registered trademark in the absence of the Court's prima facie satisfaction in the pending suit. To hold - as Astrazeneca UK Ltd.(supra) concluded - that the litigant's entitlement in an independent proceeding before the competent Tribunal is unauthorized or would result in a nullity, would, therefore, be reading into the statute consequences that are far beyond what are expressly spelt-out by it. It was submitted that being a creation of statute, and vested with the exclusive authority to examine the validity of registered trademarks, IPAB's jurisdiction cannot be ousted and its authority reduced or curtailed or subordinated to that of the Civil Court in the manner suggested by the defendant. Had such been the case, the Parliament would have been more express in its articulation. Learned counsel pointed out that even textually, Section 124(1)(b)(ii) only enables the Court to take a prima facie view but ultimately the decision about the validity of the mark is that of the IPAB alone; it cannot be questioned or put in issue in civil suit later. Learned counsel submitted that the Act, particularly Section 124, is one of its kind in the sense that in a cognate enactment, i.e. the Patents Act, 1970, the IPAB as well as the Civil Court have concurrent and coordinate jurisdiction with respect to validity or the intellectual property right, i.e. the granted patent. Here, the jurisdiction of the IPAB is exclusive and has to be implemented by the Civil Court except to the extent of a statutory abandonment deemed by Section 124.

21. Learned senior counsel heavily relied upon the following discussion in B. Mohamed Yousuff (supra):

"(N) In our considered view, Section 124(1)(b)(ii) of the Act is only an enabling provision. Sub clause (i) and Sub clause (ii) of Clause (b) of Sub-section

(1) of Section 124 operates at two different levels for two different situations. While Sub clause (i) deals with a situation where any proceeding for rectification is already pending, Sub clause (ii) deals with a situation where any proceeding for rectification is not pending. Both the sub clauses focus their field of operation only in relation to the stay of the civil suit. The conditions laid down in Sub Clause (ii) are intended to enable a party to obtain stay of the suit and not intended to provide for a discretion for the Court to permit or not to permit any application for rectification. Such a position is made clear by Sub sections

(2) to

(5) of Section 124, which deals with the consequences of filing and not filing an application for rectification and of the ultimate outcome of such application for rectification. In other words, the requirements of "raising an issue", "adjourning the case" and a "prima facie satisfaction" spelt out in Section 124(1)(b)(ii) should be read as the requirements for the grant of a stay of the suit and not as a requirement or pre -condition for filing an application for rectification. The plain reading of Section 124(1)(b)(ii) shows that it does not mandate a party to obtain the "leave of the Court" or "an order of the Court", for filing an application for rectification. The right to file an application for rectification is a statutory right conferred upon a party who is aggrieved by an entry made in the Register. The said statutory right cannot be curtailed except by the very provisions of the statute. The said right is circumscribed by certain requirements such as the contravention of the provisions of the Act or failure to observe a condition entered on the Register etc., as spelt out under Sub sections

(1) and

(2) of Section 57 of the Act. In respect of the "Forum" in which such an application for rectification could be filed, there is a restriction under Section 125, in that such an application could be filed only before the Appellate Board if a suit for infringement was already pending. Apart from these restrictions, we do not see

any other restriction with regard to the filing of an application for rectification. To interpret Section 124(1)(b)(ii) to mean that an order should be obtained from the civil Court for filing an application for rectification, regarding prima facie satisfaction, would amount to imposing one more restriction upon the right of a person to seek rectification of the Register. We do not find any such restriction or requirement of the leave/permission of the court, under Section 124(1)(b)(ii). Therefore, with great respect to the learned Judges who were parties to the decisions of the Gujarat and Delhi High Courts, relied upon by the Delhi Party, we are of the considered view that the Tindivanam Party was right in filing an application for rectification, without obtaining the leave of this Court or without getting an issue framed and prima facie satisfaction recorded, in C.S. No. 726 of 2004. ?

22. Learned senior counsel also submitted that though not in any manner binding or even persuasive, the IPAB's ruling in Jeet Biri Manufacturing Company Private Limited v. Pravin Kumar Singhal 2011 (47) PTC 231 (IPAB) provides even more insight into the matter. He particularly placed reliance on its reasoning to the following effect - the Board, after recapitulating the essential conditions of Section 124 and discussing Section 124(1)(a) proceeded to observe as follows:

"20. Now the Court before whom such a suit is pending shall take the following steps as per the Act. They are,

a) If rectification proceedings are pending before the Registrar or the Board in respect of the allegedly invalid trade mark, the Court shall stay the suit till the rectification proceedings are over.

So the trial of the suit will have to wait for decision of the procedure pending before the Registrar or IPAB.

If no proceedings are pending, the Court must adopt the following procedures:

i) The Court, on a perusal of the pleadings must be prima facie satisfied that the plea of invalidity is not a 'moonshine' plea, but is a triable issue. If it is so satisfied, it shall frame the issue regarding validity of the registration.

XXXXXX XXXXXX XXXXXX"

23. Ms. Anuradha Salhotra, learned counsel for an intervener, argued that this court should consider the totality of the scheme of Section 124 and the purpose for requiring the Court's prima facie satisfaction, i.e. whether to stay the suit. Furthermore, the consequence of not obtaining such satisfaction results in the defendant's right (to plead invalidity of the mark) in the suit, getting precluded. Also, argued learned counsel, once the IPAB decides that the mark is invalid, it binds the parties, given the mandate of Section 124 (4). Even the court would have to follow the order made in rectification proceedings. Learned counsel also highlighted that the consequence of not following Section 124 and approaching the IPAB directly is vested in the provision itself, i.e. deemed abandonment of the defence of invalidity.

24. Mr. Hemant Singh, learned counsel, argued that there is no difference between the two situations “one, when the rectification application is preferred before filing of an infringement suit and the other, after the filing of the suit. The only difference is that the suit gets stayed, automatically in the first case, whereas the stay of suit (on the defendant's plea of trademark invalidity) is discretionary and conditional upon the court arriving at a prima facie satisfaction about the plea of invalidity being tenable. There is no legislative intent to diminish the jurisdiction or power of either the Registrar or the IPAB, in either case, either in respect of the extent of its jurisdiction (while deciding the issue of invalidity of the mark) or in regard to the test to be adopted for the purpose. The only difference in practical terms is that if the court holds the plea of invalidty of the trademark registration to be prima facie untenable, the consequence of deemed waiver of objection in the infringement suit (as to invalidity of the mark) would follow. Furthermore, in either case, the Civil Court's power to make appropriate interim orders during pendency of the rectification proceedings “ in the infringement suit - are not diminished.

