



A.No.556 of 2024 in C.S.(Comm.Div.)No.7 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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Reserved on : 13.03.2024

Pronounced on : 21.03.2024

CORAM:

THE HON'BLE MR. JUSTICE ABDUL QUDDHOSE

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1.Nippon Paint Holdings Co. Ltd.
Through its Power of Attorney
Subash Gaijes Selvaraj

2.Nippon Paint (India) Private Limited
Through its Power of Attorney
Subash Gaijes Selvaraj

.. Applicants/plaintiffs

vs.

1.Suraj Sharma

2.M/s.Nippon Paints & Chemicals

.. Respondents/defendants

For Applicants/plaintiffs : Mr.P.S.Raman,
Senior Counsel
for Mr.Arun C.Mohan

For Respondents/defendants : Mr.Davesh Vashishtha

ORDER

The issue that arises for consideration in this application is whether this Court is having the territorial jurisdiction to transfer to itself



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by way of consolidation the Rectification Petition filed by the applicants/plaintiffs under Section 57 of the Trade Marks Act, pending before the Trademarks Registry at New Delhi.

2.The following facts are un-disputed:

a) The applicants/plaintiffs have obtained trademark registration for their trademark "NIPPON PAINT" only from the Trademarks Registry at Chennai;

b) The applicants/plaintiffs have pleaded in the plaint that their trademark has been infringed by the respondents/defendants at Chennai and the respondents/defendants are selling the infringed products at Chennai;

c) Both the applicants/plaintiffs and the respondents/defendants have obtained trademark registration for their respective marks.

d) The applicants/plaintiffs have obtained their trademark registration from the Trademarks Registry at Chennai, whereas the respondents/defendants have obtained the trademark registration for their trademark from the Trademarks Registry at New Delhi. The applicants/



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plaintiffs, prior to the filing of the suit, on coming to know that the respondents/defendants have copied their trademark and obtained trademark registration, have filed an application before the Trademarks Registry at New Delhi, seeking for rectification of the respondents'/defendants' trademark. The said application is still pending on the file of the Trademarks Registry, New Delhi. Till date no application has been filed by the respondents/defendants seeking for rectification of the applicants'/plaintiffs' registered trademark either before this Court or before the trademark registry.

3.The applicants/plaintiffs have filed this infringement suit on 09.01.2024 and immediately, thereafter they have filed this application seeking to transfer the Rectification Petition filed by them before the Trademarks Registry, New Delhi, to the file of this Court.

4.The respondents/defendants have opposed this application by questioning its maintainability on the ground that this Court does not have territorial jurisdiction over the Trademarks Registry at New Delhi.



WEB COPY 5.The applicants/plaintiffs contends the following:

a)This Court is empowered to consolidate all proceedings and hear the same together as per Rule 14 of the Madras High Court Intellectual Property Rights Division Rules, 2022;

b)As part of cause of action has arisen within the jurisdiction of this Court, the respondents/defendants being the infringers cannot take the plea of forum non-conveniens, especially when they are advertising their goods within the territorial limits of this Court;

c)There is no express statutory bar for this Court to hear the rectification proceedings pending on the file of the Trademarks Registry, New Delhi and the present infringement suit together.

d)Since the dynamic effect of the impugned registration pending on the file of the Trademarks Registry, New Delhi is felt within the jurisdiction of this Court, there is no prohibition for this Court to entertain and allow this transfer application.

6.In support of the aforesaid contentions, Mr.P.S.Raman, learned Senior Counsel appearing for the applicants/plaintiffs drew the attention



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of this Court to the following authorities:

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a)The order dated 11.12.2023 passed by this Court in W.P. (IPD)/30/2023 in Asia Match Co. Pvt. Ltd. vs. Deputy Registrar of Trademarks and G.I. and another;

b)Jumeirah Beach Resort LLC vs. Designarch Infrastructure Pvt. Ltd. and another reported in MANU/DEOR/194894/2022;

c)University Health Network vs. Aduvo Diagnostics Pvt. Ltd. and others reported in 2024 SCC Online Mad 185;

d)Dr.Reddy's Laboratories Ltd. vs. Fast Cure Pharma and others reported in 2023 SCC Online Del 5409.

7.On the other hand, the learned counsel for the respondents/defendants would question the maintainability of this transfer petition on the following grounds:

a)Since the Rectification Petition filed by the applicants/plaintiffs seeking for rectification of the respondents'/defendants' trademark is pending before the Trademarks Registry, New Delhi, this Court does not have the territorial jurisdiction to decide this application as the Registrar of Trademarks at Delhi falls under the original jurisdiction of the High



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Court at Delhi;

WEB COPY b)This Transfer Application is not maintainable in view of Section

124 of the Trade Marks Act, 1999, wherein the present suit proceedings will remain stayed until the Rectification Petition is adjudicated by the Registrar of Trademarks at New Delhi;

c)This Court is having original jurisdiction under Section 57 of the Trade Marks Act, 1999 only in respect of the matters before the 'IPO' concerned, which in the present case is the Trademarks Registry at Chennai. Since the Rectification Petition is pending on the file of the Trademarks Registry at New Delhi, this Transfer Petition filed by the applicants/plaintiffs is not maintainable before this Court. As per Section 57 of the Trade Marks Act, 1999 read with Rule 11(4) of the Madras High Court IPD Rules, 2022, this Court has original jurisdiction only over the concerned IPO, which in the instant case is the Trademarks Registry at Chennai. If this Transfer Application is entertained by this Court, the statutory right of the parties to file an Appeal before the IP Division at High Court of Delhi in respect of the Rectification Petition will be lost.



