IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

RA-RF-174-2023
in
RFA-4412-2011
Date of decision: 26.04.2023
Reserved on 19.04.2023

M/s Vets Farma Ltd.

....Appellant

Versus

Vest Pharma Pvt. Ltd.

..Respondent

CORAM: HON'BLE MR JUSTICE ANIL KSHETARPAL

Present:- Mr. Shailen Bhatia, Advocate
Mr. Vikas Bali, Advocate
Mr. Raghav Bhalla, Advocate
for the review applicant/appellant

Mr. Amit Jain, Sr. Advocate with
Mr. Dhruv Mittal, Advocate
for the non-applicant/respondent

ANIL KSHETARPAL, J

1. The appellant in the Regular First Appeal has filed an application under Order XLVII Rule 1 read with Section 114 and 151 of the Code of Civil Procedure, 1908, seeking review of the detailed judgment passed on 17.08.2022, pursuant to the liberty granted by the Hon'ble Supreme Court on 27.02.2023, which reads as under:-

> "*Learned counsel for the petitioner contends that there is an apparent error on the face of the record in the impugned order as it proceeds on the basis that the Trademark Act, 1999 had come into force but the fact is that the said Act comes in force*

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only on 15.09.2003 while the transaction in question was also not of 1999 but 2000. He further rests his case on Section 124 of the Act.

We consider appropriate to permit the petitioner to withdraw the petition and file a review application before the learned Judge of the High Court with liberty to approach this Court in case of an adverse order.

The Special leave petition is dismissed as withdrawn in terms aforesaid.

Pending applications stand disposed of."

2. It may be noted here that though the applicability of the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as the '1958 Act) and the Trade Marks Act, 1999 (hereinafter referred to as the '1999 Act) was not in issue before the trial court or before this Court, still this Court has heard the learned counsel representing the parties. From the pleadings of the parties, the trial court has culled out the following issues:-

" *1. Whether the plaintiff is entitled to injunction prayed for? OPP.*

2. Whether the plaintiff is entitled to delivery of all infringing material containing impugned mark for the purpose of destruction/eraser from the defendant? OPP.

3. If issue no.2 is proved, which direction to be passed against the defendant? OPP.

4. Whether plaintiff is entitled to rendition of accounts against defendant? OPP.

5. If issue no.4 is proved, whether preliminary decree for rendition of accounts against the defendant is to be passed? OPP.

6. Whether the suit is without any cause of action?OPD.

7. Whether the suit is filed without resolution of the plaintiff company? OPP.

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8. Whether Vishal Gupta is Director & Principal Officer of the plaintiff and competent and authorized to file this suit? OPP.

9. Whether the suit is not maintainable under the law? OPD.

10. Whether plaintiff has no locus standi to file the present suit?OPD.

11. Relief."

3. The argument of the learned counsel representing the parties was decided by this Court in the following manner:-

"*14. The first argument of the learned counsel is based on Section 44 of the 1958 Act, which provides for registration of assignments and transmissions. It is evident that there is a similar provision in Chapter V of the 1999 Act. Section 45(3) of the 1999 Act provides that the Registrar may refuse to register the assignment until the rights of the parties have been determined by a competent Court. Thus, the order passed by the IPAB directing the Registrar to re-examine the matter would not exclude the and other connected cases jurisdiction of Civil Court to decide the matter. This matter can be examined from yet another angle. The IPAB directed the Registrar in February, 2007, to decide afresh. For last 15 years, the Registrar has not decided the matter. Obviously, the Registrar is waiting for the decision of a Competent Court i.e. Civil Court. Moreover, the jurisdiction of the Civil Court to decide civil disputes is plenary. In the absence of any absolute bar, the Civil Court has the inherent jurisdiction to decide the matter. Section 93 of the 1999 Act does not absolutely bar the jurisdiction of the Civil Court. It excludes the jurisdiction of the Civil Court only to the extent of exercise of jurisdiction, power or authority in relation to matters refers to in Sub-Section 1 of Section 91, which in turn, provides for appeals to the Appellate Board. From a careful reading of Section 45 read with Section 134 of the 1999 Act, it is evident that the Civil Court has the*

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> *jurisdiction to decide the matter. There is yet another aspect of the matter. The plaintiff has not only prayed for infringement of assigned trademarks but also prayed for a decree of permanent injunction complaining passing off and for rendition of accounts of profit and delivery."*

4. This Court has also gone through the written arguments submitted by the learned counsel representing the parties in the review petition.

5. At the outset, it is important to note that Section 45 of the 1999 Act has been amended by Act no.40 of 2010 w.e.f 08.07.2014 whereas the suit was filed on 06.07.2000, which was decided by the trial court on 23.03.2011.