25. Sh. Hemant Singh argued that no permission is required or mandated by Section 124 before filing a petition with the IPAB and urged the Court to follow the reasoning in B. Mohamed Yousuff v. Prabha Singh Jaswant Singh and Ors. 2008 (38) PTC 576 (Mad) (DB). He argued that Section 124 is a mere procedural

provision dealing with stay of suit in various situations concerning infringement action. The substantive jurisdiction of IPAB is derived from other provisions, i.e. Sections 47 and 57. It was highlighted that a similar power is conferred upon the Registrar in identical terms by Section 125. The only difference between the two is that in case of Section 124, the Civil Court is empowered to issue interim orders - a power obviously absent in the case of Registrar's proceedings.

Analysis and conclusions

26. Before analyzing the merits of the opposing viewpoints, it would be useful to advert to the relevant provisions, (apart from Section 124, which was extracted in the earlier part of the judgment). Section 9 spells out what are un-registrable marks. Marks which lack distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person [Section 9 (1) (a)]; those consisting exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or services [Section 9 (1) (b)]; those consisting exclusively of marks which are customary in the current language or in the bona fide and established practices of the trade [Section 9 (1) (c)] cannot be registered. Section 9 (2) outlines some more restrictions to registrations: marks which are of such nature as to deceive the public or cause confusion (Section 9 (2) (a)) or contain or consist of any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India (Section 9 (2) (b)) or containing scandalous or obscene matter (Section 9 (2) (c)) or the use of which is prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950 (Section 9 (2) (d)) too cannot be registered. Section 9 (3) disqualifies marks from registration if they exclusively contain: (a) the shape of goods which results from the nature of the goods themselves; or (b) the shape of goods which is necessary to obtain a technical result; or (c) the shape which gives substantial value to the goods.

27. Section 11 prohibits registration of a trade mark on grounds of: (a) its identity with an earlier trade mark and similarity of goods or services covered by the trade mark; or (b) its similarity to an earlier trade mark and the identity or similarity of the

goods or services covered by the trade mark, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark. Section 11 (2) disqualifies marks from registration, which are : (a) identical with or similar to an earlier trade mark and; (b) are to be registered for goods or services dissimilar to those for which the earlier trade mark is registered in the name of a different proprietor. Section 18 talks of duration of registration of a mark; Section 21 enables opposition to the proposal to register a mark, once it is published. Under Section 21 (5), after receiving any opposition and giving notice thereof, the Registrar can decide the merits thereof. Depending upon the decision- and restrictions as to the use of the registered mark, which may be imposed, the Registrar then can, direct its registration, under Section 23. Section 28 enables proprietor of a registered mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of trade mark in the manner provided by the Act. Section 29 (1) prescribes what constitutes infringement of a registered trade mark; it is the use of a deceptively similar trademark by another in respect of the same goods or services. Section 135 entitles the owner of a registered mark to the remedies of injunction and at the option of the plaintiff, either damages or an account of profits, together with or without any order for the delivery up of the infringing labels and marks for destruction or erasure ?.

28. Sections 47 and 57 of the Act can now be noticed. They read as follows:

47. Removal from register and imposition of limitations on ground of non-use (1) A registered trade mark may be taken off the register in respect of the goods or services in respect of which it is registered on application made in the prescribed manner to the registrar or the appellate Board by any person aggrieved on the ground either----

(a) that the trade mark was registered without any bona fide intentions on the part of the applicant for registration that it should be used in relation to those goods or service by him or, in a case to which the provisions of section 46 apply, by the company concerned or the registered user, as the case may be and that there has, in fact been no bona fide use of the trade mark in relation to those goods or

services by any proprietor thereof for the time being up to a date three months before the date of the application or

(b) that up to a date three months before the date of the applications a continuous period of five years from the date on which the trade mark is actually entered in the register or longer had elapsed during which the trade mark was registered and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof for the time being:

Provided that except where the applicant has been permitted under section 12 to register an identical or nearly resembling trade mark in respect of the goods or services in question, or where the tribunal is of opinion that he might properly be permitted so to register such a trade mark, the tribunal may refuse an application under clause (a) or clause (b) in relation to any goods or services, if it is shown that there has been, before the relevant date or during the relevant period, as the case may be bona fide use of the trade mark by any proprietor thereof for the time being in relation to

(i) goods or services of the same description : or

(ii) goods or services associated with those goods or services of that description being goods or services, as the case may be in respect of which the trade mark is registered.

(2) Where in relation to any goods or services in respect of which a trade mark is registered (a) the circumstances referred to in clause (b) of sub-section (1) are shown to exist so far as regards non-use of the trade mark in relation to goods to be sold, or otherwise traded in a particular place in India (otherwise than for export from India) or in relation to goods to be exported to a particular market outside India: or in relation to services for use or available for acceptance in a particular place in India or for use in a particular market outside India and (b) a person has been permitted under section 12 to register an identical or nearly resembling trade mark in respect of those goods, under a registration extending to use in relation to goods to be so sold, or otherwise traded in, or in relation to goods to be so exported, or in relation to services for use or available for acceptance in that place

or for use in that country, or the tribunal is of opinion that he might properly be permitted so to register such a trade mark. on application by that person in the prescribed manner to the Appellate Board or to the Registrar, the tribunal may impose on the registration of the first-mentioned trade mark such limitations as it thinks proper for securing that that registration shall cease to extend to such use.

(3) An applicant shall not be entitled to rely for the purpose of clause (b) of sub section (1) or for the purpose of sub-section (2) on any non-use of a trade mark which is shown to have been due to special circumstances in the trade, which includes restrictions on the use of the trade mark in India imposed by any law or regulation and not to any intention to abandon or not to use the trade mark in relation to the goods or services to which the application relates. ?

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57. Power to cancel or vary registration and to rectify the register (1) On application made in the prescribed manner to the Appellate Board or to the Registrar by any person aggrieved, the tribunal may make such order as it may think fit for cancelling or varying the registration of a trade mark on the ground of any contravention, or failure to observe a condition entered on the register in relation thereto.

(2) Any person aggrieved by the absence or omission from the register of any entry or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to the Appellant Board or to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as it may think fit.

(3) The tribunal may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the register.

(4) The tribunal, of its own motion, may, after giving notice in the prescribed manner to the parties concerned and after giving them an opportunity of being

heard, make any order referred to in sub-section (1) or sub-section (2).

(5) Any order of the Appellate Board rectifying the register shall direct that notice of the rectification shall be served upon the Registrar in the prescribed manner who shall upon receipt of such notice rectify the register accordingly. ?