WEB COPY 8. In support of the aforesaid contentions of the respondents/defendants, the learned counsel for the respondents/defendants drew the attention of this Court to Section 124(1)(i) of the Trade Marks Act, 1999 and would submit that the Court trying the infringement suit shall if any proceedings for rectification of the register in relation to the applicants/plaintiffs or respondents'/defendants' trademarks are pending before the Registrar or the Appellate Board, stay the suit pending the final disposal of such proceedings and therefore, he would submit that this present application seeking for transfer of the rectification proceedings pending on the file of the Trademarks Registry at New Delhi is not maintainable.

9. Learned counsel for the respondents/defendants also drew the attention of this Court to Rule 11(4) of the Madras High Court IPD Rules 2022 and would submit that as per the said rule, it is clear that any order of the High Court in any IPR cases or proceedings involving any proceedings before the IPO, shall be served upon the IPO concerned and the said IPO shall cause such changes to the entry in the respective



register or proceed in the matter as directed therein. According to him, it

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is clear that the IPO concerned in the present case is not situated at

Chennai over which this Court has territorial jurisdiction, but is situated

at New Delhi and hence, this Transfer Application is not maintainable.

Learned counsel for the respondents/defendants would also submit that

the statutory right of both the parties to file an appeal or challenge the

order of the Registrar of Trademarks in respect of the Rectification

Proceedings against the mark registered at Delhi will only be before the

High Court at Delhi having original jurisdiction over the matters pending

before the Trademarks Registry at Delhi. If this Transfer Application is

allowed, the statutory right of both the parties to file an appeal before the

IP Division at Delhi High Court in respect of the Rectification

Proceedings pending before the Trademarks Registry at New Delhi will

be defeated. Learned counsel for the respondents/defendants would also

submit that the Single Bench judgment of the Delhi High Court in the

case of *Dr.Reddy's Laboratories Ltd. vs. Fast Cure Pharma and others*

reported in 2023 SCC Online Del 5409, relied upon by the learned

Senior Counsel for the applicants/ plaintiffs, has been referred for further

consideration to a Larger Bench of the Delhi High Court in the case of



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"The Hershey Company vs. Dilip Kumar Bacha and others" and

therefore, the said judgment cannot be relied upon for the purpose of giving territorial jurisdiction to this Court.

Discussion:

10. Trademark disputes can often lead to multiple legal proceedings across different Courts and branches of the Trademarks Registry, creating complexities and the potential for conflicting rules. One such case is the case on hand. The plaintiffs have filed the trademark infringement suit before this Court. But, prior to filing of the suit, the plaintiffs had filed an application under Section 57 of the Trade Marks Act before the Trademarks Registry at New Delhi seeking for cancellation of the defendants' identical trademark. The rectification proceedings are still pending on the file of the Trademarks Registry. The plaintiffs seek for transfer of the rectification proceedings pending on the file of the Trademarks Registry to the file of this Court in this transfer application for the purpose of consolidating both the proceedings viz., the infringement suit, which is pending before this Court and the



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rectification proceedings initiated by the plaintiffs seeking for rectification of the defendants' identical trademark for the purpose of holistic and complete adjudication of the disputes.

11. The traditional approach of jurisdiction invites the Court to ask whether it has territorial, pecuniary or subject matter jurisdiction to entertain the case brought before it. With the advent of internet, the question of territorial jurisdiction in intangible disputes like Intellectual Property disputes gets complicated largely on account of the fact that the internet is borderless. Therefore, while there are no borders between one region and another within a Country, there are no borders even between Countries. However, under the Trade Marks Act, 1999, there is a geographical limitation to Intellectual Property rights. Where a trademark is registered at any Trademarks Registry in India, the said registration protects the proprietor of the registered trademark against any infringement not alone within the region over which the Trademarks Registry is having its jurisdiction to register trademarks but also throughout India.



WEB COPY 12. Efforts were made by Courts in different Countries to

consolidate proceedings in I.P.R. disputes. The Courts in U.S.A. applied

(a) Minimum contacts test, where the plaintiffs have to show that the defendants have sufficient minimum contacts in the forum state;

(b) Purposeful availment test, where it was not necessary for the defendants to be physically present within the jurisdiction of the forum Court but the forum Court may however, exercise jurisdiction over a non-resident where the alleged injuries arise out of or relates to actions by the defendant himself that are purposefully directed towards residents of the forum state;

(c) The Zippo-sliding scale test, which is an extension of the purposeful availment test, which is the three prompt test for determining whether the exercise of specific personal jurisdiction over a non-resident defendant is appropriate:

a. The defendant must have sufficient minimum contacts with the forum state;

b. The claim asserted against the defendant must arrive within those contacts;



c. The exercise of jurisdiction must be reasonable;

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(d) Effects test and 'Intentional targeting' under which the Courts have moved from a 'subjective territoriality' test to an 'objective territoriality' or 'effects' tests in which the forum Court will exercise jurisdiction if it is shown that effects of the defendant's trademark are felt in the forum state. In other words, it must have resulted in some harm or injury to the plaintiff within the territory of the forum state. The 'dynamic effect' test applied by a learned Single Judge of the Delhi High Court in ***Dr.Reddy's Laboratories Ltd. vs. Fast Cure Pharma and others reported in MANU/DE/5890/2023*** is akin to the case on hand and it gave power to the Delhi High Court to transfer the proceedings pending on the file of the Trademarks Registry situated outside the jurisdiction of that High Court to the file of Delhi High Court and be heard along with the infringement suit if the dynamic effect of the impugned registration of the defendants trademark is felt within the jurisdiction of that particular High Court.

13. The other common law jurisdictions viz., Canada, United Kingdom, Australia have also formulated other tests for determining



jurisdiction, amongst others being "the real and substantial connection test".

