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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ C.O. (COMM.IPD-TM) 55/2021

ANUBHAV JAIN

..... Petitioner

Through: Ms. Kangan Roda and Mr.
Nitesh Jain, Advs.

versus

SATISH KUMAR JAIN & ANR.

..... Respondents

Through: Mr. Gaurav Barathi, Ms.
Muskan Arora and Mr. Vishal Shrivastava,
Advs. for Respondent 1

CORAM:

HON'BLE MR. JUSTICE C.HARI SHANKAR

JUDGMENT(ORAL)

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09.01.2023

1. This petition has been preferred by Anubhav Jain, one of the Directors in M/s. Jain Shikanji Private Limited (“JSPL”, hereinafter) under Sections 57¹ and 125² of the Trademarks Act, 1999 (“the Act”,

¹ **57. Power to cancel or vary registration and to rectify the register.**—(1) On application made in the prescribed manner to the High Court or to the Registrar by any person aggrieved, the Registrar or the High Court, as the case may be, 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 High Court or to the Registrar, and the Registrar or the High Court, as the case may be, may make such order for making, expunging or varying the entry as it may think fit.

(3) The Registrar or the High Court, as the case may be, 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 Registrar or the High Court, as the case may be, 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 High Court 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.

² **125. Application for rectification of register to be made to High Court 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 High Court and not to the Registrar.

(2) Subject to the provisions of sub-section (1), where an application for rectification of the register is

hereinafter), seeking cancellation of Certificate No. 2772286 dated

18th June 2021, whereby the device mark



was permitted to be registered in favour of Respondent 1. Consequently, rectification of the register of the trademarks, by removing, therefrom, the said registered trademark of Respondent 1 has also been sought.

2. Respondent 1 raised a preliminary objection to the maintainability of the present suit, predicated on Section 124 of the Trademarks Act. By order dated 5th September 2022, this Court directed that the said objection would be taken up and decided in the first instance.


3. I have heard Mr. Gaurav Barathi, learned Counsel for Respondent 1 and Ms. Kangan Roda, learned Counsel for petitioner at length, on the said objection as raised by Respondent 1 and proceed to decide the objection by this order.

4. The circumstances in which the aforesaid objection has been raised by Respondent 1, have, in the first instance, to be noted. On 23rd September 2021, Respondent 1 filed CS (Comm) 171/2021 against the petitioner before the learned Commercial Court, Karkardooma (“the learned Trial Court”, hereinafter), alleging that the manner in which the petitioner was using the mark “JAIN SHIKANJI” was same as plaintiff’s registered mark “JAIN SHIKANJI”. An application under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC), seeking interlocutory injunction was also filed

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 High Court.

by Respondent 1 in the said suit.

5. By order dated 5th November 2022, the learned Trial Court allowed Respondent 1's application under Order XXXIX Rules 1 and 2 of the CPC and passed an interlocutory order of injunction against the petitioner. The petitioner has challenged the said decision by way of FAO (Comm)185/2022, which is presently pending before a Division Bench of this Court. Admittedly, no interlocutory orders have been passed in the said appeal, till date.

6. While proceedings emanating from CS (Comm) 171/2022 stood thus, the petitioner instituted the present petition before this Court under Section 57 of the TradeMarks Act, seeking, as already noted, cancellation of the registration granted to the  trademark of Respondent 1 and consequent rectification of the trade mark register.

7. Mr. Barathi, learned Counsel for Respondent 1 contests the maintainability of the present petition, relying for the said purpose, on Section 124 of the Trademarks Act.

8. Section 124 of the Trademarks Act sets out a specific scheme. Plainly read, it applies only where there is, to begin with, a suit, alleging infringement of trademark, pending before a Civil Court. Mr. Barathi submits that CS (Comm) 171/2021 is the suit, instituted by Respondent 1 against the petitioner, on the basis of which he invokes Section 124.

9. Section 124 proceeds to envisage two situations, under clauses

(a) and (b) of sub-section 1 thereof. Of these, Mr. Barathi concedes that Clause (b) does not apply.