29. In terms of Section 91 of the Act, the IPAB also exercises appellate power in respect of decisions taken by the Registrar upon applications for rectification of registered trademarks. The Act also contains some other provisions empowering the Registrar to direct rectification of the register, to delete registered trademarks. To complete the narrative regarding various provisions of the Act, it would be essential to also notice Section 125, which states as follows:

125. (1) Where in a suit for infringement of a registered trade mark the validity of the registration of the plaintiff's trade mark is questioned by the defendant or where in any such suit the defendant raises a defence under clause (e) of sub-section (2) of section 30 and the plaintiff questions the validity of the registration of the defendant's trade mark, the issue as to the validity of the registration of the trade mark concerned shall be determined only on an application for the rectification of the register and notwithstanding anything contained in section 47 or section 57, such application shall be made to the Appellate Board and not to the Registrar.

(2) Subject to the provisions of sub-section (1) where an application for rectification of the register is made to the Registrar under section 47 or section 57, the Registrar may, if he thinks fit, refer the application at any stage of the proceedings to the Appellate Board. ?

30. Section 124 deals with the following contingencies:

(i) when a defendant-to an infringement suit-sets up the plea of invalidity of the plaintiff's registered trademark (Section 124(1)(a)), or,

(ii) the plaintiff sets up the plea of invalidity of the registered trademark of the defendant, which the defendant raises as a defense under Section 30(2)(e) of the Act.

Section 125, mandates that in the course of an infringement suit, where the invalidity of registration of a mark plea is set up, then, notwithstanding anything contained in section 47 or section 57, such application shall be made to the Appellate Board and not to the Registrar. This means that necessarily, where the registration of mark, allegedly infringing, is questioned after initiation of suit, the person setting up such invalidity (of mark) plea has to apply to the IPAB, which alone acquires jurisdiction to the exclusion of the Registrar (who otherwise possesses jurisdiction under Sections 47 and 57 of the Act).

31. Section 124(1)(ii) textually indicates that premised on the plea of invalidity of the registration of the trade mark (of the defendant, or the plaintiff-as the case may be), the Court would frame the issue pertaining to the invalidity of the trademark to be decided by the IPAB. If the Court is of the view that such invalidity plea is, prima facie, tenable, it would adjourn the suit for a period of three months from the date of such consideration and framing of issue-to enable the party concerned to apply to the Appellate Board for rectification of the registration. When the Court prima facie examines the tenability of the invalidity plea, the clock begins to tick for the party who sets up the plea of un-tenability, to then initiate rectification proceedings before the Appellate Board under Section 47/57 of the Act. That party should initiate the rectification proceedings within 3 months, or such extended time as the Court may, for sufficient cause, allow. If such rectification proceedings are initiated within the period of three months, or within such extended period as the Court may allow for sufficient cause, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings ?. The effect of prima facie evaluation-one way or another, of the tenability of the plea of invalidity, does not impinge on the right of the party raising such a plea to apply to the Appellate Board for rectification. Even where the Court, prima facie, says that the plea of invalidity is not tenable, the party setting up such a plea is not precluded from preferring a rectification application before the Appellate Board. Given the structure and phraseology of Section 124, the difference between clause (b) (i) and (ii) is the pendency of proceedings before IPAB. If the rectification plea is pending before the filing of the infringement suit, the court has no choice but to adjourn the suit and await the final disposal of the challenge before IPAB. If, on the other hand, no such plea is pending at the time of filing of the suit (for

infringement)- the court has to examine. If urged in the written statement, the prima facie tenability of the invalidity plea; if it holds the plea to be tenable, it should adjourn the matter to enable the party to approach IPAB. In case it holds the plea to be not tenable, there is no obligation to adjourn the suit. There is another contingency, which flows from a plain reading of Section 124, which is that if the court grants time to the party to approach the IPAB, and it does not so approach the court within the time, it loses the right to argue that the suit is to be stayed. This view finds support from the decision of the Madras High Court in B Mohammed Yousuff v. Prabha Singh Jaswant Singh Rep. by its POA Mr. C. Raghu, 2006 Law Suit (Mad) 2267 (While sub Clause (i) deals with a situation where any proceeding for rectification is already pending, sub Clause (ii) deals with a situation where any proceeding for rectification is not pending. Both the sub clauses focus their field of operation only in relation to the stay of the civil suit. ?) The court is of the opinion that Parliamentary intendment is clear that if at the stage of filing of the suit, a rectification application is pending before IPAB, there is no choice for the court, but to adjourn the infringement suit. However, if no such application is pending, the court which is later approached with an infringement suit (which tries it) has to appraise prima facie tenability of the invalidity plea, whenever taken. It could be urged even by way of amendment. Nevertheless, there cannot be an automatic stay, in view of the express phraseology of Section 124 (1) (ii) which mandates exercise of discretion. To postpone the consideration at the stage of framing issues would be a narrow interpretation, undermining the broad basic distinction between the two contingencies envisioned by Section 124 (1) (b).

The allied issue is when does the court evaluate the necessity of staying the suit. This is when the written statement is filed with the plea that either (a) the rectification proceeding had been filed before the infringement suit and was therefore pending or (b) rectification application is to be preferred, or was preferred after the suit was filed. This court is of the opinion that the use of the expression court trying the suit (in Section 124 (1)) does not refer to the stage of the suit, but rather to the court having jurisdiction over the infringement suit. The other view, (i.e. that in contingencies, where the party opposing the registered trademark is either unaware of the registration, or approaches the court, before receiving

summons) the court upon being made aware of the existence of the invalidity plea at the stage of framing issues, is bound to adjourn it, and that the question of considering the invalidity plea would arise at the stage of framing issues, does not flow from the grammatical construction of the provision. According to this court, the structure of Section 124 (1) firstly contemplates the parties who might claim invalidity in the infringement suit and secondly deals with the stage when such plea is urged, leading to different contingencies. For instance, the two situations that arise are (1) if the rectification application was filed before the plea is urged (Section 124 (1)(b) (i)- in which event, its disclosure compels the court (the court trying the suit ?) to adjourn the suit) and (2) where the suit is filed before a rectification proceeding/application is preferred (Section 124 (b) (ii)- in which event the court has to first decide whether the invalidity plea is tenable, and then only adjourn the suit to enable the party to approach the IPAB). These, in the opinion of the Court are broad lines demarcated by Parliament in regard to the different contingencies based on when a party approaches the court with a trademark invalidity plea. This conclusion is fortified by the fact that in the first eventuality, i.e where the rectification proceedings are pending, i.e where they chronologically precede the infringement suit- the court has no choice in the matter; it cannot determine the prima facie tenability of the invalidity plea. Such duty is cast only and only where the plea is urged in the suit for the first time when there is no rectification proceeding at the time the suit was filed.