14. While determining the jurisdiction, the following factors are normally considered by the Court:

- a) The connection between the forum and the plaintiff's claim;
- b) The connection between the forum and the defendant;
- c) Unfairness to the defendant in assuming jurisdiction;
- d) Unfairness to the plaintiff in not assuming jurisdiction;
- e) Involvement of other parties to the suit;
- f) The Court's willingness to recognize and enforce an extra-provincial (State) judgment rendered on the same jurisdictional basis;
- g) Whether the case is inter-provincial (State) or international in nature;
- h) Comity and standards of jurisdiction, recognition and enforcement prevailing elsewhere.

15. The aforementioned factors are taken into consideration by the Courts for determining jurisdiction, since the dynamics of jurisdiction is



based on reasonableness and fairness to the parties to the dispute.

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16. The Honourable Supreme Court in the case of *Shah Newaz Khan and Others Vs. State of Nagaland and Others reported in 2023 SCC Online SC 203*, after referring to Sections 24 and 25 of C.P.C., giving power to the High Court and the Supreme Court respectively to transfer proceedings, observed that the "access to justice" has to be real. In the said decision, the Gauhati High Court which is the common High Court for the states of Assam, Nagaland, Mizoram and Arunachal Pradesh, presided over by the Bench at the Principal seat by Gauhati, rejected an application seeking transfer of a suit from the Court of a District Judge at Dimapur, Nagaland to the Court of District Judge, Gauhati, Assam. The issues that were raised before the Honourable Supreme Court in that appeal are as follows:

a) Is the Supreme Court the sole repository of power in terms of Section 25 of the C.P.C. to direct the transfer of suit, appeal or other proceeding from a civil Court in one state to a civil Court in another state?;

b) Is it open for a High Court, if it is the common High Court for



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two or more states, to entertain an application for transfer under Section 24 of C.P.C. and transfer a suit, appeal or other proceeding from a civil Court to another civil Court, both of which are subordinate to such High Court but situate in different states in relation to which it exercises jurisdiction, for consideration and decision?

17. The Honourable Supreme Court held that a narrow interpretation of Section 25 C.P.C. imposing bar for entertainment of an application under Section 24 for transfer of a suit, appeal or other proceeding by a common High Court like a Gauhati High Court, *inter se*, the four states in relation to which it exercises jurisdiction could place a heavy burden and might pose an unsurmountable obstacle for litigants of the far flung areas of the North East, if they were made to approach the Supreme Court for such transfer on the specious ground that the Civil Court to which the same is proposed to be transferred is in a state other than the state in which the suit has been instituted.

18. The Honourable Supreme Court also further observed, that an interpretation of the law that seeks to address the mischiefs, that is



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consistent with the constitution and promotes constitutional objectives

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and that which responds to the needs of the nation must be adopted. The

Honourable Supreme Court further observed that if "access to justice" has to be real, it becomes the moral responsibility of the Supreme Court, the supreme guardians / protectors of the rights of people guaranteed by the Constitution and the laws, not to construe the substantive part in Section 25 of the Code in a pedantic manner to bring about a situation that would thwart the initiative of making "access to justice" real.

19. The following are the undisputed facts, in so far as trademark registrations under the Trade Marks Act, 1999 are concerned:

a) At present, India is having five trademarks registries situated region wise;

b) Registration of any trademark before any trademark registry in India is valid throughout the territory of India and protects the proprietor of the registered trademark all over India;

c) Under Section 4 of the Trade Marks Act, 1999, the Registrar of Trademarks (Controller General of Patents, Designs and Trademarks) in writing by giving reasons can withdraw or transfer any pending matter



before him to another officer and it is his discretion to decide if the subject is to be dealt either *de novo* or, from the stage from which it was withdrawn or transferred. The Registrar of trademarks (Controller General of Patents, Designs and Trademarks) has supervisory control over all the trademark registries in India.

20. Under Section 125 (1) of the Trade Marks Act, 1999, in a suit for infringement of a registered trademark, if the validity of the registration of the plaintiff's trademark is questioned by the defendant or where in any such suit, a 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 trademark, the issue as to the validity of the registration of the trademark 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. Under the Trade Marks Act, 1999, High Court has not been defined and therefore, it cannot be construed that the High Court must be the High Court having supervisory jurisdiction over the Trademark Registry concerned which in the instant



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case is the Trademarks Registry, New Delhi. When the registration of the

trademarks before any Trademark Registry in India gives protection all

over India, the intention of the legislature would not have been to curtail

the powers of the High Court to restrict its territorial jurisdiction in trade

marks matters, despite the fact that the effect of the registration is felt in

the place where a particular High Court is situated.

21. Under Section 125 (2) of the Trade Marks Act, 1999, 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 proceeding to the High Court. Therefore, the Registrar is having *Suo Motu* power to transfer the rectification proceedings pending on its file to the file of the High Court.

22. On April 4, 2021, the Tribunals Reforms (Rationalization and Conditions of Services) Ordinance, 2021 (later replaced by the Tribunals Reforms Act, 2021) was promulgated, which abolished the Intellectual Property Appellate Board (IPAB). This development marked a significant shift in the country's IP practice as all matters pending before



the IPAB were transferred to the respective High Courts. The creation of

the IP division by Delhi and Madras High Courts is a distinct and specialized division that was set up to exclusively adjudicate matters pertaining to Intellectual Property law subsequent to the abolition of the IPAB. The purview of the IP division would include all matters relating to intellectual property, such as:

- a) Fresh and pending infringement suits;
- b) Appeals against the decisions of the patents / trademarks / copyright offices;
- c) Revocation / cancellation actions; and
- d) Applications for rectification of the patents / Trademark Registry.

23. All IP cases in India are now 'commercial cases', which are subject to strict timelines and procedures to shorten the duration of litigations. Inflexible deadlines are set for the completion of pleadings; case management procedures allow Judges to supervise, control and monitor the speed of litigation; summary judgments can be passed against either party if it has no prospect of winning at trial; and instances



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of appeal to a larger bench of High Court against interim orders of a single Judge are greatly reduced.

