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(T)OP(TM)/263 & 264/2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18.10.2023

CORAM

THE HONOURABLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

(T)OP(TM)/263 & 264/2023
(ORA/17/2018/TM/CHN) &
(ORA/18/2018/TM/CHN)

Nalli Sambbasivam
Trading as
M/s.Nalli's Silks Sari Centre,
401, Telang Road, Matunga,
Mumbai - 400 019.

... Petitioner in both the OPs

-VS-

1.M/s.Nalli Chinnasami Chetty,
a partnership firm
having principal place of business at
9, Nageswaran Road
T.Nagar, Chennai - 600 017,
Tamil Nadu.

2.N.Kuppuswami Chetti,
Partner M/s.Nalli Chinnasami Chetty,
having principal place of business at
9, Nageswaran Road, T.Nagar,
Chennai - 600 017, Tamil Nadu.

3.N.K.Ramanathan,
Partner M/s.Nalli Chinnasami Chetty,
a partnership firm,



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having principal place of business at
9, Nageswaran Road, T.Nagar,
Chennai – 600 017, Tamil Nadu.

4. Deputy Registrar of Trademarks,
Trade Marks Registry,
Boudhik Sampada Bhawan,
G.S.T.Road, Guindy,
Chennai – 600 032.

... Respondents in both the OPs

COMMON PRAYER: Transfer Original Petition (Trade Marks) filed under Section 47, 57, 125 of the Trade Marks Act, 1999 and Rule 92 of the Trade Marks Rules, 2002 prays (a) that the present Application for rectification of the impugned trade mark “Nalli” may be allowed and the registration of the trade mark “Nalli” under number Nos.472754 & 903811 in class 24 and class 25 may be cancelled and entry relating thereto may be altogether removed from the Registrar of Trade Marks; (b) In the alternative to prayer (1), the Hon'ble Court may be pleased to limit and/or quality the trademark registration nos.472754 & 903811 in class 24 and class 25, with a disclaimer that the Respondents do not have any exclusive right over the word “Nalli” and the Petitioner is also entitled to use the mark “Nalli”; (c) the costs of these proceedings be awarded to the Applicant.

For Petitioner : Mr.V.Natarajan
in both OPs for M/s.V.N.R. Associates



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For R1 to R3 : Mr.A.Vijay Anand
in both OPs for M/s.De Penning and De Penning

For Respondent 4 : Mr.M.Karthikeyan, SPC
in both OPs

COMMON ORDER

In both these rectification petitions, the first respondent raised an objection to the maintainability of the petitions. Such objection was raised on the ground that a suit for infringement was filed earlier by the first respondent against the petitioner herein in relation to Trade Mark Nos.472754 and 903811, which are the subject of the present rectification petitions. The said suit was filed and numbered as Commercial Suit No.108 of 2013 before the Bombay High Court. The first respondent asserts that the present rectification petitions were filed about four or five years later before the Intellectual Property Appellate Board in ORA Nos.17 and 18 of 2018. In spite of the rectification petitions being filed subsequently, the first respondent states that the Bombay High Court did not conclude that there is a triable issue on the validity of the registrations of the



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relevant trade marks and frame an issue thereon. Since such issue was not framed, it is submitted that the present petitions are liable to be dismissed as not maintainable.

2. Learned counsel for the petitioner contended that the right to maintain a rectification petition is an independent right *inter alia* under Section 57 of the Trade Marks Act, 1999 (the Trade Marks Act). According to learned counsel, the said right is not subject to Section 124 of the Trade Marks Act. In support of this contention, learned counsel referred to the judgment of the Delhi High Court in *Anubhav Jain v. Satish Kumar Jain & another (Anubhav Jain)*, 2023/DHC/000233. In particular, learned counsel relied upon paragraphs 17, 19, 24 to 26 and 30 of the said judgment.

3. After pointing out that two suits are pending before the Bombay High Court, including a suit filed by the petitioner herein, learned counsel relied upon the judgment of the Delhi High Court in



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Sana Herbals Pvt Ltd v. Mohsin Dehlvi, 2022/DHC/005678, to contend

that both the suits and the rectification petitions may be clubbed and heard by the High Court so as to preclude the possibility of conflicting decisions. Learned counsel next relied upon the principle of constructive *res judicata* to contend that it is not open to the first respondent herein to challenge the maintainability of the rectification petitions after acceding to the consolidation of the two suits before the Bombay High Court. In conclusion, learned counsel relied upon the judgment of the Supreme Court in *BGS SGS Soma JV v. NHPC Ltd.* (2020) 4 SCC 234 to contend that the judgment of a court is not to be read as a statute or as Euclid's theorem.

4. In response to these contentions, learned counsel for the first respondent submitted that the suit for infringement was filed by the first respondent before the Bombay High Court in the year 2013. By pointing out that the present rectification petitions were filed in late 2017 and numbered in 2018, learned counsel submits that Section



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124(1)(a)(ii) is clearly applicable to the facts of this case.

Consequently, he submits that the petitioner should have requested the Bombay High Court to frame an issue on the validity of registration of the relevant trade marks. By referring to the order dated 12.11.2018 of the IPAB, learned counsel pointed out that the petitioner herein took time to file copies of additional issues framed by the Bombay High Court, but did not file the same. He also referred to the order dated 28.08.2023 of this Court to the same effect.

5. Learned counsel then relied on the judgment of the Supreme Court in *Patel Field Marshal Agencies & another v. P.M.Diesels Limited and others (Patel Field Marshal)*, 2018 2 SCC 112, particularly paragraphs 31, 32, 34 and 41 thereof. On such basis, learned counsel submitted that the present rectification petitions are not maintainable and that such petitions may be filed only after the civil court forms the *prima facie* opinion that the challenge to the invalidity of registration warrants consideration in the rectification proceedings.



