

A.Nos.415 and 416 of 2021
in
C.S.No.355 of 2020

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on :05.07.2021

Pronounced on : 09.07.2021

Coram:

THE HONOURABLE DR. JUSTICE G. JAYACHANDRAN

A.Nos.415 and 416 of 2021

in

C.S.No.355 of 2020

A.No.415 of 2021:

M/s Apex Laboratories Pvt.Ltd.,
29, III Floor, SIDCO Garment Complex,
Guindy, Chennai 600 032
rep.by its Authorised Signatory,
D.Jude F.L.S.Durai Pandian .. Applicant

/versus/

M/s Knoll Heathcare Pvt.Ltd.,
M-17, Pharma Tower, Badli Industrial Area,
New Delhi 110 042. Respondent

Prayer in A.No.415/2021: This application has been filed under Order XIV, Rule 8 of the Original Side Rules read with Section 124 and Section 125 of the Trademarks Act,1999 praying to grant permission to the applicant to file a rectification of the trademark under No.2795619 in Class 5.

A.Nos.415 and 416 of 2021
in
C.S.No.355 of 2020

For Applicant :Mr.R.Sathish Kumar

For Respondent :M/s Gladys Daniel

A.No.416 of 2021:

M/s Apex Laboratories Pvt.Ltd.,
29, III Floor, SIDCO Garment Complex,
Guindy, Chennai 600 032
rep.by its Authorised Signatory,
D.Jude F.L.S.Durai Pandian .. Applicant

/versus/

M/s Knoll Healthcare Pvt.Ltd.,
M-17, Pharma Tower, Badli Industrial Area,
New Delhi 110 042. .. Respondent

Prayer in A.No.416/2021: This application has been filed under Order XIV,
Rule 8 of Original Side Rules read with Section 124 and Section 125 of the
Trademarks Act, 1999 praying to stay the hearing in the suit pending
disposal of the rectification of trademark under No.2795619 in Class 5.

For Applicant :Mr.R.Sathish Kumar

For Respondent :M/s Gladys Daniel

COMMON ORDER

(This case has been heard through Vedio Conferencing)

The plaintiff in the suit C.S.No.355/2020 has taken out these two applications with the below relief:

Application No. 415/2021: This application has been filed praying to grant permission to the applicant to file a rectification of the trademark under No.2795619 in Class 5.

Application No. 416/2021: This application has been filed praying to stay the hearing in the suit pending disposal of the rectification of trademark under No.2795619 in Class 5.

2.The suit laid by the plaintiff on the premise that, it is in the business of manufacturing pharmaceutical products since 1978. In the course of their business, it has adopted several trade marks for its products and “ZINCOVIT” is one such trademark adopted by the plaintiff in the year 1988 and using since 1990. The trade mark registration for “ZINCOVIT”

under Class 5 was granted with effect from 16/03/1988 and it is valid till 2029. The plaintiff also has registrations for the trademark ZINCOVIT SYRUP, ZINCOVIT DROPS and ZINCOVIT TABLETS in Class 30 for exports. The plaintiff had also adopted a unique packaging for its products under the trademark ZINCOVIT with distinctive features. The package qualifies as a copyright and has been registered. Till 2014, the plaintiff was using the device of fruits and vegetables as their artistic work for it ZINCOVIT SYRUP and ZINCOVIT DROPS. The plaintiff has been phasing out the fruits and vegetable label and using the seven colour strip label registered under the Copyright Act. For the past 30 years, the plaintiff is using the mark ZINCOVIT honestly, openly and continuously doing extensive business with turnover of over Rs.1,70,68,16,457/- for the financial year 2019-2020 . सत्यमेव जयते

3.While so, in or about second week of November 2020, through their sales personnel, the plaintiff came to know that the defendant's

products bearing the trademark “ ZINOLVITA” tablets with the label similar to that of the identical 7 colour label of the plaintiff is being sold in the market. The search at trade mark office revealed that the defendant has obtained registration for the trademark ‘ZINOLVITA’ in Class 5 on 22/08/2014. Hence, the plaintiff is advised to take appropriate action for rectification/cancel the defendant’s registration of the trademark ‘ZINOLVITA’.