24. Both Delhi High Court and the Madras High Court have framed their separate Intellectual Property Division Rules which are more or less in conformity to one another.

25. In the past, the Principal Act governing trademarks in the Country has been repealed and were re-enacted multiple times. Prior to the 1999 Act, the law relating to trademarks were governed by the Trade and Merchandise Marks Act, 1958 (1958 Act) which was brought to amend the prior Trade Marks Act, 1940 (1940 Act).

26. Intellectual Property Appellate Board (IPAB) was incorporated under the Trade Marks Act, 1999 (In short 1999 Act) pursuant to Article 41 of the Trade-Related Aspects of Intellectual Property Rights (TRIPS). Both 1940 and 1958 Act define 'High Court'. The former defines it as "in relation to any state, the High Court for that state..." while the later defined 'High Courts' as "...within the limit of whose territorial jurisdiction, the office of the Trademarks Registry is situated".



WEB COPY 27. Subsequently, as the 1999 Act came into effect, which provided for the setting up of IPAB, the powers to preside over trademark cancellation petition was transferred to IPAB and 'High Court' was deleted from the statutes. Later, 1999 Act stood amended once again vide the Tribunal Reforms Act, 2021. The Tribunals Reforms Act reinstated the powers of the High Court to hear cancellation petitions. However, the amended Trade Marks Act, 1999 did not define 'High Court' as was done in the previous acts viz., 1940 and the 1958 Acts.

28. Currently, the Trademarks Registry has its head office at Mumbai and branch offices in Ahmedabad, Chennai, Delhi and Kolkatta. Therefore, if we were to go back to the old *status quo*, only Bombay, Gujarat, Madras, Calcutta and Delhi High Courts would have the jurisdiction to decide over rectification petitions. The 'static' and 'dynamic' effect doctrine was discussed by the Delhi High Court in the case of "***Girdhari Lal Gupta Vs. K.Gian Chand Jain and Co., reported in AIR 1978 Del 46***" (Girdhari Lal case) and "***Dr.Reddy's Laboratories Ltd. vs. Fast Cure Pharma and Others***" ('Dr.Reddy's case'). The above



cases delved into similar questions with regard to the Patents Act and the Trade Marks Act respectively. The static effect signifies that only the High Court under the jurisdiction in which the trademark registry lies must hear cancellation petitions, however, dynamic effect of trademark doctrine goes a step further and takes into consideration the fact that granting of a trademark gives the holder a monopoly over the mark throughout the territory of India and as such if there is an infringement of ones trademark in some jurisdiction apart from the states where the registry lies, those High Courts must have the jurisdiction to hear rectification applications too. Essentially, High Court within whose jurisdiction, the interest of any trademark holder are negatively impacted must have the jurisdiction to hear application to cancel the same.

29. In Girdhari Lal case, referred to supra, a Full Bench of the Delhi High Court has observed with respect to applications under the Designs Act that such applications can always be made to a High Court within the local limits of which part of cause of action and / or subject matter of the application may arise which is irrespective of the place of the registry. The same was relied upon by the Single Judge of the Delhi



High Court in Dr.Reddy's case with respect to applications under the Trade Marks Act as well.

30. In the decisions relied upon by the learned counsel for the applicant, the following ratio-decidenti was laid down:

Case law citation:

(1) *Asia Match Co. Pvt. Ltd. vs. Deputy Registrar of Trademarks and G.I. and Another 2023:MHC:5361, W.P. (IPD)/30/2023 (Madras High Court)*

Ratio: It is appropriate that the Registrar exercises his discretionary power under Sub section (2) of Section 125 by acceding to the request for transfer in case, where infringement suits are pending before Civil Courts;

(2) *Jumeirah Beach Resort LLC vs. Designarch Infrastructure Pvt. Ltd. and Another reported in MANU/DEOR/194894/2022; (Delhi High Court)*

Ratio: If the Registrar of trademarks could refer the matter to this Court, under Section 125 (2) of the Trade Marks Act, there is no reason why the High Court could not direct transfer of the matter to itself,



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especially where all other connected petitions, including petitions for passing off and cancellation / removal / rectification petitions which were pending before IPAB stood transferred to the High Court consequent to the enactment of the Tribunals Reforms Act, 2021;

c) ***University Health Network vs. Adiuvo Diagnostics Pvt. Ltd. and others reported in MANU/TN/0015/2024; (Madras High Court)***

Ratio: When part of cause of action arose within the jurisdiction of the Madras High Court, it will be for the petitioner to choose his forum despite the fact that the patent office is situated at Delhi which is outside the jurisdiction of this Court. Moreover, with the advent of the technology, in the times of quick and instant communication and virtual hearings, the very ethos relating to *forum conveniens* and prejudice to the parties have all to be re-calibrated.

(d) ***Dr.Reddy's Laboratories Ltd. vs. Fast Cure Pharma and Others, Centre Consortium, LLC Vs. Krunal Harjibhai Sardhara and Others. reported in MANU/DE/5890/2023; (Delhi High Court)***

Ratio: If the dynamic effect of the trademark registration is felt at a place within the jurisdiction of a particular High Court, that High Court



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has the territorial jurisdiction to entertain an application seeking for
rectification of registered trademark;

(e) *The Hershey Company vs. Dilip Kumar Bacha and Others, Kohinoor Seed Fields India Pvt. Ltd. Vs. Veda Seed Sciences Pvt. Ltd. and Another, Liberty Footwear Co. Vs. Liberty Industrial Group Pte. Ltd., and Others., reported in MANU/DE/0904/2024.*

Ratio: A Division Bench of the Delhi High Court did not agree to the view taken by the learned Singe Judge in *Dr.Reddy's Laboratories Ltd. vs. Fast Cure Pharma and Others (supra)*, where the 'dynamic effect' principle was applied and therefore, directed placing of the matters before the Honourable Acting Chief Justice of Delhi High Court for constitution of a Larger Bench for deciding the following questions:

i. Whether the decision of the learned Full Bench in Giridhari Lal Gupta (supra), rendered under the Designs Act, 1911, would be applicable in the context of Trade Marks Act, 1999 as amended by the Tribunal Reforms Act, 2021, for determining jurisdiction of a High Court under Section 57 of the 1999 Act?;

ii) Whether the jurisdiction of the High Court under Section 57 of the 1999 Act would be determined on the basis of appropriate office of



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the trademark registry, which granted the impugned trademark

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iii) Whether the expression 'the High Court' can be differently construed, in Sections 47, 57 and 91 of the 1999 Act?

