

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

WRIT PETITION NO. 364 OF 2011

1. M/s. Agar Distributors (India) having its]
address at Unit No.4, Amar Industrial]
Estate, 159, CST Road, Santacruz East,]
Mumbai - 400 098.]
2. Shri Siraj Amirali Soorani, Proprietor of]
Petitioner No.1, having his address at]
Unit No.4, Amar Industrial Estate, 159,]
CST Road, Santacruz East, Mumbai-98.]... Petitioners

Versus

1. Intellectual Property Appellate Board,]
Guna Complex Annexe-I, 2nd Floor,]
Teynampet, Chennai - 600 018.]
2. M/s. Lakh Enterprises,]
A Proprietary Concern.]
3. Juzer M. Lakhwala, Proprietor of]
Respondent No.2, both having their]
address at 182, Yusuf Maherali Road,]
1st Floor, Mumbai - 400 003.] ... Respondents

Mr. Pravin Samdani, senior counsel with Mr. Chetan Kapadia and Mr. Tejas Shah i/b M & M Legal Venture for the Petitioners.

Mr. Hiren Kamod with Mr. S. Shamim i/b M/s. Shamim & Co. for the Respondent Nos.2 and 3.

**CORAM : S.J. VAZIFDAR &
A.K. MENON, JJ.**

WEDNESDAY, 17TH SEPTEMBER, 2014

JUDGMENT : [Per S.J. Vazifdar, J.]

1. Petitioner No.2 carries on business as a sole proprietor in the firm name and style of petitioner No.1. Respondent No.3 carries on business as a sole proprietor in the firm, name and style of respondent No.2 - M/s. Lakh Enterprises.

2. The petitioner has challenged an order dated 16th July, 2010, passed by the respondent No.1 - Intellectual Property Appellate Board (IPAB), rejecting his Interim Petition No.148 of 2008 seeking leave to lead further evidence in the appeal filed by him against the order of the Registrar of Trade Marks.

3. As the only question in this Writ Petition is whether the IPAB ought to have allowed the interim application to lead further evidence, it is sufficient to state the facts only briefly.

(A) The petitioners case is that in the year 1976, his predecessor in title had coined, conceived and adopted several trademarks, word marks, label marks with devices, a prominent part of each of which are the words "*FIVE STAR*" and/or "*STAR*". Some of the petitioner's marks are registered and some are pending registration. The petitioner claims that his marks have become distinctive of and associated exclusively with his goods viz. china grass and that the same have earned considerable goodwill and reputation.

(B) In February, 1994, the petitioner came across an advertisement before acceptance for registration of the mark "*BRIGHT STAR*" with the device of a star in the issue of the Trademark Journal dated 22nd February, 1994. Contending that the respondents marks are deceptively similar visually and phonetically, the petitioner filed an Opposition in the trademark registry which was numbered as Opposition No. Bom-9668.

We are not concerned here with whether the marks are deceptively similar or not. That is a different matter with which this petition is not concerned.

(C) As a counter statement to the opposition statement was not filed within the statutory period, the petitioner applied to the Registrar to treat the application of respondent No.2 as abandoned. A notice calling upon respondent No.3 to show cause in this respect was served by the Registrar. The Registrar, however, directed respondent No.3 to file an affidavit in support of his claim. The petitioner protested against the same.

On 23rd August, 1999, respondent No.3 filed his evidence in support of his application for registration. On 15th October, 1999, the petitioner filed his evidence in support of his notice of opposition.

(D) On 2nd November, 2000, the Registrar directed the notice of opposition to be amended by giving details of the registration that the petitioner relied upon. The petitioner filed an interlocutory petition to bring on record his registration marks and to amend his notice of opposition accordingly. On 14th March, 2001, the Registrar allowed this interlocutory application.

4. By an order dated 23rd July, 2003, the Registrar dismissed the petitioners opposition. It is important to note that it was observed in the order that although the petitioner had claimed use of his mark since the year 1976, he had not filed any evidence in support thereof. The issue was decided against the petitioner as he had failed to discharge the burden of proof of the date of the user of the marks by him. The Registrar further observed that respondent No.3 had been using the marks at least from 17th November, 1988 and that the petitioner had failed to produce evidence of use of his marks prior thereto. The petitioner had contended that there was a theft of his books of accounts and other articles in December, 1986, in respect whereof he had even made a police complaint.

