

Cancellation Actions: A Jurisdictional Dilemma

■ **Suyash Malhotra**



The Trade Marks Act of 1999 serves as the cornerstone of trade mark regulation in India, offering legal recourse through

which a trade mark can be challenged or cancelled. Among the primary grounds for such challenges are non-use and an entry wrongly remaining on the register.

HISTORICAL EVOLUTION OF THE LAW

The forum for entertaining cancellation actions has seen many changes over the years with the latest being post the Tribunal Reforms Act, 2021. Before delving into the current scenario, understanding the historical evolution of trade mark legislation in India, with respect to the jurisdiction of High Courts in cancellation actions is essential to contextualize the developments by the enactment of the Tribunal Reforms Act, 2021. The first significant legislation in this regard was the Trade Marks Act of 1940, which, despite adopting the definition of 'High Court', failed to offer clarity on which High Court will have jurisdiction over cancellation actions.

other issues) the Trade and Merchandise Marks Act of 1958 emerged, guided by the recommendations of the Ayyangar Committee. This committee, recognizing the need for clarity, proposed a shift in jurisdictional principles. Consequently, the 1958 Act clarified that the appropriate High Court, which was to be approached for cancellation will be the High Court having jurisdiction over the office of the Trade Marks Registry where the mark was registered. The legislative landscape then witnessed another transformation with the enactment of the Trade Marks Act, 1999. This legislation introduced the Intellectual Property Appellate Board (IPAB), which assumed jurisdiction over cancellation actions previously under the purview of High Courts. Notably, the definition of 'High Court' was omitted from the 1999 Act, reflecting the transfer of jurisdictional authority to the IPAB and the definition no longer being needed.

On April 04, 2021, the Tribunal Reforms Act, 2021 was notified, amending the 1999 Act. This legislation marked the abolition of the IPAB and reinstated the jurisdiction of the High Courts to adjudicate upon cancellation actions. However, due to possible legal oversight, or a conscious decision on the part of the legislature, while vesting the High Courts with the power to adjudicate

To address these uncertainties (among



Remfry & Sagar

Remfry House, Millennium Plaza,
Sector 27, Gurugram – 122 009
New Delhi - India

T: 91-124-280-6100, 91-124-465-6100

E: remfry-sagar@remfry.com



upon cancellation actions, the 2021 Act did not define the term High Court as defined under the 1958 Act, prompting divergent interpretations and legal debates.

JUDICIAL SCRUTINY AND DIVERGENT INTERPRETATIONS

In the absence of a statutory definition, the issue of High Court jurisdiction became a subject of judicial scrutiny and the first judgment on this position of law was delivered by Justice C. Hari Shankar whilst presiding over the Intellectual Property Division of the Delhi High Court. The factual matrix of the two matters before Justice C. Hari Shankar was as follows:

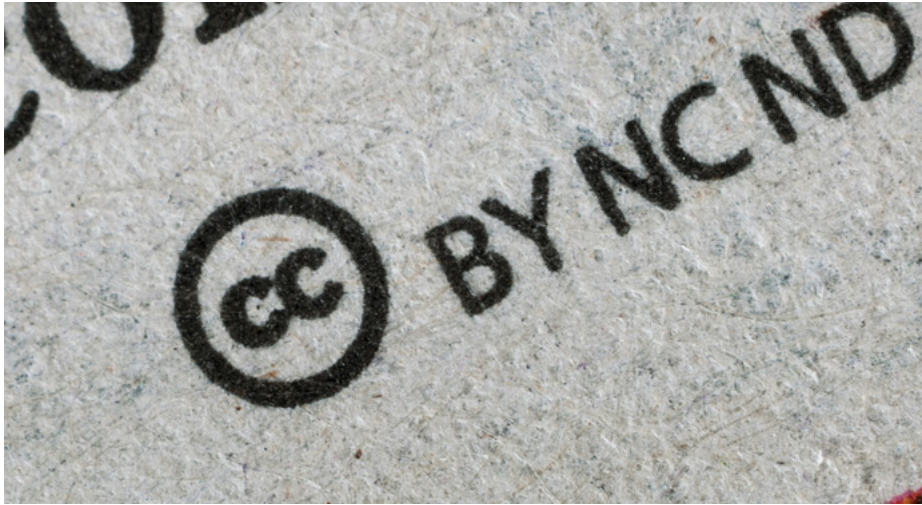
- The first was that of *Dr. Reddys Laboratories Limited vs. Fast Cure*