32. Prima facie evaluation of tenability of the plea of invalidity under Section 124 is only for the purpose of determining whether, or not, the proceedings in the suit for infringement should be adjourned (not stayed) for a period of 3 months from the date when the said issue is considered and framed. However, in case rectification proceedings are not filed within the period of three months from the date of raising the issue of invalidity and the prima facie consideration of the validity of the said plea, the plea of invalidity of the registered trademark is deemed to have been abandoned, and the Court shall proceed with the suit as regards the other issues. By virtue of Section 124(3), the issue of invalidity of the registered trademark would not survive to be decided in the suit, as the plea of invalidity would be deemed to have been abandoned in the suit. Even if the plaintiff, or the defendant -as the case may be (i.e the party concerned setting up the invalidity plea), files a

rectification application under Section 47/57 of the Act after the expiry of the period of three months, or such extended time as the Court may grant, though the rectification application would be maintainable and would be decided on its own merits by the IPAB, the final decision of the IPAB on the said application would have no bearing on the suit, in view of the deemed abandonment of the plea of invalidity. Thus, belated filing of the rectification proceedings (i.e. beyond the period of three months, or such extended time as may be granted by the Court) would not result on the stay of the suit. The IPAB in Jeet Biri Manufacturing Co. P. Ltd. v. Pravin Kumar Singhal, Trading as PandJ Aromatics and Ors., 2011 (47) PTC 231 (IPAB) (supra) referred to Section 125 and its observations and conclusions both on 124(1)(b) and Section 125 are extracted below:

21. Now we read Section 125. This considers a situation that is identical to the situation described by Section 124(a) and (b). This means there is a suit for infringement of a trade mark. In that situation, the validity of registration of the trade marks is questioned or when the Defendant raises a defence under Section 30(2)(e), then the rectification proceedings will be filed only to the IPAB and not to the Registrar of Trade Marks. Subject to Section 125(1) the Registrar at any stage may refer the applications to the IPAB.

22. So the right of any person to move a rectification application under Section 57 is protected even if a suit has been filed prior to such application. The language is clear, that the Civil Court in so far as this issue of validity of registration is concerned, awaits and follows the final order. With regard to other interlocutory orders there is no fetter on the court. See Section 124(5). But the trial cannot proceed if a rectification application is pending or has been filed. In the language of Section 124, the party assailing the validity of a trade mark, approaches the court only to seek extension of time to file rectification application if necessary and to furnish proof of filing such an application.

23. So this is the scheme of Section 124 and it does not circumscribe the right of a person aggrieved to move an application under Section 57. In fact it is clear that the Parliament intended that the court which must be the District Court or High Court shall await the orders of the Registrar or IPAB as the case may be in respect

of the validity of the registration of trade mark. Section 125 also does not refer to leave to be obtained before filing application for rectification to the IPAB.

24. Above all there is one more question to be answered. If the law mandates the seeking of leave then there is the unstated power of the court to refuse leave. The Act does not state when leave can be refused. To refuse leave, the section must state under what circumstances the registration of that particular trade mark cannot be rectified. Therefore, the issue relating to the validity of the impugned registration must be decided by it before refusing leave. Section 124 clearly states that this issue must be answered in conformity with the decision in the rectification proceedings, so even if it is the High Court before whom the suit for infringement is pending in which this issue is raised, the jurisdictional High Court must answer this issue in accordance with the order of the Registrar or IAPB, as the case may be. When that is so, the law must spell out under what circumstances leave can be refused. If it does not do so, then seeking leave is a brutum fulmen. ?

The IPAB referred to and relied upon the following extract from the judgment of the Madras High Court in B Mohammed Yousuff v. Prabha Singh Jaswant Singh Rep. by its POA Mr. C. Raghu, 2006 Law Suit (Mad) 2267 ?

(N) In our considered view, Section 124 (1)(b)(ii) of the Act is only an enabling provision. Sub clause (i) and sub Clause (ii) of Clause (b) of Sub-section

(1) of Section 124 operates at two different levels for two different situations. While sub Clause (i) deals with a situation where any proceeding for rectification is already pending, sub Clause (ii) deals with a situation where any proceeding for rectification is not pending. Both the sub clauses focus their field of operation only in relation to the stay of the civil suit. The conditions laid down in sub Clause (ii) are intended to enable a party to obtain stay of the suit and not intended to provide for a discretion for the Court to permit or not to permit any application for rectification. Such a position is made clear by Sub-sections

(2) to

(5) of Section 124, which deals with the consequences of filing and not filing an application for rectification and of the ultimate outcome of such application for rectification. In other words, the requirements of "raising an issue", "adjourning the case" and a "prima facie satisfaction" spelt out in Section 124 (1)(b)(ii) should be read as the requirements for the grant of a stay of the suit and not as a requirement or pre-condition for filing an application for rectification. The plain reading of Section 124(1)(b)(ii) shows that it does not mandate a party to obtain the "leave of the Court" or "an order of the Court", for filing an application for rectification. The right to file an application for rectification is a statutory right conferred upon a party who is aggrieved by an entry made in the Register. The said statutory right cannot be curtailed except by the very provisions of the statute. The said right is circumscribed by certain requirements such as the contravention of the provisions of the Act or failure to observe a condition entered on the Register etc., as spelt out under Sub-sections

(1) and

(2) of Section 57 of the Act. In respect of the "Forum" in which such an application for rectification could be filed, there is a restriction under Section 125, in that such an application could be filed only before the Appellate Board if a suit for infringement was already pending. Apart from these restrictions, we do not see any other restriction with regard to the filing of an application for rectification. To interpret Section 124 (1)(b)(ii) to mean that an order should be obtained from the civil Court for filing an application for rectification, regarding prima facie satisfaction, would amount to imposing one more restriction upon the right of a person to seek rectification of the Register. We do not find any such restriction or requirement of the leave/permission of the court, under Section 124

(1) (b) (ii). Therefore, with great respect to the learned Judges who were parties to the decisions of the Gujarat and Delhi High Courts, relied upon by the Delhi Party, we are of the considered view that the Tindivanam Party was right in filing an application for rectification, without obtaining the leave of this Court or without getting an issue framed and prima facie satisfaction recorded, in C.S. No. 726 of 2004 ?.

33. The view espoused by Astrazeneca UK Ltd. (supra) curtails the remedy afforded by Sections 47 and 57 of the Act to seek rectification and prejudices an aggrieved person. Astrazeneca UK Ltd. (supra) is an authority for the proposition that, whereas the distinction between Section 124(1)(b)(i) and 124(1)(b)(ii) is on the basis of pendency of the proceedings for rectification of the register, it is

.not on the basis of whether the party initiating the proceedings for rectification could initiate such proceedings before the institution of the suit or not. There can be other eventualities under which a party may not be able to initiate the proceedings for rectification before the institution of the suit, but that will not give them a right to circumvent the prima facie satisfaction of his plea for invalidity, by the Court. The distinguishing feature of the two sub clauses is only pendency of the proceedings and nothing more can be read into them. In interpreting a deeming fiction, the intention of the Legislature has to be given due importance. ?