5. The petitioner filed an Appeal being OA/42/2006/TM/MUM before the IPAB. The petitioner took out the said Misc. Petition No.148 of 2008, seeking leave to produce evidence in support of his claim of prior user. The petitioner mainly contended that he was of the bona fide opinion and belief that on the basis of the facts on record it was not necessary for him to adduce any evidence. He, therefore,

relied only on the registration certificate issued in respect of his marks. The other averments are only general in nature and do not offer any explanation for not having produced the evidence earlier.

6. By the impugned order dated 16th July, 2010, the IPAB dismissed the application. The decision was based upon the provisions of Order 41 Rule 27 of the Code of Civil Procedure. The order does not indicate any contention on behalf of the petitioner that the provisions of Order 41 Rule 27 are not applicable to proceedings before the IPAB under the Trade Marks Act, 1999. A contention to this effect has been raised before us which we will deal with shortly. On merits, the IPAB observed that the petitioner's contention was that he had not produced any documentary evidence as he was under the impression that those documents were in the custody of the Registrar and the same should have been considered by the Registrar and that that was not a valid reason for producing the documents at the appellate stage. The further observation that the additional documents on record would bring in a new case is, with respect, clearly incorrect. The additional documents were sought to be relied upon in support of

the same case viz. of the date of commencement of the user by the petitioner of his marks.

7. Mr. Samdani firstly submitted that any party to an appeal is entitled as a matter of right to lead additional evidence and to have an appeal heard *de novo*. According to him, all proceedings before the IPAB including those challenging the order of the Registrar must be heard *de novo*, as a fresh trial. In this regard, he relied upon sections 91 and 92 of the Trade Marks Act, 1999 and Rules 2(1) and 8 to 13 of the Intellectual Property Appellate Board (Procedure) Rules, 2003.

(A) Clauses 91 and 92 read as under :

"91. Appeals to Appellate Board.-(1) Any person aggrieved by an order or decision of the Registrar under this Act, or the rules made thereunder may prefer an appeal to the Appellate Board within three months from the date on which the order or decision sought to be appealed against is communicated to such person preferring the appeal.

(2) No appeal shall be admitted if it is preferred after the expiry of the period specified under sub-section (1);

Provided that an appeal may be admitted after the expiry of the period specified thereof, if the appellant satisfies the Appellate Board that he had sufficient cause for not preferring the appeal within the specified period.

(3) An appeal to the Appellate Board shall be in the prescribed form and shall be verified in the prescribed manner and shall be accompanied by a copy of the order or decision appealed against and by such fees as may be prescribed.

92. Procedure and powers of Appellate Board.-(1) The Appellate Board shall not bound by the procedure laid down in the Code of Civil Procedure, 1908 (5 of 1908) but shall be guided by principles of natural justice and subject to the provisions of this Act and the rules made thereunder, the Appellate Board shall have powers to regulate its own procedure including the fixing of places and times of its hearing.

(2) The Appellate Board shall have, for the purpose of discharging its functions under this Act, the same powers as are vested in a civil Court under the Code of Civil Procedure, 1908 (5 of 1908) while trying a suit in respect of the following matters, namely;-

- (a) receiving of evidence;
- (b) issuing commissions for examination of witnesses;
- (c) requisitioning any public record; and
- (d) any other matter which may be prescribed.

.....

(B) Rules 2(1) and 8 to 13 read as under :

2. Definitions.- In these rules, unless, the context otherwise requires,-

.....

(l) "pleadings" includes applications or appeals, counter statements, rejoinders, replies and evidences supplementing them and other documents permitted to be filed before the Appellate Board;"

.....

8. Documents to accompany application or appeal.-(1) Every application shall be in triplicate in paper-book form and all evidences shall be in the form of affidavits, if any.

(2) Every appeal shall be in triplicate in paper-book form and shall be accompanied by the copies of the order, at least one of which shall be a certified copy against which the appeal is filed, alongwith evidences in the form of affidavits.

(3) Where a party is represented by authorised representatives, a copy of the authorisation to act as the authorised representative shall be appended to the application or appeal.

9. Notices of application or appeal to the respondent.-A copy of the application or appeal in paper-book form shall be served by the Deputy Registrar on the respondent as soon as the same is registered in the Registry.

10. Filing of counter statement to the application or appeal and other documents by the respondent.-(1) After receipt of the application or appeal filed in the prescribed Form 1, 2 or 3 of the Trade Marks (Applications and Appeals to the Intellectual Property Appellate Board) Rules, 2003, the respondent may file three complete sets of counter statement in the prescribed Form 1 under these rules containing the reply to the application or appeal alongwith documents including evidences in the form of affidavits, if any, in paper-book form before the Registry within two months of the service of the notice on him of the filing of the application or appeal. A copy of the counter statement shall be served to the applicant or appellant by the respondent directly under intimation to the Registry.