4. With the averment that the defendants trademark 'ZINOLVITA' is phonetically and visually identical to the plaintiff trademark ZINCOVIT and the defendant has adopted their labels by keeping the plaintiffs label in mind and are trying to sail as close as possible to the plaintiff’s product ZINCOVIT, thereby infringe the copyright of the plaintiff’s artistic work, the suit is laid for (a) permanent injunction restraining the defendant, its men, agent etc., from any manner infringing the plaintiff’s trademark ZINCOVIT , or the deceptively similar trademark ZINOLVITA or any other

trademark deceptively similar to the plaintiff's trademark. (b) Permanent injunction restraining the defendant, its men, agent etc., from any manner infringing the plaintiff's copyright by using the labels/artistic works, which are substantial reproduction of plaintiff's registered copyright and other copyright in colour scheme, get up and layout for their product ZINOLVITA. (c) Permanent injunction restraining the defendant from passing off their goods as and for the products of the plaintiff using deceptively similar artistic work, identical colour scheme, get up and layout as that of the plaintiff's ZINCOVIT trademark or artistic work. As consequential relief, surrender to the plaintiff for destruction the infringed product and rendition of accounts of profit made by use of the trademark and copyright in the artistic work ZINOLVITA.

5. The defendant has entered appearance through counsel and has filed written statement denying the averments made in the plaint regarding infringement of trademark, copyright and passing off. Referring the bar

under Section 28(3) and Section 30(2)(e) of the Trademarks Act, preliminary objection raised by the defendant that suit by one registered trademark proprietor cannot sue another registered proprietor. The offending label has been changed by the defendant. Hence the cause of action for copyright infringement and passing off does not subsist. The plaintiffs trademark ZINCOVIT is protmanteau of the words ZINC and VITAMIN. The registration secured by the plaintiff for the said mark is in violation of Section 13 of the Act and invalid. The registration of the trademark ZINCOVIT does not give the plaintiff exclusive right to the word ZINC. Hence, the defendant is contemplating to take an application for rectification the registration of the plaintiff. Apart from the preliminary objections stated above, the defendant on facts had pleaded that the suit is liable to be dismissed, since their trade mark ZINOLVITA is unique and coined having no meaning in the common parlance. It is not a dictionary word and it does not bear any semblance to that of the plaintiff's trademark ZINCOVIT.

6.In the above factual background, in these two applications, the applicant seeks leave of this Court to file rectification of the defendant trademark No.2795619 in Class 5 and stay of hearing the suit pending disposal of the rectification petition. These applications are opposed by the defendant stating that the applicant has not set out a single ground for rectification.

7.To be noted. At the time of filing these petitions during the month of March 2021, as per Section 125 of the Trademarks Act, the appropriate forum for filing the rectification of registration was the Intellectual Property Appellate Board (IPAB) established under Section 83 of the Trademark Act, 1999. However, in pursuance of the Tribunals Reforms (Rationalisation and conditions of Service) Ordinance, 2021, the Intellectual Property Appellate Board established vide Section 83 of the Trade Marks Act, 1999 stands dissolved with effect from 04th April, 2021 vide notification of the Ministry of Commerce and Industry dated

22/04/2021. After the dissolution of IPAB, from 04/04/2021 onwards, the power to decide the rectification petitions is vested with the High Court of the concern jurisdiction.

8.The Learned counsel in view of the subsequent change in the law, pleads the application seeking leave to file rectification to be allowed and all further proceedings of the suit shall be stayed till the disposal of the rectification petition, yet to be filed. Whereas, the learned counsel for the respondent/defendant contends that, the leave to file rectification of the defendant trademark should not be granted since the trademark of the defendant ZINOLVITA is a valid registration granted, after due process of examination of hearing, journal advertisement and having received no opposition from any person. The plea regarding the invalidity of the defendant's trademark is *prima facie* not tenable. Therefore, leave should not be granted. Further, it is contended that, the registration of trademark of ZINOLVITA for the defendant was granted by the Registrar of Trademark

at Delhi and therefore, the jurisdiction Court to entertain the rectification application shall be exclusively with the High Court of Delhi and no other Court.

9.To test the submissions of the parties, it is pertinent to examine Section 125, which deals with the application for rectification of registration, which reads as under:-

“125. Application for rectification of register to be made to Appellate Board in certain cases.—

(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.

10. The plaintiff, in the plaint, had disclosed that he had been advised to take steps to cancel the registration for the defendant's trademark 'ZINOLVITA' for being phonetically and visually deceptive of the plaintiff's mark. It is seen from the written statement of the defendant and also extracted above, one of a specific defence as preliminary objection raised questioning the validity of the plaintiff's trademark 'ZINCOVIT' and defendant had recorded its intention to file rectification application as against the registration of the plaintiff's trademark.

11. Now, turning to Section 124 of the Trademark Act, 1999, which says,

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 defence 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 plaintiff's 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 so 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.