[Emphasis supplied]

34. At the outset what needs to be underlined is that unlike the pre-existing law, where the High Court had the exclusive jurisdiction to pronounce upon issues of trademark validity (by virtue of Section 111 of the Trade and Merchandise Marks Act, 1958), that jurisdiction is now exclusively confined on another forum, i.e. the IPAB. There is no doubt that the jurisdiction of the Civil Court (trying the issue of infringement), under Section 124(1)(ii) extends only to examining the prima facie tenability of the invalidity plea for the limited purpose of examining whether to adjourn the suit, or not, for a period of three months to enable the party setting up the plea of invalidity to prefer rectification proceedings before the IPAB under Section 47/57 of the Act, or while dealing with the aspect of making any interlocutory order in the suit, including on the aspect of injunction, appointment of receiver, or the like. On the other hand, the statutorily created body of exclusive jurisdiction, i.e. the IPAB is not so constrained; rather, it has the duty and the jurisdiction to examine and deal with the merits of the plea of invalidity of the registration (of a trademark) based on all the materials placed before it. The IPAB is a judicial tribunal, which is unconstrained by the provisions of the Civil Procedure Code, and guided by principles of natural justice, but subject to

provisions of the Act and the rules made there under, empowered to regulate its own procedure (Section 92(1)). Furthermore, it has the power to receive evidence; issue commissions for examination of witnesses: and requisition any public record, etc. (Section 92(2)). Proceedings before IPAB are deemed to be civil judicial proceedings for purposes of Sections 193 and 228, Indian Penal Code (IPC) and for the purpose of Section 196, of the IPC, IPAB is deemed to be a civil court for all the purposes of Section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973. Section 93 says that no court or other authority has or, is entitled to, exercise any jurisdiction, powers or authority in relation to the matters referred to in Section 91(1) of the Act.

35. The analysis of the various provisions of the Act, made in the preceding paragraph, emphasize that the IPAB is solely charged with the duty of examining the plea of invalidity of a registered trademark. Its decision, and that of no other court or body, can lead to the striking off or retention of a mark on the register. It oversees the decisions of the Registrar and has appellate powers in all such matters. The grounds for invalidating a mark, or deciding a plea of invalidity, are spelt out in Sections 47, 57 and some other related provisions; the IPAB is the only judicial forum charged with the jurisdiction of deciding upon those issues; any decision on those issues, on the merits, by a court or another body (other than Registrar who too has concurrent primary jurisdiction, except in the manner provided by Section 125) would result in a decision that is coram non judice. Conversely, therefore, except while considering whether to grant interlocutory relief, or while considering whether to adjourn the proceedings by three months to enable the concerned party to move the IPAB under sections 47/57, the plea of invalidity would be prima facie evaluated by a court under Section 124(1)(b)(ii). These provisions clearly show that there is a bar to exercise of jurisdiction of civil courts on the issue of examination of merits of a plea of invalidity of a trademark. There can be no doubt that no civil court can go into that issue under any circumstance at all-except on a prima facie level.

36. Section 9 of the Civil Procedure Code provides that the civil courts have jurisdiction to try and decide all civil causes, except those excluded. Courts have dealt with several nuances of this issue, over the last six decades. In Secretary of

State Vs. Mask and Co. (AIR 1940 PC 105) the question was considered in connection with Sea Customs Act (1878). It was held that:

It is settled law that the exclusion of the jurisdiction of the civil courts is not to be readily inferred, but that such exclusion must either be explicitly expressed or clearly implied. ?

The Constitution Bench in Dhulabhai v. State of M.P. (AIR 1969 SC 78) said that:

Where there is an express bar of the jurisdiction of the court, an examination of the scheme of the particular Act to find the adequacy or the sufficiency of the remedies provided may be relevant but is not decisive to sustain the jurisdiction of the civil court.

Where there is no express exclusion the examination of the remedies and the scheme of the particular Act to find out the intendment becomes necessary and the result of the inquiry may be decisive. In the latter case it is necessary to see if the statute creates a special right or a liability and provides for the determination of the right or liability and further lays down that all questions about the said right and liability shall be determined by the tribunals so constituted and whether remedies normally associated with actions on civil courts are prescribed by the aid statute or not. ?

37. Later, in connection with the Industrial Disputes Act, in Premier Automobiles Ltd. V. Kamlekar Shantaram Wadke (1976) 1 SCC 496 the Supreme Court held that a civil court has no jurisdiction to try and adjudicate upon an industrial dispute, if it concerned enforcement of certain right or liability created under that Act. This line of reasoning was affirmed in Bata Shoe Co. Ltd v. City of Jabalpur Corpn (1977) 2 SCC 472 and Munshi Ram v. Municipal Committee, Chheharta (1979) 3 SCC 83. In Raja Ram Kumar Bhargava v. Union of India (1988) 1 SCC 681, the Supreme Court held that:

[W]herever a right, not pre-existing in common law, is created by a statute and that statute itself provided a machinery for the enforcement of the right, both the right and the remedy having been created uno flatu and a finality is intended to the

result of the statutory proceedings, then, even in the absence of an exclusionary provision the civil court's jurisdiction is impliedly barred. ?

These vies were reiterated again by a three Judge Bench of the Supreme Court, in Rajasthan SRTC v. Krishna Kant (1995) 5 SCC 75.

38. What can be concluded from the above discussion is that where special rights are created by a statute, which provides a mechanism for the enforcement of such statutory rights then, even in the absence of an express exclusion, the civil court's jurisdiction over those matters is barred. An analysis of the provisions of the Act in this case, leads one to conclude that in respect of matters relating to invalidity of registration of a trademark, the jurisdiction to decide the merits of the dispute is exclusively that of the statutory authorities-i.e. the Registrar or the IPAB; in the event of such dispute being raised after the filing of an infringement suit, it is exclusively that of the IPAB. The civil court's jurisdiction to go into the merits of the plea of invalidity is therefore bared.