(2) After receipt of the appeal filed in the prescribed Form 4 of the Trade Marks (Applications and Appeals to the Intellectual Property Appellate Board) Rules, 2003, the respondent may file three complete sets of counter statement in the prescribed Form 2 under these rules containing the reply to the appeal in paper-book form before the Registry within two months of the service of

the notice on him of the filing of appeal. A copy of the counter statement shall be served to the appellant by the respondent directly under intimation to the Registry. The case would then proceed for hearing.

11. Filing reply by the applicant or appellant.-After receipt of counter statement, the applicant or appellant, may file his reply within two months of the service of the counter statement alongwith evidence in the form of affidavits, if any, in triplicate in the Registry. A copy of the reply shall be served on the respondent directly under intimation to the Registry.

12. Exhibits.-Where there are exhibits to affidavits, a copy each of such exhibits shall be sent to the other party. The originals shall be left in the Appellate Board for inspection of the other party. These shall be produced at the hearing unless the Appellate Board otherwise directs.

13. Translation of documents.-Where a document in a language other than Hindi or English is referred to in any proceedings, an attested translation thereof in Hindi or English shall be furnished in triplicate to the Appellate Board a copy thereof shall be served upon the other party or parties directly under intimation to the Registry."

8. The Rules are made in exercise of powers conferred by section 92 of the Act. Relying upon the above provisions Mr. Samdani contended as follows. Rule 2(1) defines pleadings to include evidence. Rule 8(1) requires evidence to be in the form of affidavits. This indicates liberty to a party to file even fresh / further affidavits before the IPAB. Rule 8(2) further contemplates "evidences" in the form of

affidavits. If the intention was to permit or require the production of only such evidence as was before the Registrar, the Rules would not have provided for evidence to be in the form of affidavits before the IPAB. This becomes clearer from Rule 10 which permits the respondent to file counter statements containing the reply to the appeal along with documents, including evidence in the form of affidavits. If the intention was that the appeal should be heard only on the basis of the record before the Registrar there would have been no question of permitting the respondents to file counter statements and evidence in the form of affidavits. In other words, if the affidavits and the evidence to be filed by the appellant in Rule 8 related only to the affidavit and evidence already before the Registrar, there would have been no need to permit or require the respondent to file a counter statement thereto and also to file "evidences" in the form of affidavits. These provisions, accordingly, contemplated further evidence on affidavits, both oral and documentary.

9. The submissions, at first blush and on a plain reading of the Rules, appear attractive. However, Mr. Kamod, the learned counsel

appearing on behalf of the respondent Nos.3 established that the submission is unfounded. We are entirely in agreement with Mr. Kamod's submissions in this regard which we will now deal with.

10. The Intellectual Property Appellate Board (Procedure) Rules, 2003 (hereinafter referred to as the "Rules") are made in exercise of the powers conferred by section 92 of the Act. They are, as the short title itself indicates, Rules of procedure. They do not confer the substantive right of appeal. They merely prescribe the procedure of the IPAB. The right of appeal is conferred by section 91 of the Act.

11. The IPAB hears both appeals and original applications. The Rules are made not merely in respect of appeals before the IPAB, but also with respect to all applications before the IPAB. An analysis of the provisions of the Act establishes that the provisions entitling a party to adduce fresh / additional evidence as a matter of right before the IPAB relate to original applications to the IPAB and not to appeals before the IPAB.

12. It is necessary first to note certain provisions of the Trade & Merchandise Marks Act, 1958.

Sections 2(x), 46, 56 and 109 of the Act, insofar as they are relevant, read as under :

"2(x) "tribunal" means the Registrar or, as the case may be, the High Court before which the case is pending.

46. Removal from register and imposition of limitations on ground of non-use.*(1) Subject to the provisions of Section 47, a registered trade mark may be taken off the register in respect of any of the goods in respect of which it is registered on application made in the prescribed manner to a High Court or to the Registrar by any person aggrieved on the ground either-*

... ..

56. Power to cancel or vary registration and to rectify the register.*-(1) On application made in the prescribed manner to a High Court 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 a High Court or to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as it may think fit.

... ..

109. Appeals.*-(1) No appeal shall lie from any decision, order or direction made or issued under this Act by the*

Central Government or from any act or order of the Registrar for the purpose of giving effect to any such decision, order or direction.