12. This Section as it stood before the Ordinance dated 04/04/2021, makes obligatory on the part of the Court where the suit for infringement of trademark is filed, to stay the proceedings till disposal of the

rectification of registration pending before the Registrar or the Appellate Board. Even if no such application is pending, but the Court is satisfied from the pleadings, the invalidity of the registration of the plaintiff's or the defendant's trademark is *prima facie* tenable, it is obligatory on the part of the Court to adjourn the suit for three months to enable the parties to file rectification petition before the Registrar or the Appellate Board. The change now brought through the ordinance is the dissolution of the Appellate Board. The consequential effect is, vesting the power of the Board with the High Court to decide the rectification applications.

13.If rectification application is the stand alone litigation between the parties, it will be appropriate to say, the rectification application has to be filed before the High Court, where the office of the Registrar of Trademark, which granted registration, is located. But, when the rectification application is filed subsequent to the suit for infringement of trademark, to avoid conflicting decisions and multiplicity of proceedings,

the Court competent to decide the rectification application shall be the Court where the suit for infringement of trademark already instituted.

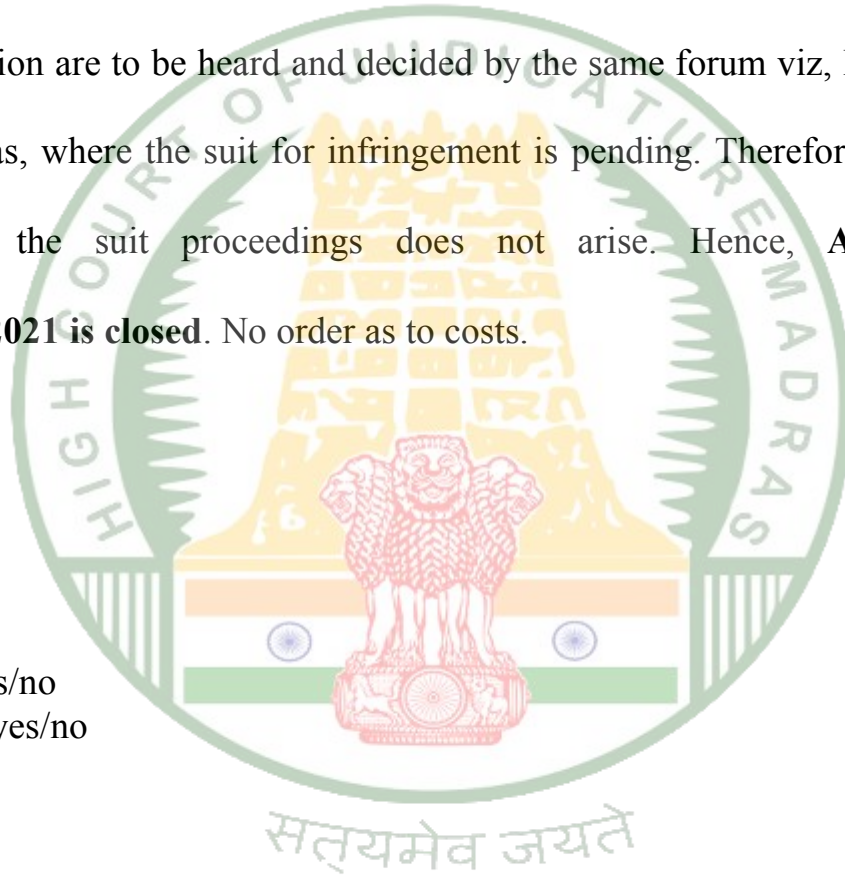
14. In the instant case, both the plaintiff as well as the defendant claim that the registration granted to the other party is invalid. The plaintiff has initiated suit for infringement of trademark, infringement of copyright and passing off. From the pleadings, the sparring parties have recorded their intention to challenge the validity of the registration granted to the other party through rectification application. The plaintiff's trademark "ZINCOVIT" is registered at the Office of Trademark Registrar, Chennai. The defendant's trademark "ZINOLVITA" is registered at the Office of the Trademark Registrar, New Delhi. When a composite suit is before this Court to decide about infringement of trademark, copyright and passing off, it may be forum inconvenience for the parties to agitate one rectification application before the Delhi High Court and the other application at Madras High Court for the same rival trademarks.

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15.In the result, **Application No.415/2021 seeking leave to file rectification application is allowed.** The suit as well as the application for rectification are to be heard and decided by the same forum viz, High Court of Madras, where the suit for infringement is pending. Therefore, the need to stay the suit proceedings does not arise. Hence, **Application No.416/2021 is closed.** No order as to costs.

Index:yes/no
Internet:yes/no
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Dr.G.JAYACHANDRAN,J.

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