

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

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Reserved on: 14th July, 2021

Pronounced on: 6th August, 2021

+ **CM (M) 428/2021, CM APPL.20526/2021 (by the petitioner u/S 151 CPC for summoning of the subject matter suit)**

PARVEEN KUMAR GUPTAPetitioner

Through: Mr. S.K. Bansal and Mr. Ajay
Amitabh Suman, Advocates

Versus

RAVI CHADHA AND ORS.Respondents

Through: Mr. Ashish Deep Verma, Ms.
Kanya Ritu Verma, Mr. Vijay
Singh and Ms. Bharti Sharma,
Advocates

**CORAM:
HON'BLE MS. JUSTICE ASHA MENON**

J U D G M E N T

[VIA VIDEO CONFERENCING]

1. This petition has been filed under Article 227 of the Constitution of India seeking an order to quash and set aside the impugned order dated 6th April, 2021 passed by the learned ADJ-02, Central Delhi, Tis Hazari Courts, Delhi; allow the application under Section 5 of the Limitation Act, 1963 dated 30th December, 2020 filed by the petitioner; and, further allow the Review Petition under Section 114 of the Code of Civil Procedure, 1908 (“CPC”, for short) dated 22nd January, 2018 filed by the

petitioner in Suit bearing CS No.312/2015, titled “*Parveen Kumar Gupta v. Mr. Ravi Chadha & Ors.*”, pending before the learned Trial Court.

2. The petitioner is aggrieved on account of the fact that his suit, which he had filed against the defendants for infringement of his proprietary trade mark “RACER” as also passing off their goods as that of the petitioner and other reliefs, was stayed by the learned Trial Court vide order dated 6th March, 2017. This order, he challenged, by way of CM (M) 737/2017, which was disposed of vide order dated 6th December, 2017 permitting the petitioner to withdraw that petition and granting liberty to approach the Tribunal (sic.) by Review Petition. Thereafter, the petitioner filed a Review Petition, but the learned Trial Court was of the view that the application for review had been filed beyond the period of limitation. As a result, the petitioner filed an application under Section 5 of the Limitation Act for condonation of delay on the ground that time had been spent before the Hon’ble High Court in pursuing the CM (M) petition. However, the learned Trial Court rejected the application under Section 5 of the Limitation Act and observed that since the High Court, while disposing of the CM (M), had not commented on limitation, no ground for condonation of delay was made out. As a result thereof, the Review Petition was also dismissed.

3. Mr. S.K. Bansal, learned counsel for the petitioner has relied upon the judgment of this court in *J. K. Oil Industries v. Adani Wilmar Limited*, 2018 SCC OnLine Del 9367 to submit that when a suit was filed for infringement of trade mark as also for passing off, the filing of a rectification petition before the Intellectual Property Rights Board

(“IPRB”, for short) would result in the stay of the suit as far as infringement of trade mark was concerned under Section 124 of the Trade Marks Act, 1999, but that suit with regard to passing off was to continue. Hence, it was prayed that the review of the order dated 6th March, 2017 be allowed and the suit be directed to be continued qua the passing off.

4. Mr. Ashish Deep Verma, learned counsel for the respondents, on the other hand, submitted that the court was empowered, even without objections being taken, to satisfy itself regarding limitation, when any suit or application or appeal is filed before it. Therefore, merely because the respondents had not raised such an objection, would not prevent the court from looking into the issue of limitation. Further, it was submitted that the application for condonation of delay was filed three years after the order dated 6th March, 2017 and the filing of the application for review. There was no explanation whatsoever for not filing the application for condonation of delay during this entire time. Therefore, the learned Trial Court was justified in not condoning the delay.

5. With regard to the prayer of the petitioner for continuing the suit for passing off, the learned counsel submitted that since an injunction was already in force against the respondents and the respondents were not using the trade mark “RACER”, no prejudice was being caused to the petitioner, if the suit waited for the disposal of the rectification petition filed by the respondents before the IPRB. Thus, the learned counsel submitted that the present petition deserved to be dismissed.

6. In response, learned counsel for the petitioner submitted that since the High Court had allowed the petitioner to file an application for review, filing of the application for condonation of delay was over

looked. The cause shown for not immediately filing the review application after the impugned order dated 6th March, 2017 had been passed was clearly explained. The application under Section 5 of the Limitation Act was no doubt filed on 30th December, 2020, but that was only because the review application remained pending since it was filed in February, 2018 and no one had raised this issue of limitation, till the learned Trial Court did so. In the circumstances, it was prayed that the delay be condoned and directions be issued for revival of the suit qua the reliefs relating to passing off, etc..