(2) Save as otherwise expressly provided in sub-section (1) or in any other provision of this Act, an appeal shall lie to the High Court within the prescribed period from any order or decision of the Registrar under this Act or the rules made thereunder.

13. Thus, under the 1958 Act, the parties were entitled to make applications for the reliefs specified in sections 46 and 56 either before the Registrar or before the High Court. If the applications were made before the Registrar, they were entitled under section 109 to challenge the decision of the Registrar before the High Court. The High Court, therefore, heard original applications as well as appeals from the orders of the Registrars.

Similar provision exist under the Trade Marks Act, 1999.

14. Sections 2(ze), 47, 57, 83, 91 and 100 of the Trade Marks Act, 1999, which came into force with effect from 15th September, 2003, insofar as they are relevant, read as under :

"2(ze) "tribunal" means the Registrar or, as the case may be, the Appellate Board, before which the proceeding concerned is pending.

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 to the Appellate Board by any person aggrieved on the ground either -

(a) or

(b)

... ..

57. Power to cancel or vary registration and to rectify the register.-(1) On application made 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 Appellate Board or to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as it may think fit.

... ..

83. Establishment of Appellate Board.-The Central Government shall, by notification in the Official Gazette, establish an Appellate Board to be known as the Intellectual Property Appellate Board to exercise the jurisdiction, powers and authority conferred on it by or under this Act.

... ..

91. Appeals to Appellate Board.-(1) Any person aggrieved by an order or decision of the Registrar under this Act, or the rules made thereunder may prefer an appeal to the Appellate Board within three months from

the date on which the order or decision sought to be appealed against is communicated to such person preferring the appeal.

... ..

100. Transfer of pending proceedings to Appellate Board.-All cases of appeals against any order or decision of the Registrar and all cases pertaining to rectification of register, pending before any High Court, shall be transferred to the Appellate Board from the date as notified by the Central Government in the Official Gazette and the Appellate Board may proceed with the matter either de novo or from the stage it was so transferred."

15. Under sections 46 and 56 of the 1958 Act, applications for reliefs, orders and directions on the grounds stipulated therein could be filed either before the High Court or before the Registrar. Under the 1958 Act, appeals could be filed under section 109 from the orders of the Registrar. The position under the Trade Marks Act, 1999, in this regard is similar if not the same.

16. Section 83 of the 1999 Act established the IPAB. Applications for reliefs, orders and directions under sections 47 and 57 of the 1999 Act may be made either to the Registrar or to the IPAB by any person aggrieved. The person aggrieved, therefore, has a choice of making an application either before the Registrar or to the IPAB. If the

application is made to the Registrar, any person aggrieved by the order of the Registrar is entitled under section 91 to file an appeal to the IPAB. Thus, proceedings before the IPAB are both original as well as appellate in nature. Where a person aggrieved chooses to file the application for reliefs under sections 47 or 57 directly to the IPAB, the proceedings would be original in nature. Where an appeal is filed by any person aggrieved by the order of the Registrar to the IPAB, the proceedings would be appellate in nature.

17. This would also be the case in respect of proceedings transferred to the IPAB under section 100 of the 1999 Act. Upon the commencement of the 1999 Act, appeals against any order or decision of the Registrar and all cases pertaining to rectification of the register pending before the High Court stood transferred to the IPAB. Thus, even in respect of pending matters the IPAB had before it, appeals filed before and original applications made to the High Court. The transferred proceedings would also be either original in nature or appellate proceedings. This is evident from the provisions of the 1958 Act which we discussed earlier.

18. Normally, an appellate court is restricted to the record before the trial court. The appellate court may well have the power to permit a party to lead further evidence. That, however, is quite different from saying that a party has a right to lead further evidence. The party would have the right to do so provided he satisfies the provisions of law in a given case. An appeal must be considered and decided on the basis of the material before the trial court unless it is otherwise ordered. In an appeal, the parties are not entitled to a *de novo* trial. That in certain appeals an appellate forum is entitled or required to deal with the appeal on facts and on law is a different matter altogether. Merely because in certain appeals the appellate forum is entitled to deal with the matter on facts as well, it does not mean that a party to the appeal is entitled to a fresh trial. All that it means is that the appellate forum is entitled to decide even questions of fact based on the evidence already before it.

