



IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON 28.10.2024	PRONOUNCED ON 19.12.2024
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A.Nos.4172 & 4173 of 2024
in C.S.(Comm.Div) No.2 of 2023

K.KUMARESH BABU,J.

The Application in A.No.4172 of 2024 has been filed seeking to extend the time granted in A.No.2029 of 2023 in C.S.No.(Comm.Div.)No.2 of 2023 by the order dated 19.02.2024.

2. The Application in A.No.4173 of 2024 has been filed seeking to extend the time granted in A.No.2028 of 2023 in C.S.(Comm.Div.)No.2 of 2023 by the order dated 19.02.2024.

3. Heard Mr.R.Sathish Kumar, learned counsel for Mr.Vijayan Subramanian, learned counsel for the applicant and Mr.Abishek Jenasenan, learned counsel for the respondent.

4. Mr.R.Sathish Kumar, learned counsel appearing on behalf of the applicant would submit that in the instant suits, an application had been filed by the applicant under Section 124 of the Trade Marks Act, 1999 (herein after referred to as 'the Act') to file a rectification application of the trade Marks of the respondent. The said application after heavy contest was held to be



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maintainable and having held that the applicant had made a *prima facie* case to exercise as statutory remedy, allowed the said application by framing an issue with respect to the validity of the respondent's trade mark. Therefore, the suit was adjourned for a period of three months, so as to enable the applicant to apply to the IP Division of this Court seeking rectification of the respondents registered trademark. The applicant had filed rectification application before this Court in the month of July 2024 within three months from the date of receipt of a copy of that order. When it was opposed to by the learned counsel appearing for the respondents that an application had been filed beyond the period of three months seeking permission of this Court to move an application for extension of time, the present applications had been filed.

5. He would submit that the mistake committed by the applicant is bonafide and if the extension of time is not granted, the applicant would be put to irreparable loss and undue hardship. He would further submit that the right to seek rectification under Section 57 of the Act is a perpetual right vested with the aggrieved person and the same cannot be circumscribed for a period of three months as prescribed under Section 124 of the Act. He would submit that Section 124 of the Act also enables the Court to extend the time period of three months and therefore, would submit that the present application to be permitted or otherwise, the liberty granted by this Court by holding that the applicant had



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a *prima facie* case for assailing the validity of the registered trademark would be rendered in nullity. He would further submit that the *ex-parte* injunction granted against the applicant had also been vacated by the learned Single Judge and affirmed by the Hon'ble Division Bench of this Court, which would itself show that the applicant has a *prima facie* case in assailing the validity of the registered trademark and therefore would seek this Court to grant an extension of time for maintaining the application.

6. Countering his arguments Mr.Abishek Jenasenan learned counsel appearing on behalf of the respondents would contend that the extended time specified under sub-sections (2) and (3) of Section 124 of the Act would mean an extension of time within a period of three months given under clause (ii) of sub-section (1) of Section 124 of the Act. He would further contend that even though no time period had been prescribed under Section 57 of the Act, the provision of Section 124 makes it abundantly clear that when a Suit had been instituted against a defendant, then the time limit for filing of such application for rectification had been statutorily fixed for a period of three months. He would further submit that the Statute further envisages that the Court shall also frame an issue regarding the validity of the registration and adjourn the proceedings in the Suit till the period of three months and when any application had been taken out for rectification within the said period or



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extended period, then the Suit shall be stayed till the disposal of the said application. He would further submit that the sub-section (3) of Section 124 of the Act also mandates that if no such application is made within the said period of time granted by this Court then it is deemed that the defendant therein shall have abandoned such right to question the validity of registration and the Court shall proceed in the Suit with regard to the other issues in the case. He would further submit that in the facts of the case the time period granted by this Court came to an end during the month of May 2024 and thereafter, considering the Case Management Schedule filed by the respondent, this court by order dated 21.06.2024 accepting the Case Management Schedule had directed the learned Master to record evidence and had also directed the respective parties to file the written arguments. Thereafter, the Suits were listed before the learned Master on 27.06.2024, and 28.06.2024, both the respondent and the applicant had also let-in evidence and had cross examined the respective witnesses. After recording the evidence, the evidence was closed at the instances of the both the counsels appearing on the side of the applicant and the respondent and the learned Master had directed the matter to be listed before this Court. Only after the recording of evidence, the applicant had moved the IP Division of this Court by filing a rectification application and when the time frame was brought to the notice of this Court, the learned counsel had sought time to file an appropriate application for extension of time.