*Pharma*¹ wherein, while the impugned mark was registered by the Kolkata office of the Trade Marks Registry, the Petitioner had filed a cancellation action before the High Court of Delhi on the basis that the Defendants products, featuring the impugned trade mark, being available within the jurisdiction of the said High Court; and

- The other matter was *Centre Consortium LLC vs. Krunal Harjibhai Sardhara*², wherein the impugned mark was registered by the Ahmedabad office of the Trade Marks Registry. Though there was no use of the same within the jurisdiction of the Delhi High Court, the Petitioner had approached the said High Court on the ground that the Petitioner's attempt to register its trade mark before the Delhi office of the Trade Marks Registry was obstructed by the existing

mark of the Respondent.

Justice Hari Shankar opined that cancellation actions could be filed either before the High Court having jurisdiction over the office of the Trade Marks Registry where the mark was registered or where the 'dynamic effect' of the registration was felt. The principle of 'dynamic effect' is what prevents any person other than the registered proprietor of an intellectual property from using the same in any territory where the respective Acts are applicable, thus extending the jurisdiction of the High Court to where the statutory rights subsisting in an intellectual property are impinged upon. Two prominent factors at play in the reasoning offered by Justice Hari Shankar's decision were, first, the decision of the Delhi High Court in the case of *Girdhari Lal Gupta*



vs. K. Gian Chand Jain & Co.³ wherein a full bench had applied the principle of ‘dynamic effect’ of a registration in the context of a design registration. The second reason was the legislative intent behind the Tribunal Reforms Act, 2021 - according to Justice Hari Shankar the legislature had consciously chosen to omit the definition of ‘High Court’ so as not to limit the jurisdiction as previously envisaged in the 1958 Act.

Concurrently, another judgement on this very issue was passed by Justice Pratibha Singh, who was the other judge presiding over the Intellectual Property Division of the Delhi High Court. Justice Pratibha Singh presented a contrasting viewpoint in the case of Hershey Company vs. Dilip Kumar Bacha & Anr.⁴, advocating for adherence to the procedure as laid down in the 1958 Act. The appropriate High Court, in her opinion, to be approached for cancellation was the one with jurisdiction over the office of the Trade Marks Registry where the mark was

registered. Although Justice Pratibha Singh acknowledged the potential benefits of spread of trade mark disputes across the country to all High Courts, according to her, the decision regarding the jurisdiction of High Courts must be in accordance with the law as envisaged in the statute.

CURRENT SCENARIO

In light of the conflicting judicial interpretations, Justice Pratibha Singh referred the jurisdictional issue to a larger bench of the Delhi High Court for adjudication. Subsequently, a five-judge bench comprising Acting Chief Justice Manmohan, Justice Vibhu Bakhru, Justice Tara Ganju, Justice Sanjeev Narula, and Justice Manmeet Pritam Singh Arora convened to deliberate on the matter. Commencing hearings on March 13, 2024, the bench instructed the respective parties to submit comprehensive written arguments. The case is presently listed for arguments on July 18, 2024 and July 19, 2024. [w](#)



Suyash Malhotra is an Associate at Remfry & Sagar. Suyash joined the Firm in 2022 and is actively involved in advising clients on a range of contentious IP matters, primarily involving trademark law and domain name disputes. He actively works on civil enforcement actions in India as well as Bangladesh and has assisted clients from diverse sectors in implementing brand protection strategies.

¹2023 SCC OnLine Del 5409

²2023 SCC OnLine Del 5409

³AIR 1978 Del 146

⁴2024 SCC OnLine Del 814