6. At this stage, it is appropriate to extract Section 44 of the 1958 Act and Section 45 of the unamended 1999 Act in order to make comparative study in a tabulated manner:-

Trade and Merchandise Act, 1958	**Trademarks Act, 1999 Unamended**
44. Registration of assignments and transmission (1) where a person becomes entitled by assignment or transmission to a registered trade mark, he shall apply in the prescribed manner to the Registrar to register his title and the Registrar shall, on receipt of the application and on proof of title to his satisfaction, register him as the proprietor of the trade mark in respect of the goods in respect of which the assignment or transmission has effect, and shall cause particulars of the assignment or transmission.	**45. Registration of assignments and transmission:-** (1) Where a person becomes entitled by assignment or transmission to a registered trade mark, he shall apply in the prescribed manner to the Registrar to register his title, and the Registrar shall, on receipt of the application and on proof of title to his satisfaction, register him as the proprietor of the trade mark in respect of the goods or services in respect of which the assignment or transmission has effect, and shall cause particulars of the assignment or transmission to be entered on the register.

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Provided that where the validity of an assignment or transmission is in dispute between the parties, the Registrar may refuse to register the assignment or transmission until the rights of the parties have been determined by a competent court. (2) Except for the purpose of an application before the Registrar under sub-section (1) or an appeal from an order thereon, or an application under section 56 or an appeal from an order thereon, a document or instrument in respect of which no entry has been made in the register in accordance with sub-section (1), shall not be admitted in evidence by the Registrar or any court in proof of title to the trade mark by assignment or transmission unless the Registrar or the court, as the case may be, otherwise directs.	Provided that where the validity of an assignment or transmission is in dispute between the parties, the Registrar may refuse to register the assignment or transmission until the rights of the parties have been determined by a competent court. (2) Except for the purpose of an application before the Registrar under sub-section (1) or an appeal from an order thereon, or an application under section 57 or an appeal from an order thereon, a document or instrument in respect of which no entry has been made in the register in accordance with sub-section (1), shall not be admitted in evidence by the Registrar or the Appellate Board or any court in proof of title to the trade mark by assignment or transmission unless the Registrar or the Appellate Board or the court, as the case may be, otherwise directs.”

7. On a careful study of both the provisions extracted above, it is evident that both the provisions are parallel. The attention of the Court has been drawn to the difference between the usage of comma and full stop. Learned counsel representing the review applicant has tried to make a comparison of Section 44 of the 1958 Act with Section 45 of the amended 1999 Act, which is not applicable because this amendment came into force on 21.09.2010. Even the amended provision does not exclude the jurisdiction of the civil court from examining the correctness, validity and enforceability of such assignment deeds, as the proviso to sub-section 1 has been omitted.

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8. Learned counsel representing the review applicant also relies upon the judgment passed by a Single Judge Bench of Delhi High Court in **Brakes International Vs. Tilak Raj Bagga and another, AIR 1998 Del 146** and **Patel Field Marshal Agencies vs.P.M.Diesels Ltd. and others (2018) 2 SCC 112**. This Court has carefully gone through the judgment in **Brakes International's case (supra)**. While deciding two miscellaneous applications, the learned Single Judge considered it appropriate to remit the matter back to the Registrar for deciding the matter afresh. Moreover, in that case, Tilak Raj Bagga, one of the partners of the firm, filed a civil suit challenging the validity of the alleged assignment, on the ground of its having been obtained under undue influence and misrepresentation. It was in that context, the order was passed. Hence, the aforesaid judgment, with great respect, does not, as a ratio decidendi, lays down that the civil court has no jurisdiction or it cannot admit the deeds of assignment in evidence while examining their validity and enforcement.

9. Similarly, the judgment passed in **Patel Field Marshal's case (supra)** is also in the facts of the case and no applicability to the matter in issue in the present case.

10. At the cost of repetition, it may be noted here that undisputed facts, have been noticed by this Court in the detailed judgment. There was a memorandum of understanding signed between the parties on 27.03.1997 and three assignments deeds dated 27.09.1997, 21.10.1997 and 16.12.1997. Subsequently, both the parties jointly signed

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the Form TM-23. The Registrar vide order dated 01.01.1999 registered the plaintiff as an assignee proprietor of the Trade Mark. On 07.02.1998 a memorandum of settlement was arrived at between the plaintiff and the defendant whereby some of the terms of the memorandum of understanding dated 27.03.1997 were modified. The execution of all the assignment deeds was not only ratified but also made irrevocable. The defendant (review applicant) admitted the execution of the assignment deeds but contended its subsequent cancellation. No cancellation deed was produced in the evidence. In that context, the suit was decided. Moreover, IPAB directed the Registrar in February, 2007 to decide the matter afresh. However, for the last 16 years, the Registrar has failed to decide the matter. Proviso to Section 44 of the 1958 Act and Section 45 of the unamended 1999 Act itself provide that the Registrar may refuse to register the assignment or transmission until the rights of the parties have been determined by the competent court. In such circumstances, it would not be appropriate to hold that in civil suit where validity and enforceability of the assignment deeds is being examined the same would not be admissible in evidence. Once the statute itself enables the Court to decide validity and enforceability of such assignment deeds, necessarily the documents are required to be admitted in evidence in order to examine, analyse and adjudicate their enforceability.

11. In view the foregoing discussion, the decision is inevitable. Finding no merit, the review application is dismissed.

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12. All the pending miscellaneous applications, if any, are also disposed of.

26.04.2023 **(ANIL KSHETARPAL)**
rekha **JUDGE**
Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No

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