10. Clause (a) of Section 124(1) applies where, in a suit for infringement of a trademark, the defendant pleads that registration of the plaintiff's trade mark is invalid. In CS (Comm) 171/2021, JSPL is the defendant and Respondent 1 is the plaintiff.

11. In order for Section 124(1)(a) would apply, therefore, it would be necessary for JSPL, as the defendant in CS (Comm) 171/2021, to have pleaded, in that suit, that the registration of Respondent 1's trademark is invalid. Ms. Roda, learned Counsel for the petitioner, submitted that this requirement, which is a pre-condition for Section 124 to apply, was itself not satisfied, as JSPL never pleaded, as a defence to CS(Comm) 171/2021, invalidity of Respondent 1's



trademark.

12. Though Mr. Barathi initially sought to submit that such a pleading had been made by the petitioner, he, thereafter, on perusing the record acknowledging that, in the written statement, filed by way of reply to CS(Comm) 171/2021, no such plea of invalidity of



Respondent 1's trademark has been raised, though he submits that, in FAO(Comm) 185/2022, the petitioner has so averred.

13. Even on this sole ground, therefore, it would be apparent that Section 124 would not apply in the present case at all.

14. Proceeding further with the ingredients of Section 124, where the case falls within Clause (a) or (b) of the first part of Section 124, the provision goes on to deal again, with two situations, in Clause (i) and (ii) which follow in the second part of the section. Between these clauses, too, Mr. Barathi acknowledge that clause (i) would not apply, as no proceedings for rectification of the register, instituted by the petitioner, were pending at the time when CS (Comm) 171/2022 was filed or was being taken up by the learned Trial Court. He, however, presses into service clause (ii).

15. Clause (ii) in Section 124 states that,

- (a) if no proceedings for rectification of the register, in relation to the trademark of either of the parties in the suit, is pending before the Registrar of Trademarks, and
- (b) the Court is satisfied that the plea regarding invalidity of registration, as raised in the suit is, *prima facie*, tenable, then, the Court is required to
 - (i) raise an issue regarding the validity of the contested trademark and
 - (b) adjourn a case for three months in order to enable the party assailing the validity of the contested trademark to apply to the High Court (earlier the learned IPAB) for rectification of the register.

16. This clause, too, on its face, does not apply as no plea of invalidity of the registration of Respondent 1's mark was urged by the petitioner, as the defendant in CS Comm) 171/2021.

17. Assuming such a plea had been raised, what the clause

envisages, in a situation where no proceeding for rectification of the register of trade mark is pending and the learned Trial Court is satisfied regarding *prima facie* tenability of the plea regarding invalidity of the registration of the trade mark, as raised as a defence in the suit, is that the learned Trial Court would, then, raise an issue regarding validity of the contested trademark and adjourn the case for three months to enable the contesting defendant to apply to the High Court (earlier the learned IPAB) for rectification of the register of trade marks.

18. Section 124, therefore, applies in certain specific circumstances, envisaged in that provision and in none else. These may be enumerated thus :

(i) In the first instance, there must be a suit by a plaintiff against a defendant alleging infringement, by the defendant, of the plaintiff's trademark.

(ii) The defendant must, in the said suit, raise as a plea in defense, invalidity of the plaintiff's trademark.

(iii) At that time, no proceedings for rectification should be pending.

(iv) The learned Trial Court hearing the suit, should be satisfied, *prima facie*, that the plea of invalidity of the plaintiff's trademark, as raised by the defendant, is tenable.

Where all these circumstances coalesce, Section 124 requires the learned Trial Court to raise an issue regarding validity of the plaintiff's trademark and adjourned the case in order to enable the defendant to move the appropriate forum— now the High Court—for rectification of the register.

19. Apart from the fact that, in the facts of the present case, Section 124 has no application, as the petitioner never raised, in its written statement by way of defence to CS (Comm) 171/2021 instituted by Respondent 1, a plea of invalidity of Respondent 1's trademark as a ground of defence. Even otherwise, Section 124 cannot possibly be read in a manner as to defeat the right of the petitioner (defendant in the suit) to defend the independent right of the petitioner to invoke Section 57 of the Trademarks Act, seeking rectification of the register of trademark and cancellation of the trademark of Respondent 1. That as an independent right, independently conferred by Section 57 of the Trademarks Act.