19. The IPAB is not bound to hear the appeals filed before it *de novo* to wit from the stage of evidence itself. To read such a provision

into the Act based on the Rules would cause chaos in and hamper the functioning of the IPAB. The Rules must be read in a reasonable manner. Mr. Kamod's analysis of the Rules and the provisions of the Act, in our view, is correct. Separate Rules have not been made for the procedure in appeals filed before the IPAB against the order of the Registrar and in respect of applications filed directly before the IPAB. These are consolidated Rules for both types of proceedings. It is obvious that the provisions entitling a party to lead fresh evidence by way of affidavits and documents or even otherwise apply to proceedings originally filed before the IPAB and not to appeals filed to the IPAB. As far as the appeals are concerned, the IPAB is restricted to the record on the basis whereof the order impugned before it is passed. The IPAB, however, would have the powers to permit additional evidence in accordance with law.

20. However, the provisions of the Act and the Rules would also entitle a party to the appeal who was not a party before the Registrar, the right to lead further evidence. Such a party would have the right to lead further evidence provided, of course, he is entitled to maintain the

appeal. This is for the obvious reason that not having been before the Registrar, he did not have an opportunity to lead any evidence.

21. Mr. Samdani's contention that even appeals before the IPAB are to be tried *de novo*, compelling the IPAB to hear the appeal as if it was an original trial, is rejected.

22. Mr. Samdani then contended that the application for leading further evidence should have been heard only at the final hearing of the appeal and not prior thereto as an independent interlocutory application. In support of this contention, he relied upon the judgment of the Supreme Court in *Union of India v. Ibrahim Uddin & Anr.* (2012) 8 SCC 148. This submission is based on and the judgment is in a matter relating to the provisions of Order 41 Rule 27 of the Code of Civil Procedure. The first question is whether the provisions of Order 41 Rule 27 apply to proceedings under the Act and the Rules.

23. Order 41 Rule 27 reads as under :

"ORDER XLI

27. Production of additional evidence in Appellate Court.-(1) The parties to an appeal shall not be entitled to produce additional evidence, whether oral

or documentary, in the Appellate Court. But if -

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

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

(b) the Appellate Court requires any documents to be produced or any witness to be examined to enable it to pronounce judgment, or for any other substantial cause,

the Appellate Court may allow such evidence or document to be produced, or witness to be examined.

(2) Whenever additional evidence is allowed to be produced by an Appellate Court, the Court shall record the reason for its admission."

24. Section 109(8) of the 1958 Act expressly provided that subject to the provisions Act and of the Rules made thereunder, the provisions of the Code of Civil Procedure shall apply to appeals before a High Court. On the other hand, section 92(1) of the 1999 Act provides that the IPAB shall not be bound by the procedure laid down in the Code of Civil Procedure, but shall be guided by the principles of natural justice. Thus, the full vigour of Order 41 Rule 27 would, in any event,

not apply. The principles of natural justice underlying it, however, would apply.

25. Although in view of section 92 of the Act the IPAB is not bound by the procedure laid down in the Code of Civil Procedure, at least as a general rule, the principles underlying Order 47 Rule 1 ought to apply to applications for leading additional evidence before the IPAB. This would be subject to the necessary modifications as far as may be applicable while considering the provisions of the Act. Order 41 Rule 1 does not provide only for the manner in which an appeal is to be heard. It provides for a fair, reasonable and rational approach to an appeal. It indicates the difference between the nature of evidence before the trial court and the appellate court. While controlling the extent of the evidence before the appellate court, it expands the same in certain cases and subject to certain contingencies. The provisions being based on justice, equity and good sense, we have no hesitation in adopting them in appellate proceedings before the IPAB.

26. This brings us back to Mr. Samdani's submission that the order is unsustainable as the application was considered before the final hearing of the appeal. He relied upon the judgment of the Supreme Court in *Union of India v. Ibrahim Uddin & Anr* (supra) where it was held :

"49. An application under Order 41 Rule 27-CPC is to be considered at the time of hearing of appeal on merits so as to find out whether the documents and/or the evidence sought to be adduced have any relevance/bearing on the issues involved. The admissibility of additional evidence does not depend upon the relevance to the issue on hand, or on the fact, whether the applicant had an opportunity for adducing such evidence at an earlier stage or not, but it depends upon whether or not the appellate court requires the evidence sought to be adduced to enable it to pronounce judgment or for any other substantial cause. The true test, therefore, is whether the appellate court is able to pronounce judgment on the materials before it without taking into consideration the additional evidence sought to be adduced. Such occasion would arise only if on examining the evidence as it stands the court comes to the conclusion that some inherent lacuna or defect becomes apparent to the court.