31. It is now informed that a Full Bench has been constituted by the Delhi High Court pursuant to the reference made by the Division Bench of the Delhi Court in *The Hershey Company vs. Dilip Kumar Bacha and others case* (supra) and the hearing is scheduled to take place sometime in May, 2024. With utmost respect to the Delhi High Court, as a coordinate High Court, this Court independent of the view to be taken by the Full Bench of the Delhi High Court is deciding the issue on hand as to whether this Court is having the territorial jurisdiction to transfer a rectification proceeding from the file of the Trademarks Registry, New Delhi to the file of this Court and hear both the infringement suit which is already pending before this Court and the rectification proceeding together.

32. This Court has analyzed the various principles required for



adjudication of this transfer application in the previous paragraphs. From

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the principles discussed supra, this Court before coming to the conclusion as to whether the transfer application filed by the plaintiffs is maintainable or not, will have to answer the following issues:

a) Is there any statutory bar under the Trade Marks Act for this High Court which has already entertained the trademark infringement suit to transfer the rectification proceeding filed by the plaintiffs prior to the filing of this suit pending on the file of the Trademarks Registry, New Delhi to the file of this Court?;

b) Whether the statutory rights of the defendants will be affected in the event of transfer of the rectification proceedings from the file of the Trademarks Registry to the file of this Court?;

c) Which is the *forum conveniens* for deciding the rectification application seeking for rectification of the registered trademark of the defendants as sought for by the plaintiffs? Whether it is the Madras High Court or the Trademarks Registry at New Delhi?;

d) Whether the dynamic effect of the registration of the defendants' trademark at New Delhi, Trademarks Registry is felt at Chennai within the jurisdiction of this Court?;



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e) When the Registrar of trademarks under Section 125 (2) of the

Trade Marks Act is empowered to transfer to the High Court the rectification proceeding by exercising his *Suo Motu* power, should not the High Court being a Constitutional Court and superior to that of the Trademarks Registry should have inherent powers to transfer the rectification application from the file of the Trademarks Registry to itself?;

f) Whether the restricted meaning to High Court as found in the old Act of 1940 and 1958 can be given to the new Act of 1999 when the legislature has thought it fit to omit defining High Court, whereas under the old Acts, the High Court was specifically defined. When the Registrar of the Trademarks (Controller General of Patents, Designs and Trademarks) is having the power to withdraw / transfer cases pending before any Officer from any Trademarks Registry in India under Section 4 of the Trade Marks Act, 1999, should not this High Court which is already hearing the infringement suit filed by the plaintiffs be empowered to transfer the rectification application filed by the plaintiffs from the Trademarks Registry at New Delhi to this court?;

g) Whether, allowing the rectification application to be



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adjudicated by the Trademarks Registry at New Delhi will result in

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conflict of decisions i.e., one rendered by this Court in the infringement suit filed by the plaintiffs and the other rendered by the Trademarks Registry, New Delhi in the rectification application filed by the plaintiffs, as the decision in one will certainly have a bearing on the other?

h) If the test of reasonableness and fairness is applied, would it not be proper to transfer the rectification application pending on the file of the Trademarks Registry, New Delhi to the file of this Court?

i) Whether in the interest of Justice and for consistency, is it not proper to consolidate both the infringement suit and the rectification application together and render a single decision adjudicating both the claims?

j) Whether the Doctrine of Harmonious Construction can be applied for the purpose of transferring the rectification application from the file of the Trademarks Registry, New Delhi to the file of this Court?

k) Will the defendants be prejudiced, if the rectification proceedings pending on the file of the Trademarks Registry, New Delhi is transferred to this Court and be heard along with the Trademark



infringement suit?

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33. The old Trade Marks Act, 1958 was amended by the new Trade Marks Act, 1999 which is the law applicable as on date. As seen from the objects and reasons of the Trade Marks Act, 1999, it is seen that there was a need for a comprehensive review of the existing laws, in view of the developments in trading and commercial practices, increasing globalization of trade and industries, the need to encourage investment flows and transfer of technologies, need for simplification and harmonization of trademark management systems and to give effect to important judicial decisions. One of the important needs of the new trademark law was to harmonize the trademark management systems i.e., the removal of inconsistencies.

34. As per the doctrine of Harmonious construction of statutes, a provision of the statute should not be interpreted or construed in isolation but as a whole, so as to remove any inconsistency or repugnancy. The Courts must avoid a clash of contradictory provisions and they must construe the best provision so as to harmonize them. Large



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scale amendments have been made under the Trade Marks Act, 1999, which is the legislation in force. Under the old Trade Marks Act, 1958, 'High Court' was defined and as per the said definition, 'High Court' means having the jurisdiction under Section 3. As per Section 3 of the old Act, 1958, the High Court having jurisdiction under the Act shall be the High Court within the limits of whose appellate jurisdiction, the office of the Trademarks Registry is situated. However, under the present trademarks legislation in force viz., the Trade Marks Act, 1999, the legislature thought it fit to omit defining 'High Court'. As seen from the statement of objects and reasons of the Trade Marks Act, 1999, the omission to define 'High Court' may be to get over the traditional approach to jurisdiction which was prevalent earlier on account of the increasing globalization of trade and industry and on account of the massive progress in the Information Technology. With the advent of the internet, the question of territorial jurisdiction in intangible matters like Intellectual Property gets complicated largely on account of the fact that the internet is border less. By the usage of the internet through online applications, seeking for statutory remedy, including seeking for rectification of a registered trademark by applying through a computer



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system, from any where in India, the legislature may have purposely thought it fit not to define High Court under the Act, 1999 and not to give a restrictive meaning to it.