20. In fact, the judgment of the Supreme Court in *Patel Field Marshal Agencies v. P.M. Diesels Ltd*³, on which Mr. Barathi sought to place reliance, underscores this position. Mr. Barathi emphasized paras 29, 31, 34 and 35 of the said decision, which read thus:

“29. The above seems to become more clear from what is to be found in Section 111 of the 1958 Act which deals with "stay of proceedings where the validity of registration of the trade mark is questioned". The aforesaid provision of the 1958 Act specifically provides that if a proceeding for rectification of the register in relation to the trade mark of either the Plaintiff or the Defendant is pending before the Registrar or the High Court, as may be, and a suit for infringement is filed wherein the aforesaid plea is raised either by the Defendant or by the Plaintiff, the suit shall remain stayed. Section 111 further provides if no proceedings for rectification are pending on the date of filing of the suit and the issue of validity of the registration of the Plaintiff's or the Defendant's trade mark is raised/arises subsequently and the same is *prima facie* found to be tenable, an issue to the aforesaid effect shall be framed by the Civil Court and the suit will remain stayed for a period of three months from the date of framing of the issue so as to enable the concerned party to apply to the High Court for rectification of the register. Section 111(2) of the 1958 Act provides that in case an application for rectification is filed within the time allowed the trial of the suit shall remain stayed. Sub-section (3) of Section 111 provides that in the event no such

application for rectification is filed despite the order passed by the Civil Court, the plea with regard to validity of the registration of the trade mark in question shall be deemed to have been abandoned and the suit shall proceed in respect of any other issue that may have been raised therein. Sub-section (4) of Section 111 provides that the final order as may be passed in the rectification proceeding shall bind the parties and the civil court will dispose of the suit in conformity with such order insofar as the issue with regard to validity of the registration of the trade mark is concerned.

31. Rather, from the resume of the provisions of the 1958 Act made above it becomes clear that all questions with regard to the validity of a Trade Mark is required to be decided by the Registrar or the High Court under the 1958 Act or by the Registrar or the IPAB under the 1999 Act and not by the Civil Court. The Civil Court, infact, is not empowered by the Act to decide the said question. Furthermore, the Act mandates that the decisions rendered by the prescribed statutory authority [Registrar/High Court (now IPAB)] will bind the Civil Court. At the same time, the Act (both old and new) goes on to provide a different procedure to govern the exercise of the same jurisdiction in two different situations. *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.*

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

21. Mr. Barathi specifically stressed on the following sentences from para 30 of the said report.

“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.”

22. Mr. Barathi’s contention is that the afore-extracted passages from *Patel Field Marshal Agencies*¹ clearly envisage that, once a suit for infringement is filed by the plaintiff against the defendant, and the defendant raises the plea of invalidity of the plaintiff’s mark as a ground of defence in the said suit, the defendant loses all right to independently invoke Section 57 of the Trade Marks Act to seek rectification of the register and cancellation of the plaintiff’s mark. According to him, the Supreme Court has clearly held that, in such circumstances, the learned IPAB – now the High Court – would acquire seisin over the issue of validity of the plaintiff’s trademark only where the matter suffers the drill of clause (ii) in the second part of Section 124 of the Trademarks Act, i.e. where the Court finds,

prima facie, the plea of invalidity as raised by the defendant to be tenable, frames an issue in that regard and thereafter adjourns the matter for three months in order to enable the defendant to seek rectification of the register of trademarks before the appropriate forum. It is only at that stage, submits Mr. Barathi, that the defendant can move for rectification of the register of trade marks. Section 57, therefore, according to Mr. Barathi, ceases to be available to a defendant in a suit the moment the defendant raises a plea of invalidity of the plaintiff's trademark as a ground of defence.

23. I am unable to subscribe to this view. Indeed, in my considered opinion, *Patel Field Marshal Agencies*¹ indicates to the contrary.

