



Application Nos.2028 & 2029 of 2023 in C.S.(Comm.Div.)
No.2 of 2023 and C.S. (Comm.Div.) No.246 of 2023

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 13.02.2024

Pronounced on : 19.02.2024

CORAM:

THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE

**Application Nos.2028 & 2029 of 2023 in
C.S.(Comm.Div.)No.2 of 2023**

VARAMM Healthcare Private Limited,
Chennai-600 040.

.. Applicant/defendant

vs.

MGM Healthcare Private Limited,
rep. by its Authorised Signatory
Harish Maniam,
Chennai - 600 029.

.. Respondent/plaintiff

For Applicant : Mr. R.Sathish Kumar for
Mr.Vijayan Subramanian

For Respondent : Mr.Abishek Jenasenan

ORDER

The primary issue that arises for consideration in these applications filed under Section 124 of the Trademarks Act is whether to satisfy the requirement of Section 124 of the Trademarks Act, a plea should necessarily be taken in the written statement that the registration



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of the plaintiff's trademark 'VARAM' is invalid or it would suffice if such a plea was taken by the defendant in the counter affidavit filed in the Interlocutory Applications filed by the plaintiff seeking interim injunction.

2.In order to understand the issue on hand better, Section 124 of the Trademarks Act is extracted hereunder:

'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 2[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



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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 2[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 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.'



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3.In the case on hand, the applicant's/defendant's right to file the written statement has been forfeited as the maximum statutory period of 120 days for filing the same has got expired. However, in the Interlocutory Applications filed by the plaintiff seeking for interim injunction to restrain the defendants from using the plaintiff's trademark 'VARAM', a counter affidavit was filed by the defendant in those applications and in the said counter affidavit, a specific plea was taken by the defendant that the registration of the plaintiff's trademark 'VARAM' is invalid. The relevant paragraph, where such a specific plea was taken by the defendant from the counter affidavit filed in the interim injunction applications, is re-produced hereunder:

'INVALIDITY OF THE PLAINTIFF'S TRADEMARK:

18.It is submitted that the plaintiff had applied and received registration of defendant even after knowing that defendant is the prior user of the said trademark which clearly shown the ill intention of the plaintiff. It is further to be noted that the defendant had applied for trademark the word, "VARAMM HEALTHCARE PVT LTD" before the trademark registry on 23.10.2022 under class 44 and the same is pending for registration.

19.It is submitted that the defendant has worked hard in building the brand/trademark in the medical field and



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providing quality medical service to all the patients which can be seen from the growth of the defendant in a short span of time and due to quality of treatment provided by the defendant, the defendant has expanded its hospital which was earlier incorporated as MSME has been incorporated as a Corporate entity by registering the same under the Companies Act, 2013 in the year 2021.'

4.The interim injunction applications filed by the plaintiff were dismissed by a learned Single Judge of this Court on a prima facie consideration that the defendant is a prior user of the trademark. The Division Bench of this Court in the Original Side Appeals filed by the plaintiff also confirmed the order of the learned Single Judge by dismissing the Original Side Appeals.

5.Learned counsel for the plaintiff would submit that unless a plea has been taken in the written statement that the registration of the plaintiff's trademark 'VARAM' is invalid, Section 124 of the Trademarks Act does not get attracted. He would submit that the plea in the counter affidavit filed by the defendant in the Interlocutory Applications that the registration of the plaintiff's Trademark 'VARAM' is invalid would not suffice. In support of his contentions, the learned counsel for the plaintiff drew the attention of this Court to the following authorities:



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a)**Marico Ltd. vs. Agro Tech Foods Ltd. reported in 2010 SCC**

Online Delhi 3806;

b)**Anubhav Jain vs. Satish Kumar Jain reported in 2023 SCC**

Online Delhi 424.

6.Relying upon the aforesaid decisions of the Delhi High Court, the learned counsel for the plaintiff would submit that unless and until a specific plea has been taken by the defendant in the written statement that registration of the plaintiff's trademark 'VARAM' is invalid, these applications filed under Section 124 of the Trademarks Act to stay the suit are not maintainable. According to him, having forfeited the right of filing the written statement, the defendant cannot file these applications under Section 124 of the Trademarks Act.

7.On the contrary, the learned counsel for the defendant places reliance on the judgment of the Hon'ble Supreme Court in the case of **Patel Field Marshal Agencies and another vs. P.M.Diesels Limited and others reported in 2018 2 SCC 112** and would submit that leave of this Court, where the infringement suit is now pending, is required to



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enable the defendant to seek for rectification of the plaintiff's registered trademark as per the provisions of the Trademarks Act. According to him, the plea for the purpose of satisfying the requirement of Section 124 will be satisfied if the plea is taken in the counter affidavit filed by the defendant in the Interlocutory Applications that the registration of the plaintiff's trademark 'VARAM' is invalid. He would also submit that Section 124 of the Trademarks Act does not stipulate that the plea will have to be necessarily taken in the written statement. He would further submit that it is now well settled as laid down by the decision of the Honourable Supreme Court in Patel Field Marshal case referred to supra that unless and until this Court grants leave in this infringement suit to the defendant to seek for rectification of the plaintiff's trademark 'VARAM', the defendant cannot approach the IP Division of this Court and seek rectification of the plaintiff's registered trademark 'VARAM'. He would also submit that the defendant's statutory right under the Trademarks Act for rectification of the plaintiff's trademark cannot be curtailed just because the written statement was not filed by the defendant in the suit that too when a specific plea was already taken in the counter affidavit in the interim injunction applications that the



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trademark registration obtained by the plaintiff is invalid.