35. Under the old Act, 1958, the High Court was given a restrictive meaning and only the High Court which had appellate jurisdiction over the Trademarks Registry had powers over any proceeding pending before the concerned Trademarks Registry situated within the jurisdiction of that particular High Court.

36. In the case on hand, the rectification application was filed by the plaintiffs seeking rectification of the defendants' registered trademark prior to the filing of this infringement suit. Under Section 125 (2) of the Trade Marks Act, 1999, the Registrar of Trademarks (Controller General of Patents, Designs and Trademarks) is having *suo motu* power to transfer the rectification proceeding to the High Court. There has been a deliberate omission to define 'High Court' under the Trade Marks Act, 1999, which is the legislation in force though the old acts viz., the 1940 Act and the 1958 Act had defined 'High Court'. When the Registrar of



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the trademarks is having *suo motu* power to transfer the rectification proceedings to the High Court, as a Constitutional Court, it can be inferred that the High Court is having inherent powers to transfer the rectification proceedings to its file, in order to avoid any inconsistencies in the decision making i.e., one made by the Trademarks Registry and the other by the High Court. A decision rendered in the infringement suit pending on the file of this Court will certainly have a bearing, when the Trademarks Registry at New Delhi decides the rectification application and vice versa.

37. The intention of the legislature would never have been for two forums dealing with the same subject matter to give two conflicting decisions. When part of cause of action has arisen within the jurisdiction of this Court and the plaintiffs have also filed a trademark infringement suit against the defendants as they are having the principal place of business at Chennai and part of cause of action has also arisen at Chennai, this Court is of the considered view that, when the legislature deliberately thought it fit to omit defining 'High Court' under the present legislation in force viz., Trade Marks Act, 1999, this Court is empowered



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to entertain this transfer application seeking for transfer of the rectification proceedings pending on the file of the Trademarks Registry, New Delhi to the file of this Court. Even the Registrar of Trademarks (Controller General of Patents, Designs and Trademarks) is having the power to transfer proceeding pending on the file of any of the trademarks registries in India, from one officer to another officer. Therefore, the intention of legislature would not have been to curtail the powers of the High Court to transfer the rectification application in a case where the infringement suit filed by the plaintiff is already pending on its file. The defendants will also not be prejudiced, if the rectification application is transferred to the file of this Court since, the defendants are already before this Court defending the infringement suit filed by the plaintiffs. The defendants' contention that, they loose the statutory right of appeal before the Delhi High Court, is also without basis as the right to file the transfer application is admittedly available to the plaintiffs even before the Delhi High Court as well, as the rectification application is pending before the Trademarks Registry at New Delhi. Even if the Delhi High Court entertains the transfer application, the rectification proceeding pending before the Trademarks Registry, New Delhi will get transferred



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to the file of the Delhi High Court in which event as well, the defendants

will lose the statutory right of appeal.

38. By applying the Rule of Harmonious Construction, that too when there is no statutory bar for this High Court to transfer, it is in the interest of justice to consolidate both the proceedings together viz., the infringement suit as well as the rectification application and adjudicate both of them by a single decision, instead of allowing the Trademarks Registry, New Delhi to proceed with the adjudication of the rectification application separately and parallelly this Court adjudicating the trademark infringement suit which may end up in both the forums rendering two conflicting decisions, which certainly would not have been the intention of the legislature.

39. The plaintiffs have also pleaded in the plaint that, the defendants have infringed their trademark within the jurisdiction of this Court. The entire evidence pertaining to the infringement is available only within the jurisdiction of this Court. The plaintiffs have also questioned the validity of the defendants' trademark registration, which



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is an identical trademark to that of the plaintiffs' trademark. They have also challenged the registration of the defendants' trademark, by filing a rectification application under Section 57 of the Trade Marks Act, 1999, prior to the filing of this suit, which is the subject matter of this transfer application.

40. The defendants have also entered appearance in the trademark infringement suit and have filed their counter in the interlocutory applications filed by the plaintiffs.

41. In view of the foregoing reasons, the *forum conveniens* for the effective adjudication of the disputes is only the Madras High Court. The dynamic effect of registration of the defendants' identical trademark is also felt by the plaintiffs at Chennai, where the 2nd plaintiff is having their principal place of business and the 2nd plaintiff has also pleaded that the infringed products of the defendants under the identical trademark is being sold and marketed within the jurisdiction of this Court by the defendant. When the Registrar of the trademarks is having *suo motu* power under Section 125 (2) of the Trade Marks Act to transfer



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to the High Court the rectification proceeding, this Court being a competent Court, as a part of cause of action has arisen within the jurisdiction of this Court, is certainly empowered to exercise its inherent power to transfer the rectification proceeding pending before the Trademarks Registry, New Delhi to the file of this Court.

42. The Honourable Supreme Court in ***Shah Newaz Khan and Others Vs. State of Nagaland and Others reported in 2023 SCC Online SC 203*** though did not deal with an identical issue but while deciding a transfer application seeking for transfer of the suit from the Court of District Judge at Dimapur, Nagaland to the Court of District Judge, Gauhati, Assam, held that a narrow interpretation of Section 25 of C.P.C. imposing a bar on application under Section 24 for transfer of a suit, appeal or other proceeding by the common Gauhati High Court *inter se* the four states in relation to which it exercises jurisdiction should not be given which could place a heavy burden and might test an unsurmountable obstacle for litigants of the far flung areas of the North East, if they were made to approach the Supreme Court for such transfer on the specious ground that the Civil Court to which the same is



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proposed to be transferred is in a state other than the state in which the

WEB COPY suit has been instituted.