50. In *Parsotim Thakur v. Lal Mohar Thakur* it was held: (LW pp. 86 - 87)

"... The provisions of Section 107, Civil Procedure Code, as elucidated by Order 41 Rule 27, are clearly not intended to allow a litigant who has been unsuccessful in the lower court to patch up the weak parts of his case and fill up omissions in the court of appeal.

... Under Rule 27, clause (1)(b), it is only where the appellate court 'requires' it (i.e. finds it needful)... The legitimate occasion for the exercise of this discretion is

not whenever before the appeal is heard a party applies to adduce fresh evidence, but 'when on examining the evidence as it stands, some inherent lacuna or defect becomes apparent'.

... It may well be that the defect may be pointed out by a party, or that a party may move the court to supply the defect, but the requirement must be the requirement of the court upon its appreciation of evidence as it stands. Wherever the court adopts this procedure it is bound by Rule 27(2) to record its reasons for so doing and under Rule 29 must specify the points to which the evidence is to be confined and record on its proceedings the points so specified. ... the power so conferred upon the court by the Code ought to be very sparingly exercised, and one requirement at least of any new evidence to be adduced should be that it should have a direct and important bearing on a main issue in the case."

[emphasis supplied]

... ..

52. Thus, from the above it is crystal clear that an application for taking additional evidence on record at an appellate stage, even if filed during the pendency of the appeal, it to be heard at the time of the final hearing of the appeal at a stage when after appreciating the evidence on record, the court reaches the conclusion that additional evidence was required to be taken on record in order to pronounce the judgment or for any other substantial cause. In case, the application for taking additional evidence on record has been considered and allowed prior to the hearing of the appeal, the order being a product of total and complete non-application of mind, as to whether such evidence is required to be taken on record to pronounce the judgment or not, remains inconsequential/inexecutable and is liable to be ignored.

53. In the instant case, the application under Order 41 Rule 27 CPC was filed on 6-4-1998 and it was allowed on 28-4-1999 though the first appeal was heard and disposed of on 15-10-1999. In view of law referred to hereinabove, the order dated 28-4-1999 is just to be

ignored."

27. It is necessary to realise the reason for the rule that an application under Order 41 Rule 27(1)(b) for leading further evidence must be considered at the time of final hearing. The reason is that under Order 41 Rule 27(1)(b), the requirement of additional evidence must be of the court. A court or tribunal can reasonably come to such a conclusion only upon an examination of the evidence as it stands. As also held by the Privy Council in *Parsotim Thakur's* case, referred to by the Supreme Court at page 1020, as follows :

"Turning to the provisions of rule 27, cl. (1)(a), has no application in the present case. Under (1)(b) it is only where the appellate Court "requires" it (i.e. finds it needful) that additional evidence can be admitted. It may be required to enable the Court to pronounce judgment, or for any other substantial cause, but in either case it must be the Court that requires it. This is the plain grammatical reading of the sub-clause. This is laid down in the most positive terms of Lord Robertson in Kessowji Issur v. Great Indian Peninsula Railway. He was dealing with the words of s. 565 of the Code of 1882, but they are substantially the same as those of Order XL, rule 27, of the present Code."

28. Mr. Kamod, however, relied upon paragraph 2 of the judgment of a Division Bench of this Court in *Colgate Palmolive Company & Anr. v. Anchor Health & Beauty Care Pvt. Ltd.* 2005 30 PTC (Bom)

(DB) 32, which reads as under :

"2. The learned senior counsel for the appellants as well as the learned counsel for the respondents wanted us to hear and decide this application for additional evidence before the hearing of the appeal. Ordinary the legitimate occasion for consideration of the application for production of additional evidence under Order 41 Rule 27 should be when the appeal is heard but since the learned counsel for the appellants as well as the learned counsel for the respondents wanted this application to be heard first before the appeal was heard, we took up the notice of motion for hearing."

Such a course, Mr. Kamod submitted is, therefore, not impermissible when it is agreed to by the parties. Mr. Kamod submitted that the petitioner not having objected to his interim application being heard before the final hearing of the appeal, cannot now be heard to raise a grievance in this regard.