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Discussion:

8.A narrow interpretation cannot be given to the meaning of 'plea' in Section 124 of the Trademarks Act. Any statutory remedy cannot be curtailed based on a narrow interpretation of the word 'plea' as the power to exercise a statutory remedy is a fundamental right. If a narrow interpretation as the one submitted by the learned counsel for the plaintiff that the plea referred to in Section 124 must be a plea taken in the written statement only is to be accepted, it would amount to depriving the defendant from exercising their statutory remedy available to them for rectification of the plaintiff's registered trademark 'VARAM'. When a plea has already been taken by the defendant in the counter affidavit filed in the Interlocutory Applications filed by the plaintiff that the registration of the plaintiff's trademark 'VARAM' is not valid, the present applications cannot be held not maintainable.

9.Section 124 of the Trademarks Act does not stipulate that the plea will have to be taken only in the written statement and cannot be



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taken in a counter affidavit filed in the Interlocutory Applications filed by the plaintiff. Applying the literal rule of statutory interpretation, the plea has to be interpreted using the ordinary meaning of the language of the statute unless the statute explicitly defines the said term 'plea'. Admittedly, plea as found in Section 124 of the Trademarks Act has not been defined. Therefore, the plea taken with regard to the invalidity of the Trademark registration can be taken through any form not restricted to written statement alone. Therefore, the plea taken by the defendant in its counter affidavit that the plaintiff's trademark registration is invalid, which was taken at the first instance even before the time for filing the written statement got expired would suffice for the purpose of satisfying the requirement of Section 124 of the Trademarks Act.

10. Admittedly, a specific plea has been taken by the defendant in the counter affidavit filed in the Interlocutory Applications filed by the plaintiff that the plaintiff's registered trademark 'VARAM' is invalid. The learned Single Judge of this Court by its Order dated 15.06.2023 dismissed the interim injunction applications filed by the plaintiff in O.A. Nos.12 and 13 of 2023 and the Division Bench of this Court by Order



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dated 29.09.2023 also upheld the order of the learned Single Judge by dismissing the O.S.A. (CAD) Nos.120 and 121 of 2023 filed by the plaintiff, on a prime facie consideration that the defendant is a prior user of the subject trademark 'VARAMM'.

11.Admittedly, as seen from the order of both the learned Single Judge as well as the order of the Division Bench, on a prima facie consideration, the defendant has been able to establish that they are the prior user of the trademark 'VARAMM'.

12.The decision relied upon by the learned counsel for the defendant in **Patel Field Marshal Agencies and another vs. P.M.Diesels Limited and others reported in 2018 2 SCC 112** also makes it clear that once a suit is filed for infringement of Trademark, leave of the Court in which the suit is pending is mandatory for the defendant to file an application seeking for rectification of the plaintiff's Trademark registration before the IP Division of this Court. The statutory remedy available to the defendant under Section 57 of the Trademarks Act seeking for rectification of the plaintiff's registered trademark



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'VARAM' cannot be curtailed just because the defendant has forfeited its right to file the written statement on account of the statutory period for filing the same has got expired. As observed earlier, a narrow interpretation cannot be given to the word 'plea', which have been found in Section 124 of the Trademarks Act. If such a narrow interpretation as submitted by the learned counsel for the plaintiff is given, the fundamental right to exercise a statutory remedy available under the provisions of the Trademarks Act to rectify the plaintiff's registered Trademark 'VARAM' will be defeated.

13.Having taken a specific plea in the counter affidavit filed in the interim injunction applications filed by the plaintiff that the defendant is a prior user of the Trademark and the registration of the plaintiff's Trademark 'VARAM' is invalid, this Court is of the considered view that the plea for the purpose of satisfying the requirement under Section 124 of the Trademarks Act includes a plea taken in the counter affidavit filed in the interim injunction applications filed by the plaintiff before this Court. As it is mandatory that the leave of the Court where Trademark infringement suit is pending is required to be obtained before filing an



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application for rectification of the Trademark, this Court is of the considered view that a narrow meaning for the word 'plea' cannot be given. Such a narrow interpretation will defeat the right of a party to exercise its statutory remedy which in the normal course is available under the Trademarks Act 1999 for rectification of a registered trademark. The statutory remedy has been given to an aggrieved party to seek for rectification of trademark, whose registration is found to be invalid. If the interpretation given by the learned counsel for the plaintiff that the plaintiff's registered trademark is invalid can be taken only in the written statement is to be accepted, the fundamental right to exercise the statutory remedy available under the Trademarks Act for rectification of the plaintiff's registered trademark 'VARAM' will get defeated, which in the considered view of this Court would not have been the intention of the legislature under Section 124 of the Trademarks Act.