43. In that case, the Gauhati High Court rejected the transfer application on the ground that the High Court does not have the power under Section 24 of C.P.C. to transfer a suit from one state to another though both the states are under the supervision of the Gauhati High Court. The Honourable Supreme Court while observing that the "access to justice" has to be real, has observed that interpretation of law that seeks to address the mischiefs that is consistent with the constitution and promotes constitutional objectives and that which responds to the needs of the nation must be adopted. The Honourable Supreme Court also observed that, if "access to justice" has to be real, it becomes the moral responsibility of the Supreme Court, the supreme guardians / protectors of the rights of people guaranteed by the Constitution and the laws, not to construe the substantive part in Section 25 of the Court in a pedantic manner to bring about a situation that would thwart the initiative of making "access to justice" real. By giving such a purposeful interpretation, the Honourable Supreme Court has empowered the



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Gauhati High Court to exercise transfer jurisdiction under Section 24 of

WEB COPY C.P.C. from one High Court to another in so far as the four states which

are under their control and supervision. Therefore, by applying the same yard stick and in order to give a harmonious interpretation and to enable the parties to have effective justice without any conflicting decisions, this Court deems it fit to allow this transfer application by transferring the rectification proceedings pending on the file of the Trademark Registry, New Delhi to the file of this Court.

44. The decisions rendered by the Delhi High Court in the case of ***Giridhari Lal Gupta*** (supra) and ***Dr.Reddy's Laboratories Ltd. vs. Fast Cure Pharma and others*** (supra) which has applied the dynamic effect principle i.e., the effect of the impugned registration is felt within the jurisdiction of this Court, this Court is in agreement with the view taken in those decisions and therefore, is allowing this transfer application as prayed for by the plaintiffs.

45. The decision rendered by a Division Bench of this Court in the case of ***University Health Network vs. Adiuvo Diagnostics Pvt. Ltd. and***



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others reported in MANU/TN/0015/2024 has also held that irrespective of the location of the patent office, allowed the High Court, where a part of cause of action arose and is having the territorial jurisdiction, to decide a patent infringement suit under the Patents Act.

46. The Delhi High Court in ***Jumeirah Beach Resort LLC vs. Designarch Infrastructure Pvt. Ltd. and another reported in MANU/DEOR/194894/2022*** has also allowed the transfer application by transferring the rectification proceeding from the file of the Trademarks Registry, New Delhi to the file of the Delhi High Court eventhough such a specific power has not been given to the High Court under Section 125 of the Trade Marks Act, 1999. The Delhi High Court, while allowing the transfer application, held that if the Registrar of Trademarks would refer the matter to the High Court, there is no reason why the Delhi High Court could not direct transfer of the matter to itself, especially where all other connected petitions including petitions for passing off and cancellation / removal / rectification petitions which were earlier pending before the IPAB should be transfered to the Delhi High Court with the passage of the Tribunal Reforms Act. In the instant case, the trademark



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infringement suit filed by the plaintiffs is pending on the file of this

WEB COURT and the defendants have not filed, till date, any rectification

application seeking for rectification of the plaintiffs' registered trademark

before the Trademarks Registry, Chennai, where the plaintiffs had

obtained trademark registration. Therefore, in the interest of justice and

that too when there is no statutory bar for transfer, this Court will have to

necessarily allow this transfer application.

47. The learned single judge of the Madras High Court by its decision dated 11.12.2023 in W.P. (IPD)/30/2023 in the case of *Asia Match Co. Pvt. Ltd. vs. Deputy Registrar of Trademarks and G.I. and Another*, has also held, in situations where a Civil suit is pending, it is appropriate that the Registrar exercises discretionary power under sub-section (2) of Section 125 were acceding to the request for transfer and by the said decision, the learned Single Judge directed the registrar to transfer the rectification petition to the file of this Court.

48. The Division Bench of the Delhi High Court in the case of *The Hershey Company vs. Dilip Kumar Bacha and others reported in*



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MANU/DE/0904/2024 did not agree with the view taken by the learned

Single Judge of the Delhi High Court in ***Dr.Reddy's Laboratories Ltd.***

vs. Fast Cure Pharma and others (supra), who had applied the dynamic effect principle and referred the matter to a larger bench by framing the following points of reference:

"i) Whether the decision of the learned Full Bench in Giridhari Lal Gupta (supra), rendered under the Designs Act, 1911, would be applicable in the context of Trade Marks Act, 1999 as amended by the Tribunal Reforms Act, 2021, for determining jurisdiction of a High Court under Section 57 of the 1999, Act?;

ii) Whether the jurisdiction of the High Court under Section 57 of the 1999, Act would be determined on the basis of appropriate office of the trademark registry, which granted the impugned trademark registration?;

iii) Whether the expression 'the High Court' can be differently construed, in Sections 47, 57 and 91 of the 1999, Act?"

49. This Court with utmost respect to the view expressed by the Division Bench of the Delhi High Court however is in agreement with



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the view expressed by the learned Single Judge of the Delhi High Court

in ***Dr.Reddy's Laboratories Ltd. vs. Fast Cure Pharma and others***

(*supra*), who had applied the dynamic effect principle. The Larger Bench constituted to hear the reference made by the Division Bench of the Delhi High Court will also have the benefit of this decision rendered by this Court for the purpose of arriving at a just conclusion.