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6. The interpretation of Section 124 of the Trade Marks Act is at the core of the issue raised by the first respondent. Section 124 is set out below:

“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 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



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the framing of the issue in order to enable the party concerned to apply to the High Court 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 issue 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 insofar as it relates to the issue as to the validity of the registration of the trade mark.



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(5) The stay of the 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."

7. Section 124(1) applies either if the defendant pleads that the registration of the plaintiff's trade mark is invalid or if the plaintiff pleads invalidity of the registration of the defendant's trade mark in cases where defendant raises a defence under clause (e) of sub-section (2) of section 30. The provision envisages two situations: the first of these is where both a suit for infringement of a trade mark and proceedings for rectification are pending. In that situation, it is prescribed that the court trying the suit shall stay the suit pending the final disposal of rectification proceedings. The second situation which Section 124(1) deals with is where a civil suit is pending, but no rectification proceedings are pending. In that situation, if the plea as to the invalidity of the registration of the trade mark of either the



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plaintiff or the defendant is raised, and the Court is satisfied that the party asserting invalidity has raised a triable issue, the court is required to frame an issue on the same and adjourn the case for a period of three months from the date of framing of issues, so as to enable the party asserting such invalidity to apply for rectification.

8. In *Patel Field Marshal*, the Supreme Court dealt with Section 56 of the Trade and Merchandise Marks Act, 1958 (the 1958 Act), which is in *pari materia* with Section 57 of the Trade Marks Act. After examining Section 56 of the 1958 Act, in relevant part, the Court recorded the following findings in paragraph 31:

“31.... In a case where the issue of invalidity is raised or arises independent of a suit, the prescribed statutory authority will be the sole authority to deal with the matter. However, in a situation where a suit is pending (whether instituted before or after the filing of a rectification application) the exercise of jurisdiction by the prescribed statutory authority is contingent on a finding of the civil court as regards the prima facie tenability of the plea of invalidity”



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In paragraph 32 of the said judgment, the Court held, in relevant part, as under:

“.... Conversely, in a situation where the civil court does not find a triable issue on the plea of invalidity the remedy of an aggrieved party would not be to move under Sections 46/56 of the 1958 Act but to challenge the order of the civil court in appeal. This would be necessary to avoid multiple proceedings on the same issue and resultant conflict of decisions.”

Eventually, in paragraph 41, the Court concluded that leave of the civil court is not required either under Section 111 of the 1958 Act or under Section 124 of the present Act, but the requirement of satisfying the civil court of the existence of a *prima facie* case of invalidity is a basic requirement to further the cause of justice.

9. In *Anubhav Jain*, on which learned counsel for the petitioner placed considerable emphasis, the Delhi High Court concluded that Section 124 is attracted only if the specific circumstances set out in



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paragraph 18 of that judgment are satisfied. Thereafter, the Delhi High Court proceeded to hold that the right conferred by Section 57 of the Trade Marks Act is independent of the right conferred under Section 124(1)(a)/(b)(ii). Paragraph 30 of the judgment of the Delhi High Court is as under:

“In that view of the matter, in my considered opinion, the right to seek cancellation of a mark and rectification of the register, conferred by Section 57 and by Clause (ii) of the second part of Section 124 of the Trade Marks Act are independent rights, which are both available for invocation by an interested party.”

10. The right to apply for rectification is conferred on a party both under Sections 47 and 57 of the Trade Marks Act. The right under Section 47 is available on the ground of no *bona fide* use of the relevant trade mark for a period longer than the period prescribed by the statute. Section 57, on the other hand, is applicable when a person seeks cancellation or variation of the registration of a trade mark on



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the ground of any contravention or failure to observe a condition prescribed in relation thereto or even when a person is aggrieved either by an entry or omission in the register. Thus, Section 57 is wide in scope and not limited to a situation where a person alleges invalidity of registration of a trade mark. Section 124, by contrast, is attracted only under the limited circumstances set out therein and Section 124(1)(a)/(b)(ii) prescribes the conditions subject to which a party may apply under Section 57 for rectification after a civil suit was filed for infringement. In other words, the statutory right to apply for rectification is contained in Sections 47 and 57 of the Trade Marks Act and not in Section 124. However, Section 124 prescribes the conditions to be fulfilled before a party applies for rectification under the specific circumstances specified therein.

11. In paragraph 32 of *Patel Field Marshal*, the Supreme Court concluded that a party that fails to satisfy the civil court of the existence of a triable issue on the plea of invalidity of the relevant



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trade mark should impugn the said order and cannot apply under Sections 46 or 56 of the 1958 Act. The import of this conclusion is that a petition under Section 57 of the Trade Marks Act, which corresponds to Section 56 of the 1958 Act, cannot be maintained in cases falling within the ambit of Section 124(1)(a)/(b)(ii) unless the civil court before which the prior suit is pending concludes that there is a triable issue on the invalidity of registration of the trade mark, frames such issue and adjourns the suit for a period of three months to enable the party asserting invalidity to file a rectification petition. Any other conclusion would be contrary to the findings recorded in *Patel Field Marshal*.

12. As discussed above, in spite of being provided an opportunity to place on record the issues framed by the Bombay High Court in Commercial Suit No.108 of 2018, the petitioner has failed to do so. Indeed, learned counsel for the petitioner is unable to confirm that an issue was framed in the above suit on the validity of



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registration of the two impugned trade marks. In those circumstances, these petitions cannot be prosecuted. Consequently, (T)OP(TM) Nos.263 and 264 of 2023 are dismissed as not maintainable, by leaving it open to the petitioner to re-apply if the petitioner persuades the Bombay High Court in the pending commercial suit to frame an issue on the validity of registration of the relevant trade marks. There shall be no order as to costs.

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