39. The structure of Section 124 nowhere indicates that jurisdiction of IPAB (where an invalidity plea is urged in, or after filing of suit) is conditional upon the civil court's determination of the prima facie tenability of the invalidity plea. Further, there is nothing in Section 124(1) or 124(2) to suggest that either the plaintiff, or the defendant is precluded from moving an application before the Registrar /IPAB under Section 47 or 57 of the Act for removal/rectification of the registered trademark of the opposite party at any point of time, i.e. before, or after the filing of the suit for infringement by the plaintiff, or before or after the filing of the written statement by the defendant. To infer so, in this court's opinion would result in anomalous consequences, because if a proceeding under section 47/57 “ urging the plea of invalidity is filed before filing of the suit, the IPAB would be obliged to consider the matter on merits having regard to all the materials, as the suit would necessarily have to be stayed (Section 124(1)(i)). However, in the other situation, access to the IPAB itself would be dependent upon the assumed permissionof the civil court, entirely dependent upon that court's prima facie view of the case. Now, the plea of invalidity and the grounds are common “ as indicated in Sections 47 and 57. If such is the case, to hold-as the Astra Zeneca line of authority mandates-

that such a proceeding (under section 47/57) is preconditioned upon prima facie view of the civil court, results in different standards being applied to judge invalidity of the trademark's registration. According to Astra Zeneca, while in the situation covered by Section 124(1)(i)-the civil court is obliged to stay the infringement suit, after being told that the pre-existing invalidity plea is pending before the IPAB; however, under Section 124(1)(ii)-if the civil court decides that the invalidity plea is prima facie unmerited and refuses permission-based purely on the nature of the prima facie assessment (and not on merits-which it cannot consider) access to IPAB is completely barred. An appeal against the civil court's prima facie assessment is no consolation, because even the appellate court would only be considering the error, if any, in the civil court's prima facie assessment. This court is unconvinced by the arguments of the defendant and other counsel who supported the Astra Zeneca (supra) decision about its soundness also because the deemed abandonment of the invalidity plea " the consequence enacted by Section 124(3), is only in respect of the stay of the suit. There is a line of authority that a legal fiction should not be extrapolated beyond the purpose for which the legislation is brought in. On interpretation of a legal fiction, it was held in Controller of Estate Duty v. Krishna Kumari Devi (173 ITR 561) that:

It is a settled Rule of interpretation of a fiction that the court should ascertain for what purpose the fiction is created and after ascertaining the purpose, the court has to assume all facts which are incidental to the giving effect to that fiction. It will not be given a wider meaning than what it purports to do ?.

The Supreme Court in Commissioner of Income-tax Bombay City v. Amarchand N. Shroff (AIR 1963 SC 1448) administered a caution that fictions should not be stretched beyond the purpose for which they were enacted. Likewise, earlier, in State of Travancore-Cochin and Ors. v. Shanmugha Vilas Cashew Nut (AIR 1953 SC 333), it was observed that when the the Legislature provides that something is to be deemed other than it is, we must be careful to see within what bounds and for what purpose it is to be so deemed ?. More recently, in R. Kalyani v. Janak C. Mehta, (2009) 1 SCC 516, it was held that A legal fiction must be confined to the object and purport for which it has been created ?.

40. Applying the reasoning of those decisions, the sequitur to-either the court holding the invalidity plea to be prima facie untenable (and, therefore, not adjourning the proceedings in the suit for any length of time), or the plea of invalidity being held to be prima facie tenable, (and, consequently, the proceedings in the suit being adjourned for a period of three months to approach IPAB), and the concerned party not filing the rectification application within the period of three months, or such extended period as the court may grant, is not deemed abandonment of the right to claim rectification, but rather deemed abandonment of the defence of invalid trademark registration in the infringement suit. In other words, the right to claim rectification is never taken away. Thus, the Astra Zeneca (supra) line of thinking does not appeal to us and we reject the same.

41. This court, for the foregoing reasons, sums up the conclusions as follows:

(1) IPAB has exclusive jurisdiction to consider and decide upon the merits of a plea of trademark registration invalidity " applying Section 47 and 57 of the Act- in the context of an infringement suit based on such registered trademark.

(2) The two situations whereby the infringement action is stayed, are when the rectification proceedings are instituted before the filing of the suit (Section 124 (1) (i)) and after the plea of invalidity is held to be prima facie tenable under Section 124 (1) (ii)) to enable the party urging invalidity to approach IPAB.

(3) Where the civil court based on its prima facie assessment states the the invalidity plea is not tenable or where the litigant does not approach the IPAB within the time granted (i.e when the court holds the plea to be prima facie tenable) the only consequence is deemed abandonment of the invalidity defense in the infringement suit. However, access to IPAB to invoke its exclusive jurisdiction to test the invalidity of a trademark registration is not precluded or barred in any manner whatsoever.

42. Therefore, the court holds that the view in Astra Zeneca (and all other decisions that have followed it or applied the reasoning in that judgment) is incorrect. The said line of decisions is accordingly overruled. The appeal is,

accordingly remitted for consideration of the merits by the concerned roster Division Bench, subject to the orders of the Hon'ble the Chief Justice, on 11.02.2016.

OPINION OF VIPIN SANGHI, J.

1. My learned Brother Bhat, J., prepared and circulated his draft judgment. Since my understanding and interpretation of Section 124 of the Trademarks Act, 1999 (the Act) was different on some aspects, I had forwarded a draft containing my own understanding and interpretation of the said provision to his Lordship. Some parts of my draft found favour with his Lordship, and are incorporated in his judgment, which I have had occasion to go through. There are two aspects on which our differences remain, viz.:-

2. Firstly, while Brother Bhat, J., is of the view that there are only two situations wherein the infringement action is stayed, viz.:-

(a) when rectification proceedings are instituted before the filing of the suit [under Section 124(1)(i))], and;

(b) when rectification proceedings are instituted within the specified time after the plea of invalidity is held to be prima facie tenable under Section 124(1)(ii),

I am of the view that even if the rectification proceedings are filed after the filing of the suit, and before the Court takes notice of the said plea, the suit would be liable to be straightaway stayed under Section 124(1)(i).

3. Secondly, while Brother Bhat, J. is of the view that in cases where rectification proceedings are not filed before the filing of the suit " the filing of such proceedings after the Court finds the plea of invalidity of the registered trademark to be not prima facie tenable (even if they are filed within the period of three months, or such extended time as the Court may, for sufficient cause allow), would not oblige the Court to stay the proceedings in the suit, I am of the view that even if the Court, prima facie, assesses the plea of invalidity to be not tenable, the filing of rectification proceedings within the time specified in Section 124 (b) (ii), would also

lead to stay of the suit.

4. Therefore, I have penned down my view on these aspects. A reading of Section 124 (1) (a) and (b) shows that these clauses deal with situations where, in a suit for infringement of trademark, either the defendant urges that the registration of the plaintiff's trademark is invalid, or the defendant raises a defence founded upon its registered trademark and the plaintiff pleads that the registration of the defendant's trademark is invalid.

5. There is nothing in Section 124 (1) or (2) to suggest that either the plaintiff, or the defendant, is precluded from moving an application before the Registrar / Appellate Board under Section 47 or 57 of the Act for removal/rectification of the registered trademark of the opposite party at any point of time, i.e. either before, or after the filing of the suit for infringement by the plaintiff.