14. Section 124 also does not stipulate that to satisfy the requirements of plea, the plea will have to be taken only in the written statement. Therefore, this Court is of the considered view that a plea for the purpose of satisfying the requirement of Section 124 of the



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Trademarks Act would suffice if the same is taken by the defendant in the counter affidavit filed in the interim injunction applications filed by the plaintiff. Having forfeited the right to file the written statement due to the fact that the statutory period has got expired, the right of the defendant to exercise its statutory remedy as per the provisions of the Trademarks Act 1999 to seek for rectification of the registered trademark of the plaintiff cannot be defeated and they cannot be left remediless, that too when a specific plea has been taken by the defendant in the counter affidavit filed earlier in the interim injunction applications filed by the plaintiff that the registration of the plaintiff's trademark 'VARAM' is invalid.

15. A learned Single Judge of the Delhi High Court in the case of **Anubhav Jain vs. Satish Kumar Jain reported in 2023 SCC Online Delhi 424** was dealing with a case where written statement was filed but a plea that the registration of the plaintiff's trademark is invalid was not taken. But, in the instant case, the right to file a written statement for the defendant has been forfeited on account of the delay. Therefore, the question of taking a plea by the defendant in the written statement will



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not arise. If a narrow interpretation that a plea can be taken only in the written statement and not anywhere else is to be accepted, the exercise of statutory remedy by the defendant seeking to rectify the plaintiff's registered trademark 'VARAM' will get defeated despite the fact that the defendant has taken a specific plea in their counter affidavit filed in the interlocutory applications filed by the plaintiff that the plaintiff's registered trademark 'VARAM' is invalid and based on the said counter affidavit and supporting documents, the learned Single Judge of this Court has dismissed the interlocutory applications filed by the plaintiff, which has also been confirmed by the Division Bench of this Court. Therefore, the decision of the learned Single Judge of the Delhi High Court in **Anubhav Jain's** case, referred to supra, has no bearing for the facts of the instant case.

16.The object of Section 124 is to aid a party to a suit to seek for rectification of a registered trademark if they are able to prima facie satisfy the Court that tenable grounds have been raised for rectification of the registered trademark. If a narrow interpretation for the meaning of 'plea' is given, the object of Section 124 of the Trademarks act will get



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defeated. Another judgment relied upon by the learned counsel for the plaintiff in Marico Ltd. vs. Agro Tech Foods Ltd. reported in 2010 SCC Online Delhi 3806 was a case decided by the Division Bench of the Delhi High Court prior to coming into force of the Commercial Courts Act 2015. In that decision, on the date of filing of the applications under Section 124 of the Trademarks Act 1999, the written statement was not filed and under those circumstances, the Division Bench of the Delhi High Court had held that a plea with regard to the invalidity of the trademark will have to be taken only in a written statement. Prior to the coming into force of the Commercial Courts Act, 2015, the written statement can be filed at anytime and if there is a delay and sufficient cause is shown for the delay, the delay can also be condoned irrespective of the number of days delay. However, under the Commercial Courts Act, 2015 beyond the period of 120 days from the date of receipt of the suit summons, the question of condoning the delay beyond 120 days is statutorily impossible.

17.In the case on hand also, the defendant has forfeited the right to file the written statement since the maximum statutory period of 120



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days has got expired. Therefore, the decision of the Delhi High Court in the case of Marico Ltd. vs. Agro Tech Foods Ltd. reported in 2010 SCC Online Delhi 3806 has no bearing for the facts of the instant case.

18.It is to be noted that the defendant has succeeded in the interlocutory applications filed by the plaintiff seeking for interim injunction as both the learned Single Judge as well as the Division Bench of this Court, on a prima facie consideration have held that the defendant is a prior user of the subject trademark. In view of the dismissal of the interim injunction applications filed by the plaintiff, which has also been confirmed by the Division Bench, a prima facie case has been made out by the defendant to raise an issue regarding the validity of the plaintiff's trademark registration. As this Court will have to frame an issue as to whether the plaintiff's registered trademark 'VARAM' is valid or not, this Court is adjourning the case for a period of three months from today to enable the defendant to apply to the IP Division of this Court for rectification of the plaintiff's registered trademark 'VARAM'.



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19.For the foregoing reasons, since the applications filed under Section 124 of the Trademarks Act filed by the defendant is maintainable and the defendant has made out a prima facie case to exercise the statutory remedy under the Trademarks Act for rectification of the plaintiff's registered Trademark 'VARAM', this Court is allowing these applications by framing the following preliminary issue in the suit:

'Whether the registration of plaintiff's trademark 'VARAM' under Nos.5028086 and 4748384 are valid or not?

20.The suit is adjourned for a period of three months from today to enable the defendant to apply to the IP Division of this Court and seek for rectification of the plaintiff's registered trademark 'VARAM' under Nos.5028086 and 4748384. Post the suits after three months from today.

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Index: Yes/ No
Speaking order / Non speaking order
Neutral citation : Yes / No
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**pre-delivery order in
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