29. We do not wish to consider whether the judgment of the Division Bench of this Court is impliedly overruled by the judgment of the Supreme Court. Suffice it to note that the present case is distinguishable from the judgment of the Division Bench in the *Colgate Palmolive Company's* case. Firstly, in the case before us the application was not heard with the consent of the parties. More

important, in the case before us the IPAB has not considered whether it required the evidence to enable it to pronounce judgment or for any other substantial cause. This aspect was rightly not considered by the IPAB and indeed the occasion for it to be considered had not arisen. The IPAB while dealing with the application had not considered the entire appeal as it was not taken up for final hearing. It is only when the matter is taken up for final hearing will the IPAB be in a position to decide whether it requires the additional documents. Without having considered all the facts, the IPAB would not be in a position to come to this conclusion. We do not understand the IPAB having held that it would not consider this aspect at the final hearing.

30. The requirement of the tribunal of additional evidence is more important in a matter under the Trade Marks Act, 1999, than in normal cases. This is in view of an important principle relating to the law of Intellectual Property including as regards proceedings relating to trademarks. Cases of infringement and passing off do not involve the interests of the parties alone. There is always an element of public interest. The use of trademarks is addressed to and qua the public viz.

the customers. In dealing with matters relating to infringement and passing off the court takes into consideration public interest as well. In the present case, for instance, it would be necessary to see whether the consumers of the product viz. china grass are likely to be deceived by considering the products sold under the impugned mark as originating from the petitioner. We do not for a moment suggest that in view of this principle a party is entitled as a matter of right to lead additional evidence in an appeal from an order of the Registrar in proceedings for rectification or in proceedings opposing the registration of a mark. That would depend upon the facts of each case.

31. It is, therefore, even more important in matters relating to trademarks that the court, tribunal or authority examines the matter carefully after considering all the facts as to whether or not it requires the additional evidence to deal with the matter satisfactorily. The principles underlying Order 41 Rule 27(1) and as enunciated in the judgment of the Supreme Court in *Union of India vs. Ibrahim Uddin & Anr.* (supra) must of necessity, therefore, apply with equal if not greater force in such matters.

32. Thus, as we mentioned earlier, in the impugned order, the occasion for the IPAB to consider whether it requires the documents or not has not arisen. The impugned order, therefore, will not prevent the IPAB from considering whether it requires the additional documents under the provisions of Order 41 Rule 27(1)(b) or on the principles analogous thereto. Thus, neither the impugned order nor this judgment will prevent the IPAB from permitting the production of additional evidence if the IPAB comes to the conclusion that it requires the same to enable it to pronounce the judgment or for any other substantial cause.

33. As we mentioned earlier, the finding of the IPAB that the additional evidence would introduce a new case is incorrect. The additional evidence is sought to be introduced in support of the same contention viz. the date of the user of the marks by the petitioner.

34. The petitioner's application to the IPAB in the present case did not fall under clause (a) of sub-rule (1) of Order 41 Rule 27. This is

not a case where the Court from whose decree the appeal was preferred had refused to admit evidence. The evidence was sought to be introduced only at the appellate stage.

35. The principle which we have referred to and as enunciated by the Supreme Court in *Union of India v. Ibrahim Uddin* (supra) does not apply to cases under clause (aa) of sub-rule (1) of Order 41 Rule 27. An application under the clause (aa) can also be decided prior to the final hearing of the appeal for what is in question is whether the party could or could not have produced the evidence earlier. These issues normally do not require the unfolding of the entire case and evidence. Mr. Samdani did not even contend that in the present case it was necessary for any other facts to be examined by the IPAB while deciding the petitioner's application for additional evidence. Under this sub-clause, the party seeking to produce additional evidence must establish that notwithstanding the exercise of due diligence the evidence was not within his knowledge or could not, after the exercise of due diligence be produced by him before the Registrar. This is a question of fact which can be decided even before the final hearing of

the appeal especially where parties agree to the same. The court is always entitled to hear the same at the final hearing if it thinks it necessary to do so.

36. It is clear from a reading of paragraph 49 to 52 that the Supreme Court considered a situation where under clause (b) i.e. where the appellate court considers whether it is able to pronounce judgment on the material before it without taking into consideration the additional evidence sought to be adduced. It is in that context that the Supreme Court observed that such occasion would arise only if on examining the evidence as it stands it comes to the conclusion that some inherent lacuna or defect becomes apparent to the court. This becomes clearer from paragraph 50 where the Supreme Court, relying upon the judgment of the Privy Council in *Parsotim Thakur's* case held that the requirement must be the requirement of the court upon its appreciation of evidence as it stands. The requirement of the court is not the subject matter of clauses (a) and (aa). In any event, we do not express any opinion on whether an application for additional evidence under sub-clause (a) can be heard prior to the final hearing of the appeal.