6. When a suit for infringement is filed by the plaintiff premised on its own registered trademark, the defendant is entitled to plead that the registration of the plaintiff's trademark is invalid. Prior to being served with summons in the suit, the defendant may, or may not even be aware of the registration obtained by the plaintiff of its trademark for myriad reasons. There could be situations, where the defendant may not be aware of the registration of the plaintiff's trademark on account of an oversight, omission, or failure/error in the advertisement of the plaintiff's application for registration of its trademark. Even if the defendant were aware of such registration of the plaintiff's trademark before the suit for infringement is filed, he may choose not to initiate proceedings under section 47/ 57 of the Act before the Registrar/ Appellate Tribunal, and may await action by the plaintiff to enforce its rights accruing from the registration of its trademark by making the first move by filing suit for infringement of its trademark. In all such situations, the defendant is not precluded from preferring the application under Section 47/ 57 before the Appellate Board by resort to Section 125 of the Act after the filing of the suit for infringement by the plaintiff. There is no fetter imposed on the said right of the defendant by any provision of the Act.

7. Similarly, where the defendant raises a defence premised on clause (e) of sub-section 2 of Section 30 of the Act, the plaintiff is entitled to plead invalidity of the

registration of the defendant's mark. Section 124 does not say that the plaintiff should move for removal, or rectification of the defendant's mark either before, or after the raising of a plea in the suit. It does not put any fetter on the plaintiff's right to invoke either Section 47, or Section 57, except as found in Section 125 of the Act. On this aspect, we all are in agreement.

8. The scheme of Section 124 (1)(i) appears to be, that the issue with regard to stay of proceedings in the suit for infringement of a trademark would be considered by the Court on the basis of the factual situation as it obtains when such consideration takes place. Therefore, if on the date of consideration of the said issue proceedings for rectification of the registration in relation to the plaintiff's or defendant's trademark are pending before the Registrar or the Appellate Board ?, the Court shall stay the suit pending final disposal of such proceedings, irrespective of the fact that such rectification proceedings were initiated before, or after the filing of the suit.

9. The clause which has generated this debate is clause (ii) after clause (b) of Section 124(1) of the Act. Clause (ii) of Section 124(1), deals with a situation where " even though one of the parties to the suit has raised a plea of invalidity of the registered trademark of the opposite party, he has not initiated proceedings, and none are pending either under Section 47, or 57 of the Act in relation to the said trademark, when consideration by the Court on the aspect of Section 124 takes place. When the Court takes notice of the said plea of invalidity, and finds that the party setting up such a plea has not initiated action under either Section 47, or 57 of the Act before the Appellate Board despite taking such a plea, only for the purpose of considering whether to adjourn (and not stay) the case for a period of 3 months, the Court would examine whether such a plea of invalidity is, prima-facie, tenable. There is no other purpose of such consideration by the Court. The adjournment of the proceedings in the suit by a period of three months would be granted by the Court, upon finding the plea of invalidity of the registered trademark to be, prima facie, tenable. The purpose of this adjournment is that, before proceeding is initiated under Section 47 or 57 of the Act by the concerned party before the Appellate Board, the suit does not proceed, and during the said period of three months (or such extended period, as the Court may allow), the party

raising the plea of invalidity could approach the Appellate Board under Section 47/57 of the Act. So that the concerned party raising a challenge to the registered trademark does not sleep over his right to initiate action under Section 47 or 57 of the Act before the Appellate Board, and so that the proceedings in the suit are not unduly delayed, Section 124 specifies a period of three months as the period for which the proceedings in the suit may be adjourned.

10. The result of the rectification proceedings being filed by the concerned party during the period of 3 months (or such further time as the Court may extend) for which the proceedings in the suit are adjourned, is that the suit is liable to be stayed by virtue of Section 124 (2) till disposal of the rectification proceedings. This is because the exclusive jurisdiction to rule on the aspect of validity, or invalidity, of the registered trade mark under Section 47/57 of the Act is that of the Registrar, or the Appellate Board, as the case may be.

11. The effect of such a party not initiating action under Section 47/57 of the Act within three months, or such further time for which the proceedings are adjourned and time is extended, is that the plea of invalidity of the registered trademark stands abandoned qua the suit, and the Court shall proceed with the suit with regard to other issues in the case. Pertinently, Section 124(3) makes it clear that the Court shall proceed in regard to other issuesin the case, meaning thereby, that the issue of validity of the registered trademark shall not be decided by the Court, since the exclusive jurisdiction in respect thereof vests in the Registrar or the Appellate Board, as the case may be.

12. Now, what happens if the Court were to arrive at a prima facie view that such a plea of invalidity is not tenable? A reading of Section 124(ii), by implication, suggests that the Court need not adjourn the proceedings in the suit for any length of time to await the filing of rectification proceedings by the concerned party, and may continue with the proceedings in the suit. However, neither clause (ii) of Section 124, nor any other provisions of the Act says or suggests that such prima facie evaluation by the Court would, by itself, form the basis of a final judgment by the Court. While trying a suit, the Court is obliged to strike the issues and decide all of them. Thus, the issue with regard to invalidity of the registered trademark, set

up by one or the other party in the suit, would also need to be decided in the suit. However, as noticed by learned Brother Bhat, J, the jurisdiction of the Court to decide the said issue is excluded. The exclusive jurisdiction to decide the said issue vests in the Registrar or, the Appellate Board " as the case may be. The decision of the Registrar/ Appellate Board on the issue/plea of invalidity of the registered trademark would bind the Court. Therefore, unless and until the plea of invalidity of the registered trademark is withdrawn, abandoned, or deemed to be abandoned in the suit, the subsistence of the said plea, and the issue premised on the said plea, would become a stumbling block for the Court to decide the suit, as a decision/judgment in the suit must necessarily deal with all issues arising in the suit. In fact, the decision on the said issue of invalidity of the registered trademark may be central to the decision in the suit. Thus, the Court would not be able to finally decide the suit.

13. The scheme of the law, in my view, is not that the aspect of stay of proceedings in the suit is dependent upon a prima facie evaluation of the tenability of the plea of invalidity of the registered trademark. If that were so, such prima facie evaluation would have been statutorily mandated even in cases covered by clause (a) of Section 124. But that is not the position. Since the right to file the rectification proceedings is not circumscribed by, or dependent upon the filing of a suit for infringement by one or the other party, there is no basis to differentiate between the two situations, namely, where the rectification proceedings are initiated prior to the filing of the suit and, where they are initiated after the filing of the suit (either before consideration under Section 124 takes place, or after consideration under the said Section takes place, and the rectification proceedings are filed within the time specified under Section 124(2), or such extended time as the Court may for sufficient cause allow).

