

IN THE HIGH COURT OF DELHI AT NEW DELHI

W.P.(C) No. 10633 of 2009

DINESH CHANDRA VAGHANI & ORS. Petitioners
Through: Mr. Hemant Singh with Mr. Sachin
Gupta and Ms. Pallavi Singh, Advocates.

versus

UNION OF INDIA & ORS. Respondents
Through: Mr. Shailen Bhatia with Ms. