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A.No.1475 of 2024
in
C.S.(Comm Div) No.82 of 2023

ORDERS RESERVED ON : 02/04/2024

ORDERS PRONOUNCED ON : 11 /07/2024

P.VELMURUGAN, J.,

Application No.1475 of 2024 has been filed by the applicant/defendant to grant permission to file rectification of the trademark under Nos.3843193 and 5795826 in Class 41 and to stay the hearing of the suit, pending disposal of the said rectification.

2. The suit has been filed by the respondents/plaintiffs seeking permanent injunction restraining the applicant/defendant from infringing the label, trademark, copyright and from passing-off their trademark “Village Ticket” as that of the trademark of the applicant/defendant.

3. Learned counsel for the applicant/defendant submitted that the concept of “Village Ticket” has been created by the second plaintiff/second respondent and the applicant/defendant. The applicant/defendant acted as full-fledged partner in conducting and running the event “Village Ticket”. Hence the trademark “Village Ticket” should be owned by both the second respondent/second plaintiff and the applicant/defendant. The respondents



/plaintiffs have also admitted in their plaint itself that the second respondent/second plaintiff and the applicant/defendant co-conceptualized the idea of “Village Ticket”. Though the concept of trademark “Village Ticket” was collaboratively conceived by both the applicant/defendant and the second respondent/second plaintiff, the trademark has been registered only in the name of the first respondent/first plaintiff, who was not in existence when the original event was admittedly conceptualized. The applicant/defendant played a pivotal role in conceptualizing, organizing and executing the entire event. Hence, the trade mark “Village Ticket” should be jointly owned by both the second respondent/ second plaintiff and the applicant/defendant. Hence the registration of trademark under Nos.3843193 and 5795826 in Class 41 would prejudice the right of the applicant/defendant. The applicant/defendant contended that no document has been filed by the respondents/plaintiffs to show that the trademark has been assigned to them. Hence, the trademark, in the names of the respondents/plaintiffs, deserves to be modified or name of the applicant/defendant should be included as a Proprietor of the said trademark. Hence, the applicant/defendant seeks permission of this Court to file the application for rectification. As per Section 124 of the Trademarks Act, if any rectification proceedings is pending before the Intellectual Property Division (IPD) and the suit which is pending for the same issue, has to be stayed until the final disposal of the proceedings before the IPD. Therefore, the suit



proceedings may be stayed, until the disposal of the proceedings before IPD.

Hence, the above application is filed by the applicant/defendant.

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4. Per contra, learned counsel for the respondents/plaintiffs submitted that the first respondent/first plaintiff is a renowned event management and branding firm, in which, the second respondent/second plaintiff is a designated partner. The second respondent/second plaintiff and the applicant herein/defendant had co-conceptualized an idea of an event, wherein the attendees of the event would experience the village life in urban area, whereas, the second respondent/second plaintiff has solely coined the term “Village Ticket” and applied for a logo in the year 2018, prior to filing of this suit. Hence, second respondent/second plaintiff is the sole owner and Proprietor of the trademark “Village Ticket”. In relation to the event of “Village Ticket”, the applicant/defendant's activities were restricted to setting up and running of food stalls alone. The first respondent/first plaintiff created the logo and the same was shared with the applicant/defendant. The mark “Village Ticket” has been extensively promoted and publicized by the respondents/plaintiffs. Though the applicant/defendant was aware of the trademark registration obtained by the respondents/plaintiffs since 2018, he has filed the above application in order to protract the suit proceedings. Hence, the respondents/plaintiffs prayed for the dismissal of the said application.



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5. The defendant in the suit who is the applicant herein, has filed the present application under Section 124 of the Trademarks Act, stating that the concept of event and the trade mark "Village Ticket" were collaboratively conceived by both the applicant/defendant and the second plaintiff/second respondent. The trademark has been registered solely in the name of the first plaintiff/first respondent, who was not in existence when the original event was admittedly conceptualized. The applicant/defendant played a vital role in conceptualization/organization and execution of the entire event. He asserts a rightful claim to the trademark "Village Ticket". The trademarks registered under Nos.3843193 and 5795826 in Class 41 would prejudice the right of the applicant/defendant. On 06.02.2023, just before filing the present suit, the second respondent/ second plaintiff has filed the application No. 5795826 under Class 41 for the trademark "Village Ticket" in his individual name, claiming them to be single firm. Despite the second respondent/ second plaintiff admitted the collaborative planning and execution of the event, the second respondent/second plaintiff has actively and continuously sought exclusive right over the mark "Village Ticket". The applicant/defendant played a comprehensive role as a partner in organizing and managing the entire event with regard to the "Village Ticket". Therefore, the trademark "Village Ticket" will be jointly owned by both the applicant/defendant and the second plaintiff



/second respondent.

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6. It is the contention of the learned counsel for the applicant/defendant that there are several admissions in the plaint that the trademark "Village Ticket" was co-conceptualized by the second respondent/second plaintiff and the applicant/defendant, whereas the registration has been claimed exclusively by the respondents/plaintiffs. There is no document to show that the trademark has been assigned to the respondents/plaintiffs by the applicant/defendant. There are no other documents to show that in any manner, the right of the applicant/defendant has been relinquished. Therefore, the applicant/defendant has made out a *prima facie* case in respect of the trademark, which is in the name of the respondents/plaintiffs be modified or changed to include the name of the applicant/defendant also as Proprietor of the said trademark. The rectification as it is, mandates the provisions of Section 124 of the Trademarks Act, 1999. Unless the question of ownership of trademark "Village Ticket" logo, is decided by the specialized statutory body ie., the Madras High Court Intellectual Property Division of this Court, effective adjudication of dispute before this Commercial Division would not be possible. Therefore the applicant/defendant is advised to file the application before the Special Bench, since the suit is pending before this Court. Therefore, leave is necessary to approach the Special Bench to decide the matter.