14. To my mind, the only difference in the impact " of finding the plea of invalidity to be prima facie tenable, or untenable, is that whereas in the first case, the proceedings in the suit are adjourned forthwith, in the latter case " the proceedings in the suit may continue. However, till the Court is satisfied that the plea of invalidity of the registered trademark has been withdrawn, expressly abandoned, or deemed to be abandoned [by virtue of Section 124(3)], the Court would not be

in a position to render judgment in the suit. The Court would, necessarily, have to await the determination made by the Appellate Board on the issue of validity or invalidity of the registered trademark in question, and rely on the said determination of the Appellate Board in its final judgment. With utmost respect to my learned Brother Bhat, J., I cannot agree with his view that a mere prima facie finding by the Court that the plea of invalidity of the registered trademark is not tenable, would lead to abandonment of the said plea of invalidity as, abandonment can take place only upon either a conscious act or omission of the concerned party, and not because the Court prima facie does not find the plea of invalidity to be untenable. In my view, the language of Section 124 (3) does not support such an inference.

15. As observed by Brother Bhat, J., prima facie finding against tenability of the plea of invalidity of the registered trademark does not take away the right of the concerned party to initiate rectification proceedings before the Appellate Board, even after such prima facie evaluation. When the Court examines the aspect of tenability of the plea of invalidity on prima facie basis " whether, or not, the plea is found prima facie tenable, the clock begins to tick for the party who sets up the plea of untenability, to then initiate rectification proceedings before the Appellate Board under Section 47/ 57 of the Act so as to be able to retain the plea of invalidity of the Registered trademark in the suit. That party should initiate the rectification proceedings within 3 months, or such extended time as the Court may for sufficient cause allow. If such rectification proceedings are initiated within the period of three months, or within such extended period as the Court may allow for sufficient cause, the Trial of the suit shall stand stayed until the final disposal of the rectification proceedings ?.

16. Section 124(2) shows that the party concerned i.e. the party setting up the plea of invalidity of the registered trademark has to prove that he has made any such application as is referred to in clause (b)(ii) of sub-section (1). The expression any such application as is referred to in clause (b)(ii) of sub-section (1) ?, in my view, refers to the nature of the application, viz. an application for rectification of the register in relation to the registered trademark in question. The conditionality of the plea of invalidity of the registered trademark being found to be, prima facie,

tenable by the Court, does not attach to such a rectification application. The expression within the time specified therein or within such extended time as the court may for sufficient cause allow ?, in my view, only refers to the time period i.e. three months or such extended time as the Court may allow.

17. However, if such application for rectification is not made to the Appellate Board within the period of three months, or such extended time as the Court may allow, the issue as to the validity of the trademark concerned shall be deemed to have been abandoned in the suit, and the Court shall proceed with the suit with regard to the other issues in the case. The effect of the issue being deemed to have been abandoned in the suit, would be that the party setting up the plea of invalidity would be precluded from pursuing the said plea in the suit.

18. Thus, in my view, irrespective of whether, or not, the Court finds the plea of invalidity prima facie tenable, once a rectification application is filed by the concerned party within the specified time, or extended time, the proceedings in the suit are bound to be stayed to await the final disposal of the rectification proceedings. The Court has no discretion in the matter of stay of the suit, once it is brought to its notice that removal/rectification proceedings in respect of the registered trademark in question is pending, and the plea of untenability of the registered trade mark is subsisting (and not withdrawn, abandoned or deemed to be abandoned) in the suit. This is so, because the jurisdiction to rectify the register vis- -vis a registered trademark exclusively vests in the Registrar or the Appellate Board, as the case may be.

19. The reason for staying the proceedings in the infringement suit when a plea of invalidity is raised in relation to the registered trademark in question becomes clear when one examines the rights the registered proprietor of the trademark is vested with. By virtue of Section 28 and 29 of the Act, the registration of a trademark, if valid, gives to the registered proprietor of the trademark the exclusive right to use of the trademark in relation to the goods, or services in respect of which the trademark is registered and to obtain relief in respect of infringement of the trademark in any manner provided by the Act.

20. Therefore, so long as registration of the trademark subsists, the Court would honour the said registration and enforce the exclusive rights of the use of the trademark in favour of the registered proprietor of the trademark, subject to other considerations provided for in the Act and as evolved by the Courts on considerations of equity.

21. Pertinently, the Parliament was conscious of the mischief that one or the other party may play by raising an untenable plea of invalidity. Though in that situation as well the suit would necessarily have to await the disposal of the rectification proceedings by the Appellate Board, the power of the Court to make interlocutory orders, including orders granting injunction, directing keeping of accounts, appointing a Receiver, or attaching any property, is preserved by Section 124(5) of the Act. Thus, the impact of the stay of the proceedings in the suit on the parties, would stand mitigated.

ORDER OF COURT

This Full Bench therefore, in its unanimous opinion, holds that:

1. (a) IPAB has exclusive jurisdiction to consider and decide upon the merits of a plea of trademark registration invalidity " applying Section 47 and 57 of the Act- in the context of an infringement suit based on such registered trademark. Access to IPAB is not dependent on the civil court's prima facie assessment of tenability of a plea of invalidity of trademark registration. In other words, Section 124 of the Trademarks Act does not control the choice of a litigant to seek rectification of a registered trademark.

(b) The decision in Astrazeneca UK Ltd. and Anr. v. Orchid Chemicals and Pharmceuticals Ltd. 2007 (34) PTC 469 (DB) (Del) and all other judgments which hold that the plea of rectification can be raised by a party to an infringement suit, only if the court trying the suit, rules it to be prima facie tenable and that if such finding is not recorded, the party cannot avail the remedy of rectification of a registered trademark, is accordingly overruled.

2. This Court holds, by its majority judgment (Vipin Sanghi, J dissenting on this point) that the two situations whereby the infringement action is stayed, are when the rectification proceedings are instituted before the filing of the suit (Section 124 (1) (i)) and after the plea of invalidity is held to be prima facie tenable under Section 124 (1) (ii)). In the first situation, if such plea exists, before the filing of the suit, the Court has to stay the suit to await the decision of the IPAB. In the second situation, if there is no application for rectification before the IPAB when the suit is filed and a party to the infringement suit, wishes to challenge it after the filing of the suit, it may do so, but the court has to assesses the tenability of the invalidity plea- if it finds it prima facie tenable, then and then alone, would it stay the suit to enable the party to approach the IPAB within a time period. If the party does not avail of this, or approaches the IPAB after the period given, the court would proceed with the suit; the plea of invalidity is deemed abandoned in the infringement suit.

3. The appeal is, accordingly remitted for consideration of the merits by the concerned roster Division Bench on 11.02.2016, subject to the orders of Hon'ble the Chief Justice.