The impugned order deals with the appellant's case under sub-clause (aa). The observations in paragraphs 51 and 52 relate to the requirement of the court which is an aspect that falls under sub-clause (b).

The rationale and the principle underlying sub-clause (aa) would, however, certainly apply to the IPAB for it is based on the principles of equity, justice and good sense. A party cannot have an absolute or unconditional right to adduce additional evidence at every stage. Although under section 92(1) the IPAB is not bound by the procedure laid down in the Code of Civil Procedure, the principles on the basis of which additional evidence may be permitted must accord with the rules of reasonableness, justice and fair play. The IPAB is not bound to indiscriminately permit parties to lead further evidence in an appeal. That would be detrimental to proceedings before an appellate forum. The principles enunciated in Order Rule 41 Rule 27 furnish at least important basic guidelines.

37. That brings us to the question whether any interference is warranted with the impugned order insofar as it rejected the

application for reasons other than those contained in Order 41 Rule 27(1)(b). In our opinion, the impugned order was justified and warrants no interference.

38. Having said that, however, we find it necessary to clarify another aspect of the matter.

39. Mr. Samdani relied upon an affidavit filed by the petitioner's advocate dated 5th June, 2010, i.e. shortly before the impugned order dated 16th July, 2010. We find it convenient to reproduce paragraph 3 of the affidavit which reads as under :

"3. My clients, M/s. Agar Distributors had filed their Affidavit in support of the Notice of Opposition. However, no evidence was filed along with the said Affidavit as I was of the opinion that in view of my clients being the Registered proprietors of trademarks "FIVE STAR" and "STAR" in Class 01, besides various other marks registered in respect of their various goods including agar - agar or pending registration under class 01, 29 and 30 under Schedule IV of the Trade Marks Rules, 2002, and having regard to their prior and extensive use of the said trademarks in respect of their goods, they need not file evidence."

We find it difficult to appreciate the concluding words "... .. and having regard to their prior and extensive use of the said

trademarks in respect of their goods, they need not file evidence."

What the learned advocate says is that he did not consider it necessary for the petitioner to produce the evidence in view of the petitioner's extensive use of the trademarks. It should be obvious to anyone that extensive use is the petitioner's case. It had to be established by leading evidence. An assertion of extensive use is obviously not evidence itself. Mr. Samdani did not for a moment contend that the alleged advice given was correct. He, in fact, contended that the petitioner ought not to suffer because of the incorrect advice. That, however, cannot be a ground for permitting a party to lead additional evidence.

40. Mr. Kamod relied upon the following observations in paragraph 40 of the judgment of the Supreme Court in *Union of India v. Ibrahim Uddin & Anr.* (2012) 8 SCC 148.

"40. The inadvertence of the party or his inability to understand the legal issues involved or the wrong advice of a pleader or the negligence of a pleader or that the party did not realise the importance of a document does not constitute a "substantial cause" within the meaning of this Rule. The mere fact that certain evidence is important, is not in itself a sufficient ground for admitting that evidence in appeal."

[emphasis supplied]

The mere lapse on the part of an advocate is not a justification for permitting additional evidence at the instance of the party.

41. For instance, the petitioner was obviously ill-advised in not having produced any evidence and resting content only with the fact that his marks had been registered. The mere registration of the mark and even the statement therein regarding the date of commencement of the user is not evidence of actual user. Actual user of a mark must be established by leading relevant evidence. This is not a case where the petitioner lead some evidence of actual user, but not all of it. This is not a case where a part of the evidence was left out through inadvertence. It is a case where the party i.e. the petitioner lead no evidence at all on the mistaken belief that it was not required. The tribunal and the court may well require this evidence. That the petitioner also requires it to support its case is incidental. It does not negate or run contrary to the requirement of the court.

42. Although we uphold the rejection of the petitioner's application on the grounds akin to those under clause (aa) of Order 41 Rule 27(1),

it would be open to the IPAB to consider the failure to adduce any evidence as a factor while considering whether the IPAB itself requires the documents to pronounce judgment or for any other substantial cause.

43. The Writ Petition is, accordingly, disposed of by upholding the impugned order. It is clarified that neither the impugned order nor this order and judgment would prevent the IPAB from considering at the final hearing of the appeal, whether it requires the documents sought to be produced to enable it to pronounce judgment or for any other substantial cause.

There shall, however, be no order as to costs.

A.K. MENON, J.

S.J. VAZIFDAR, J.