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**(T) OP (TM) No.200 to 202 of 2023**  
**& C.S (Comm.Div) No.118 of 2022**  
**& O.A.Nos.334 to 338 of 2022**  
**& A.Nos.2373, 5733, 3052 & 3053 of 2024**  
**& (T) OP (TM) Nos.19 & 20 of 2024**

Reserved on: 30.07.2024

Pronounced on: 02.08.2024

**P.B.BALAJI, J.**

In and by an order dated 24.07.2024, the question whether there would be a joint trial or a simultaneous trial or an independent trial of the rectification petitions, and the suit was left open since the learned counsel on either side took divergent stands.

2.Today, I have heard Mr. A.Swaminathan, learned counsel for the rectification petitioners and the plaintiffs in the suit and Mrs. G. Thilagavati, learned Senior Counsel appearing for the contesting respondents/defendants.

3.Mr.Swaminathan learned counsel for the petitioners/plaintiffs would submit that the dispute is between the brothers and that too arising under a mutual agreement executed amongst the family, consisting of 9 brothers and therefore, the present issue before the court is not a regular trademark case. He would further submit that the common issues arise in the rectification petitions as well as in the suit. He would also submit that the plaintiffs are the respective petitioners in the rectification petitions and the

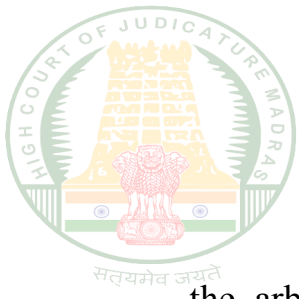


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only primary questions revolving around the disputes is only regarding the formation of the 2<sup>nd</sup> defendant/Company and the assignment of Intellectual Property Rights in its favor, in violation of the mutual agreement entered into amongst the parties. He would therefore submit that the trial has to be conducted jointly.

4.Per contra, Mrs. G. Thilagavati, learned Senior Counsel for the contesting respondents/defendants would submit that the first set of rectification trademark Original Petitions ((T) OP (TM) Nos.200, 201 & 202 of 2023) were in fact filed before the Intellectual Property Appellate Board even in the year 2016 and later came to be transferred before this court. The second set of rectification petitions namely, (T) OP (TM) Nos.19 and 20 of 2024 were filed only in 2022 and the two sets of OP's are by different petitioners altogether, though they may be plaintiffs in the commercial suit.

5.The learned Senior Counsel would further submit that since the suit itself came to be filed much later in April 2018, the rectification petitions will have to be tried first and the decision in the rectification petitions would have a direct bearing on the issues framed in the suit. She would therefore pray for suitable orders being passed.



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6. In reply Mr. A. Swaminathan, learned counsel would submit that the arbitration proceedings came to be initiated even in 2016 and only subsequently, all the above matters came to be instituted by the respective parties.

7. I have carefully considered the rival submissions advanced by the learned counsel on either side.

8. Section 124 of the Trademarks Act, 1999 runs thus,

*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, 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 , 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*



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*party concerned to apply to the for rectification of the register.*

*(2) If the party concerned proves to the court that he has made any such application as is referred to in clause (b) (ii) of sub-section (1) within the time specified therein or within such extended time as the court may for sufficient cause allow, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings.*

*(3) If no such application as aforesaid has been made within the time so specified or within such extended time as the court may allow, the issue as to the validity of the registration of the trade mark concerned shall be deemed to have been abandoned and the court shall proceed with the suit in regard to the other issues in the case.*

*(4) The final order made in any rectification proceedings referred to in sub-section (1) or sub-section (2) shall be binding upon the parties and the court shall dispose of the suit conformably to such order in so far as it relates to the issue as to the validity of the registration of the trade mark.*

*(5) The stay of a suit for the infringement of a trade mark under this section shall not preclude the court from making any interlocutory order (including any order granting an injunction, directing account to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit.*

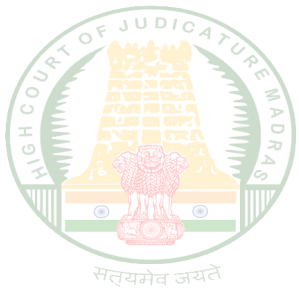
9. In view of the specific phraseology in Section 124(1)(b)(i) where the proceedings in rectification are earlier in point of time, the Section mandates stay of the suit pending disposal of the rectification petitions. Section 124 (4) also is relevant in the present case since the final order in the rectification proceedings referred to in Subsection 1 as well as Subsection 2 of Section 124 shall be binding upon the parties and the court is



required to dispose of the suit conformably to such order insofar as it relates to the issue as to the validity of the registration of the trademark.

10. In view of the above statutory position, I am unable to countenance the submissions of the learned counsel for the petitioners/plaintiffs. The rectification petitions as well as the suit, even according to the counsel for the petitioners/ plaintiffs raises common issues and that includes the validity of the assignment of the Intellectual Property Rights in violation of the terms of the mutual family agreement entered into amongst the brothers.

11. Having noticed that the rectification petitions, atleast the first set were filed by one of the plaintiffs in the commercial suit way back in 2016 itself and the suit came to be filed much later in the year 2018, it is just and proper not to direct a joint trial of the rectification petitions and the suit. The suit has to necessarily await the final orders in the rectification petition. However, it does not preclude the trial in the suit to be simultaneously proceeded with and at the time of hearing the arguments, it would always be open to this court to deal with the rectification petitions first and the decision in the above said rectification petitions would consequently have a bearing on the decision in the suit.



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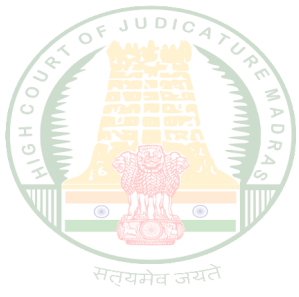
12. In view of the above, I am of the considered opinion that there can be a simultaneous and independent trial of the rectification petitions and the commercial suit subject to the rider that the rectification petitions shall be preferably heard and disposed of before the suit. It is however open to the learned counsel for the parties to insist before the learned Single Judge, hearing the matters for any deviated process.

13. Post the matter on 08.08.2024. The parties are directed to file their revised case management schedule in the meantime.

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02.08.2024

**P.B.BALAJI, J.**  
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