7. A perusal of the order dated 6th March, 2017 passed by the Trial Court would reveal, that an application under Section 124 of the Trade Marks Act had been filed by the present respondents, seeking stay of the proceedings due to initiation of rectification proceedings filed by them before the IPRB. The learned Trial Court has noted in para 3 that it was submitted on behalf of the petitioner/plaintiff that as the suit was a composite suit for infringement and passing off, the suit could proceed. However, the learned Trial Court relied upon the judgment of this court in *Data Infosys Ltd. & Ors, v. Infosys Technologies Ltd.* 2016 (65) PTC 209 [Del] [FB] and *Micolube India Ltd. v. Maggon Auto Centre & Anr.* 2010 (42) PTC 462 (Del.) and stayed the suit under Section 124 of the Trade Marks Act. It adjourned the case *sine die*.

8. This order was challenged, as noticed hereinabove, by the petitioner, which petition CM (M) 737/2017 was disposed of by this court on 6th December, 2017. The following order was passed: -

“1. After some hearing, the counsel for the petitioner submitted that he may be allowed to withdraw the

present petition and the applications filed therewith, as according to him there is an error apparent on the face of the impugned order wherein the fact that the suit seeks not only the relief of permanent injunction to restrain the opposite party against infringement of trade mark, but also reliefs in the nature of passing off, delivery, etc. which are not covered by the provision contained in Section 124(1) of Trade Marks Act, 1999, which has been invoked, was overlooked. The petitioner seeks liberty to approach the Tribunal by review petition.

2. The petition and the applications are disposed of as withdrawn with liberty as prayed, granted.”

9. It is apparent from this order that this court had noted the submissions to the effect that the suit was also one for passing off, delivery, etc., which was not covered under Section 124(1) of the Trade Marks Act, and which fact had been overlooked in the orders of the learned Trial Court. It was in the light of these submissions that when the petitioner sought liberty to approach the Trial Court with a Review Petition, the prayer was allowed. It does appear that the question of limitation had not been agitated before this court during those proceedings. The learned Trial Court appears to have fallen into error in rejecting the application under Section 5 of the Limitation Act by observing that it was taking a ‘holistic reading’ of the order dated 6th December, 2017. In our view, a ‘holistic reading’ would have pointed out to the learned Trial Court, that permission to file a review petition had been granted in the backdrop of the submission that while a suit for infringement could be stayed under Section 124 of the Trade Marks Act,

the suit for passing off could continue.

10. This court was dealing with a similar issue in *J. K. Oil Industries (supra)* where it referred to several decisions including those that have been relied upon by the learned Trial Court in its order dated 6th March, 2017 to stay the suit, namely, *Data Infosys Ltd. (supra)* and *Micolube India Ltd. (supra)* as also the judgments of the Division Bench of this court in *Puma Stationer P. Ltd. v. Hindustan Pencils Ltd.*, 2010 (43) PTC 479 (Del)(DB) and *Formica International Ltd. v. Caprihans (India) Pvt. Ltd.*, AIR 1966 Cal 247, to hold that a suit for passing off can continue even when the suit for infringement of trade mark was liable to be stayed under Section 124 of the Trade Marks Act.

11. The settled law is thus that Section 124 of the Trade Marks Act does not provide for stay of action against passing off and is applicable only where a rectification application/cancellation has been sought against the registered trade mark that a plaintiff claims to be exclusively its own. This is intended to avoid conflicting decisions by the Civil Courts and the Tribunal. There is no such occasion arising in a suit for passing off. It is only when clever drafting discloses the intent of the plaintiff to get over the statutory bar, being aware of the rectification proceedings commenced against the trade mark that it claims is exclusively its own, as observed in *Formica International Ltd. (supra)*, that the entire suit would have to be stayed till the rectification proceedings are completed. No such plea has been taken in the present case. In fact, such a plea cannot be taken as it is after the institution of the suit that the defendants/respondents have filed an application for rectification.

12. It is, therefore, more than apparent that learned Trial Court has misread the judgments of this court in *Micolube India Ltd. (supra)* and *Data Infosys Ltd. (supra)*, and there is an error apparent on the face of the impugned order. The learned Trial Court ought not to have directed that the entire suit be stayed, though, this court, including in *J. K. Oil Industries (supra)* has consistently held that while the suit for infringement of trade mark has to be stayed under Section 124 of the Trade Marks Act, when a rectification petition is filed before the IPRB, an action for passing off could continue.

13. The petition is accordingly allowed. The order dated 6th March, 2017 passed by the learned Trial Court is modified to read that the Civil Suit No.577/2016 [New No.10725/2016] shall remain stayed under Section 124 of the Trade Marks Act qua the action for infringement of trade mark, but shall continue qua the relief sought against passing off and connected reliefs. The pending application also stands disposed of.

14. The judgment be uploaded on the website forthwith. A copy of this judgment be sent electronically to the learned Trial Court.

न्यायमेव जयते

(ASHA MENON)
JUDGE

AUGUST 06, 2021
s/ms