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7. He would oppose the extension of time on two grounds. Firstly that the time period has lapsed as early as on May 2024 and the application for extension of time had not been filed within the period of three months and therefore, the application is not at all maintainable. Secondly he would submit that the applicant who having participated in the further proceedings of the Suit is estopped from claiming that his right had not been abandoned. He would draw strength from sub-section (3) of Section 124 of the Act, to contend that if an application had not been filed within the time framed, it should be deemed that the party had abandoned the right and the Court shall proceed with the Suit in respect of other issues. He would submit that the applicant herein had participated in further proceedings in the Suit and cannot be heard to say that he has not abandoned his right. His further participation in the Suit would itself impliedly mean that he had abandoned his right granted to him by this Court in its order dated 19.02.2024 and now he cannot be heard to say that his right still subsist.

8. The learned counsel appearing for the respondent had also relied upon the judgment of the Hon'ble Apex Court in the case of ***Patel Field Marshal Agencies & Anr., vs P.M.Diesel Limited & Ors.***, reported in ***(2018) 2 SCC 112***

and contend that if an application had not been filed within the time period,

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then the Suit would have to be proceeded with and therefore, he would further submit that the application for rectification and the present application for extension of time had been made much beyond the period granted by this Court and that much after the further proceedings in the Suit and therefore, he would submit that the applications deserve to be dismissed.

9. I have considered the rival submissions made by the learned counsels appearing on either side and perused the materials placed on record.

10. The *lis* that has to be decided in these applications are as follows:-

a) Whether the time granted by this Court invoking power under Section 124 of the Act would circumscribe the right under Section 57 of the Act by limiting the period for filing an application to the time granted by this Court?

b) Whether the applicant, in spite of the order permitting him to take out necessary application for rectification would be acquiesced to contend to continue with the right to file such an application after having participated in the further proceedings to the Suit?

11. For better appreciation of the contentions raised by the learned counsels is imperative that the relevant provisions in the Sections 57 and 124 of the Act to be analysed and for that purpose the relevant Sections are extracted



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hereunder:-

57. Power to cancel or vary registration and to rectify the register.—

(1) On application 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.

(3) The tribunal may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the register.

(4) The tribunal, of its own motion, may, after giving notice in the prescribed manner to the parties concerned and after giving them an opportunity of being heard, make any order referred to in sub-section (1) or sub-section (2).

(5) Any order of the Appellate Board rectifying the register shall direct that notice of the rectification shall be served upon the Registrar in the prescribed manner who shall upon receipt of such notice rectify the register accordingly.



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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 I[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 the framing of the issue in order to enable the party concerned to apply to the I[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



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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.

ISSUE (a)

12. Even though Section 57 do not provide any time limit for seeking rectification of a trademark on the ground mentioned therein, it is to be seen that Section 124 of the Act envisages that if a suit had been filed based upon a registered trademark for infringement or passing off and if an application at the time of filing the Suit is pending on the file of the Registrar of High Court, then

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the Suit shall be stayed pending the final disposal of such proceedings. If no such proceedings are pending and if the Court is satisfied with the plea regarding the invalidity of the registration of the plaintiff or defendant's trademark is *prima facie* tenable then the Court shall raise an issue regarding the same and adjourn the case for a period of three months from the date of framing such an issue enabling the party concerned to file an application for rectification. Section 124 of the Act clearly envisages that when a right of a party is *prima facie* found to seek for rectification then the Court shall adjourn the matter for a period of three months enabling the party claiming for such rectification to move the Court with such an application. Hence, the facts of a particular case reaches the stage of invoking powers under Section 124 of the Act, it would mean that the dispute with regard to the trademark had arisen and Section 124 (1)&(2) clearly indicates that for filing an application for rectification three months time can be granted, from the date of framing necessary issue in that regard, if the Court is *prima facie* satisfied with the said claim.