50. For the foregoing reasons, the issues that arose for consideration in this transfer application are answered in the following manner:

a) There is no statutory bar under the Trade Marks Act, 1999, for entertaining a transfer application to transfer the rectification application pending before the Trademarks Registry at New Delhi, to the file of this Court, when already there is an infringement suit pending on the file of this Court, which suit has been filed by the plaintiffs who are having its principal place of business at Chennai and a part of cause of action has also arisen at Chennai;

b) The statutory rights of the defendants will not be affected in the event of transfer of the rectification proceeding from the file of the



Trademarks Registry to the file of this Court;

WEB COPY c) The *forum conveniens* for deciding the rectification application

seeking for rectification of the registered trademark of the defendants is only before this Court, as only through a consolidated hearing of the infringement suit and the rectification application, an effective adjudication of the dispute can be rendered as the *forum conveniens* is only the Madras High Court;

d) The dynamic effect of registration of the identical trademark at New Delhi has an effect at Chennai within the jurisdiction of this Court, where the plaintiffs categorically pleaded that the infringed products are advertised and sold by the defendants. Hence, this Court by applying the 'dynamic effect' principle is empowered to transfer the rectification proceeding pending on the file of the Trademarks Registry, New Delhi to the file of this Court;

e) When the Registrar of Trademarks under Section 125 (2) of the Trade Marks Act, 1999, is empowered to *suo motu* transfer the rectification proceeding to the High Court, the High Court being a Constitutional Court and superior to the Trademarks Registry, is having the inherent power to transfer the rectification application from the file of



the Trademarks Registry to the file of this Court.

WEB COPY f) The deliberate omission to define 'High Court' under the new Act, 1999, will make it clear that there is no statutory bar for this Court to entertain this transfer application and allow the same, that too when a trademark infringement suit filed by the plaintiffs, is already pending adjudication before this Court. When the Registrar of the Trademarks under Section 4 is empowered to transfer proceedings from one officer to another throughout India, this Court being a Constitutional Court is certainly empowered to exercise its inherent powers to transfer the rectification proceedings pending on the file of the Trademarks Registry, New Delhi to the file of this Court;

g) Allowing the rectification application to be adjudicated by the Trademarks Registry at New Delhi may result in conflicting decisions i.e., one rendered by this Court in the infringement suit filed by the plaintiffs and the other rendered by the Trademarks Registry, New Delhi in the rectification application filed by the plaintiffs. Undoubtedly, a decision in one will certainly have a bearing on the other;

h) If the test of reasonableness and fairness is applied, it would be proper to transfer the rectification application pending on the file of the



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Trademarks Registry, New Delhi to the file of this Court as the *forum*

WEB COPY *conveniens* is only the Madras High Court.

i) The Intellectual Property Division Rules of Madras High Court as well as the Delhi High Court, allows consolidation of proceedings in the interest of justice and for uniformity, it is proper to consolidate both the infringement suit and the rectification application together and render a single decision adjudicating both the claims;

j) The Doctrine of harmonious construction has to be necessarily applied and in the interest of justice, the rectification proceedings pending on the file of the Trademarks Registry, New Delhi has to be transferred to the file of this Court;

k) The defendants will also not be prejudiced, if the rectification proceedings pending on the file of the Trademarks Registry, New Delhi is transferred to this Court and be heard along with the trademark infringement suit, as the defendants are already here to defend the infringement suit.

51. There cannot be multiplicity of legal proceedings across different Courts and branches of the Trademarks Registry, creating



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complexities and the potential for conflicting rules. Therefore, consolidation of all the proceedings involving the very same trademark dispute is necessary for an effective resolution of the trademark dispute between the parties.

52. This application has been filed only for transfer of the rectification proceeding pending before the Trademarks Registry at New Delhi. The Trademarks Registry at New Delhi has not yet adjudicated the rectification application filed by the plaintiffs. Instead of adjudication by the Trademarks Registry, this Court will be adjudicating the rectification application once the rectification application is transferred to the file of this Court. Only after the rectification application is transferred to the file of this Court, Section 124 (1) (i) of the Trade Marks Act, 1999, which the defendants rely upon gets attracted as this Court is not deciding the infringement suit for the present. Therefore, the argument that the suit will have to be stayed by applying the provisions of Section 124 (1) (i) is rejected by this Court.

53. In so far as the reliance made by the defendants to Rule 11 (4)



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of the Madras High Court IP Division Rules is concerned, that any order

of the High Court in IPR cases or proceedings involving any proceedings

before the IPO shall be served upon the IPO concerned, the IPO

concerned in the instant case is the Trademarks Registry at New Delhi as

admittedly, the rectification proceedings are pending only before the

Trademarks Registry at New Delhi and the IPD Rules also does not

specify a particular Trademarks Registry, the reference to IPO concerned

in the IPD Rules is only the Trademark Registry. Therefore, this Court is

having the power to transfer the rectification proceedings from the file of

the Trademarks Registry, New Delhi to the file of this Court.

54. For the foregoing reasons, this application seeking for transfer of the rectification proceedings from the file of the Trademarks Registry,

New Delhi to the file of this Court has to be allowed as prayed for.

Accordingly, this application is allowed by directing the Trademarks

Registry, New Delhi to transfer all records pertaining to the cancellation

petition No.280766 instituted by the applicants / plaintiffs against the

defendants' registration for the mark "NIPPON PAINTS" under

No.1695808 to the Registry of this Court within a period of four weeks



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from the date of receipt of a copy of this order. Registry is directed to communicate this order to the Trade Marks Registry, New Delhi for the effective implementation of this order. No Costs. Post the matter for reporting compliance on 30.04.2024.

21.03.2024

Index: Yes/ No
Speaking order / Non speaking order
Neutral citation : Yes / No
vga/ab



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ABDUL QUDDHOSE, J.

vga/ab

**pre-delivery order in A.No.556 of 2024
in C.S.(Comm.Div.)No.7 of 2024**

21.03.2024