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7. It is the contention of the respondents/plaintiffs that the second respondent/second plaintiff solely coined the term "Village Ticket" and applied for the logo, prior to filing of the suit. Hence, the second respondent/second plaintiff is the sole owner and proprietor of the event "Village Ticket". The applicant/defendant's activities were restricted to set-up and running the food stalls alone. The first respondent/first plaintiff had created the logo and the same was shared with the applicant/defendant. The mark "Village Ticket" has been extensively promoted and published by the respondents/plaintiffs. Though the applicant/defendant was aware of the trademark registration obtained by the respondents/plaintiffs since 2018, he has filed the present application in order to protract the suit proceedings with mala-fide intention. Therefore the applicant/defendant is not entitled to the same. The applicant/defendant ought to have approached the Intellectual Property Division (IPD) even prior to filing of the suit. Despite knowing fully well about the documents of registration of the trademark "Village Ticket", he kept quiet till filing of the present suit, and now he has filed the present application only in order to protract the proceedings.

8. Heard the learned counsel for both parties and perused the materials available on record.



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9. The applicant/defendant, after receipt of summons, had filed the written statement and even in para 15 of the written statement itself, the applicant/defendant has sought permission of this Court to seek rectification of the respondents/plaintiffs' trademark. He has raised a plea in that regard in his written statement and he has filed the present application under Section 124 of the Trademarks Act.

Relevant provision of Section 124 of Trademarks Act reads as follows:

124. Stay of proceedings where the validity of registration of the trademark is questioned etc.,

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

(a) the defendant plead that registration of the plaintiff's trademark is invalid: or

(b) the defendant raises a defence under clause (e) of sub-section (2) of section 30 and the plaintiff pleads the invalidity of registration of the defendant's trademark,

the court trying the suit (hereinafter referred to as the court) shall-

(i) If any proceedings for rectification of the register in relation to the plaintiff's or defendant's trade mark are pending before the Registrar of the (High Court) 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 framing of the issue in order to enable the party concerned to apply to the (High Court) for rectification of the register.

10. A reading of the said written statement and the affidavit filed in support of the application, it is found that applicant/defendant has taken a specific plea that the application under Section 124 of the Trademarks Act is mandatory. The applicant/defendant has taken the specific plea that the respondents/plaintiffs' trademark registration, is exclusively in the name of the respondents/plaintiffs, is invalid, at the first instance, even in the written statement itself. Admittedly, specific plea had been taken by the applicant/defendant in the written statement itself that the respondents/plaintiffs' registered trademark "Village Ticket" is invalid.

11. It is well settled proposition of law that when once the suit is filed for infringement of trademarks, leave of the Court in which the suit is pending, is mandatory for the applicant/defendant to file an application seeking for rectification of the respondents/plaintiffs' trademark's registration before the I.P Division of this Court. The statutory remedy available to the



applicant/defendant under Section 57 of the Trademarks Act, seeking rectification of the respondents/plaintiffs' registered trademark "Village Ticket", the same cannot be curtailed. Whether the applicant/defendant came to know about the registration of trademark "Village Ticket" prior to filing of the suit or not, is a matter of evidence. The applicant/defendant has got every right to exercise statutory remedy under the provisions of Trademarks Act to rectify the plaintiffs/respondents' registered trademark "Village Ticket" before the I.P. Division of this Court. Then, it is for the I.P Division of this Court /Special Bench of this Court to decide as to whether the applicant/defendant is entitled to get the relief or, not. As it is mandatory that the leave of the Court has to be obtained where a suit for infringement of a trademark is pending, this Court is of the considered view that the right of a party to exercise statutory remedy, is clearly for the rectification of the registered trademark, which is mandatory. The statutory remedy is available under the Trademark Act for rectification of the respondents/plaintiffs' registered trademark "Village Ticket". This Court is of the opinion that the applicant/defendant has got every right to approach the I.P Division of this Court to invoke his right under Section 124 of Trademarks Act. The object of Section 124 of Trademark Act is that when a party to the suit seeks for rectification of the registered trademark, if they are able to prima-facie satisfy the Court on the grounds raised for rectification of the registered trademark and further, as already stated, the applicant/defendant, in his written



statement, has taken a specific plea and also expressed his willingness to approach the IP Division.

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12. Further, prior to coming into force of the Commercial Court Act, when the suit is pending before the Original Side of this Court, they used to file an application seeking rectification. After establishment of the Commercial Court Act, the same procedure would apply. As this Court has to frame issues based on the pleadings and also to decide as to whether the respondents/plaintiffs' registered trademark "Village Ticket" is valid or not, this Court is adjourning the suit for a period of three months from today, so as to enable the applicant/defendant to apply before the IP Division of this Court, for rectification of the respondents/plaintiffs registered trademark "Village Ticket".

13. For the foregoing reasons, the application filed by the applicant/defendant under Section 124 of the Trademarks Act is maintainable. The applicant/defendant has got a prima facie case to exercise Section 124 of Trademarks Act for rectification of the respondents/plaintiffs' registered trademark "Village Ticket". This Court, while allowing this application, frames the following preliminary issue in the suit:-

i. Whether the registration of the plaintiffs' trademark "Village Ticket"



Nos.3843193 and 5795826, is valid or not?

14. This Court grants three months time from today to enable the applicant/defendant to apply before the IP Division of this Court, seeking for rectification of the respondents'/plaintiffs' registered trademark "Village Ticket" under Nos.3843193 and 5795826.

15. Post the suit itself after three months from today.

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P.VELMURUGAN, J

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