13. When that being the case, I am of the considered view that when an application had been filed under Section 124 of the Act, the time limit for filing an application under Section 57 would be limited to the period of three months or such extended period granted by this Court. In that circumstances, the right



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of a party to seek rectification of a registered trade mark cannot be in perpetuity as claimed by the learned counsel for the applicant. This is further fortified by sub-Section (3) to Section 124 of the Act which envisages that if no such application had been filed within the time frame granted by this Court, it is deemed that the party which had been given such a right to file an application has abandoned his right to seek rectification. Therefore, if the contention of the learned counsel for the applicant is to be accepted it will render Sub-Section (3) of Section 124 of the Act otiose. Hence, I am not inclined to accept the arguments made by the learned counsel appearing for the applicant.

ISSUE (b):-

14. An order has been passed by this Court on 19.02.2024 adjourning the proceedings in the suit for a period of three months to enable the applicant to take out an application for rectification under the provisions of Section 57 to the I.P. Division of this Court.

15. It is the case of the applicant that he was under the impression that the time period of three months was granted to the applicant to take out necessary application from the date of receipt of a copy of this order. A reading of Section 124 (1)(ii) would make it amply clear that the Court shall adjourn the proceedings for a period of three months from the date of framing of issues



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so as to enable the parties concerned to apply for rectification of the register. In this case an issue regarding the invalidity of the registration had been framed in this case on 19.02.2024. The period of three months would start ticking on the date when the issue was framed i.e., from 19.02.2024. The contention of the applicant goes against the mandate of Section 124 (1)(ii), and would amount to ignorance of law. This Court recalls the legal maxim *ignorantia juris non excusat*.

16. Since, the time to file a rectification application starts on the date when the issue was framed and in the present case, the three months period as envisaged as under Section 124 (1)(ii) of the Act comes to an end on 18.05.2024. Thereafter, by orders of this Court dated 21.06.2024, the suit was proceeded further by directing the Master to record evidence and when the suits were listed before the learned Master for recording of evidence on 27.06.2024 and 28.06.2024, the applicant had participated and cross-examine the witnesses of the respondent and has also let-in evidence on his side and his witness was also cross-examined and thereafter, at the request of the learned counsels appearing on either side, the evidence was closed in the suits and at their request were directed to be posted before this Court for further proceedings. Sub-Section (3) of Section 124 indicates that if no such application had been made within the time frame fixed by this Court or such extended time, lapsed then the issue regarding the validity of the registration of the trade mark

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concerned shall be deemed to have been abandoned and the Court shall proceed with the suit in regard to the other issues already framed.

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17. The conduct of the applicant of having participated in the further proceedings of the suit and only when the suits were posted for filing of written arguments and disposal, the applicant had taken out an application for rectification. The reason assigned by the applicant is contrary to the provisions of Section 124 of the Act. The conduct further only leads to an irresistible conclusion that the applicant had waived his right for filing a rectification application under Sub-Section (3). Sub Section (3) of Section 124 is very clear that only when an application as permitted by this Court is not taken within the time frame, the suit can be proceeded further. Having participated in the further proceedings in the suit, the applicant cannot claim that he had not abandoned his right. He is therefore acquiesced from claiming that he has not abandoned.

18. The Hon'ble Apex Court in the judgment relied upon by the learned counsel for the respondent reported in **2018 (2) SCC 112** had in categorical terms held that if the right had not been exercised, then the plea with regard to the rectification will no longer survive. For better appreciation, the relevant paragraph is extracted hereunder.