24. The sentences from the decision in *Patel Field Marshal Agencies*¹ extracted in para 21 (*supra*) and on which Mr. Barathi placed reliance, in fact, clearly indicate that the right conferred on the defendant in an infringement suit, to move the learned IPAB, or this Court, for rectification of the register of marks is an *independent right*. This clearly indicates that it is a right which is independent of other rights available under the Trade Marks Act for the same purpose. It has, therefore, to be treated as available in *addition* to the right available and conferred by Section 57. It cannot be read as the only right available, in abrogation of Section 57 of the Trade Marks Act. The position that emerges is, therefore, that, while the right under Section 57, for cancellation of a mark and rectification of the register remains available, of an infringement suit has been filed by the opposite party and the defendant pleads invalidity of the plaintiff's mark as a ground of defence to the suit, the defendant would acquire *an independent right* under Clause (ii) of Section 124 of the

Trademarks Act to move the learned IPAB (now the High Court) for rectification of the register.

25. The right available under Clause (ii) of the second part of Section 124 of the Trademarks Act is not, therefore, in derogation of the right available under Section 57. It is in addition to the said right. It does not, therefore, detract from the right that Section 57 otherwise confers.

26. The passages from *Patel Field Marshal Agencies*¹ on which Mr. Barathi placed reliance, merely set out the statutory scheme available under Section 124 of the Trade Marks Act “equivalent to Section 111 of the Trade Marks Act, 1958, with which the Court was concerned in that case. All that the Supreme Court has held is that, where the procedure under Clause (ii) of the second part of Section 124 of the Trade Marks Act is set in motion, the learned IPAB, or the High Court, would acquire seisin over the issue of validity of the contested trade mark only when, (i) in the first instance, the Civil Court expresses *prima facie* agreement with the plea of invalidity as raised, (ii) an issue is framed in that regard, (iii) the matter is adjourned by the Civil Court and (iv) the defendant, thereafter, moves for rectification of the register. That does not, in any manner, take away from the right of the defendant to independently invoke Section 57.

27. Two well settled principles of construction by precedents, especially in the context of Article 141 of the Constitution of India are required to be born in mind in this regard. The first is that a judgment of the Supreme Court is to be read only as an authority for what it

states, and not what may logically be seem to follow from it.⁴ The second principle is that judgments of the Supreme Court are not to be read as Euclid's theorems, but are to be understood in the background of the facts in which they were rendered.⁵ Thus understood, paras 31 and 34 of the decision in *Patel Field Marshal Agencies*¹ merely clarifies the scheme of Section 124 of the Trade Marks Act and does not in any manner hold, as Mr. Barathi would seek to contend, that the right available under Section 57 stood eviscerated thereby.

28. The Supreme Court, in *Patel Field Marshal Agencies*¹, was not concerned with the right available to a person under Section 57 of the Trade Marks Act. As such, the judgment cannot be said to be an authority on the point that, once an infringement suit is filed against the defendant, the defendant loses its right to seek cancellation of the plaintiff's trademark under Section 57 of the Trade Marks Act.

29. If the plea of Mr. Barathi were to be accepted, it would amount to the Court reading Section 57 of the Trademarks Act as subject to Section 124. There is no clause in Section 57 of the Trade Marks Act, which makes it subject to any other provision in the Trade Marks Act. Nor does one find in Section 124 of the Trade Marks Act, any *non obstante* clause which would accord it pre-eminence over other provisions in the Trade Marks Act.

30. 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

⁴ Refer *State of Orissa v. Sudhansu Sekhar Misra* AIR 1968 SC 647

⁵ Refer *State of Bihar v. Meera Tiwary* (2020) 17 SCC 305 , *Bharat Petroleum Corporation Ltd. v. N.R Vairamani* (2004) 8 SCC 579

the Trade Marks Act are independent rights, which are both available for invocation by an interested party.

31. It cannot, therefore, be said that the present petition is not maintainable or that the petitioner ought to have obtained leave of the learned Trial Court before instituting the present petition. The preliminary objection of maintainability as raised by Mr. Barathi is, therefore, rejected.

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32. Ms. Kangan Roda seeks and is granted two weeks' time to place the rejoinder to the reply filed by the respondents to this petition on record.

33. Renotify on 8th February 2023 for disposal.

C.HARI SHANKAR, J

JANUARY 9, 2023

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