34. The intention of the legislature is clear. All issues



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relating to and connected with the validity of registration has to be dealt with by the Tribunal and not by the civil court. In cases where the parties have not approached the civil court, Sections 46 and 56 provide an independent statutory right to an aggrieved party to seek rectification of a trade mark. However, in the event the civil court is approached, inter alia, raising the issue of invalidity of the trade mark such plea will be decided not by the civil court but by the Tribunal under the 1958 Act. The Tribunal will however come into seisin of the matter only if the civil court is satisfied that an issue with regard to invalidity ought to be framed in the suit. Once an issue to the said effect is framed, the matter will have to go to the Tribunal and the decision of the Tribunal will thereafter bind the civil court. If despite the order of the civil court the parties do not approach the Tribunal for rectification, the plea with regard to rectification will no longer survive.

35. The legislature while providing consequences for non-compliance with timelines for doing of any act must be understood to have intended such consequences to be mandatory in nature, thereby, also affecting the substantive rights of the parties. This is how Section 111(3) of the 1958 Act has to be understood. That apart, it is very much within the legislative domain to create legal fictions by incorporating a deeming clause and the court will have to understand such statutory fictions as bringing about a real state of affairs between the parties and ushering in legal consequences affecting the parties unless, of course, there is



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any other contrary provision in the statute. None exists in the 1958 Act to understand the provisions of Section 111(3) in any other manner except that the right to raise the issue of invalidity is lost forever if the requisite action to move the High Court/IPAB (now) is not initiated within the statutorily prescribed time-frame.

36. Thus, by virtue of the operation of the 1958 Act, the plea of rectification, upon abandonment, must be understood to have ceased to exist or survive between the parties inter se. Any other view would be to permit a party to collaterally raise the issue of rectification at any stage notwithstanding that a final decree may have been passed by the civil court in the meantime. True, the decree of the civil court will be on the basis of the conclusions on the other issues in the suit. But to permit the issue of rectification, once abandoned, to be resurrected at the option of the party who had chosen not to pursue the same at an earlier point of time would be to open the doors to reopening of decrees/orders that have attained finality in law. This will bring in uncertainty if not chaos in the judicial determinations between the parties that stand concluded. Besides, such an interpretation would permit an aggrieved party to get over the operation of a statute providing for deemed abandonment of the right to raise an issue relevant; in fact, fundamental to the lis.

37. The position may be highlighted by reference to a suit for infringement where the defendant raises the plea of invalidity of the plaintiff's trade mark and also in the



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alternative takes up any of the defences available in law. The defendant by operation of Section 111(3) of the 1958 Act is deemed to have abandoned the plea of invalidity. In the trial it is found that the defendant is guilty of infringement and is appropriately restrained by a decree of the civil court. If the right under Sections 46/56 of the 1958 Act is to subsist even in such a situation, the possible uncertainty and possible anarchy may well be visualised. This is why the legislature by enacting Section 111 of the 1958 Act has mandated that the issue of invalidity which would go to the root of the matter should be decided in the first instance and a decision on the same would bind the parties before the civil court. Only if the same is abandoned or decided against the party raising it that the suit will proceed in respect of the other issues, if any. If the above is the legislative intent, which seems to be clear, we do not see how the same can be overcome by reading the rights under Sections 46 and 56 of the 1958 Act to exist even in a situation where the abandonment of the same right under Section 111(3) has taken effect in law.

38. The mandate of the 1958 Act, particularly, Section 111 thereof, appears to be that if an aggrieved party does not approach the Tribunal for a decision on the issue of invalidity of registration as provided for under Sections 111(2) and (3), the right to raise the issue (of invalidity) would no longer survive between the parties to enable the party concerned to seek enforcement of the same by recourse to or by a separate action under the provisions of



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Sections 46/56 of the 1958 Act.

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19. The aforesaid judgment clearly supports my conclusion in respect of both the issues. In fine, I do not find any merits in the applications and the applications are accordingly dismissed. No costs.

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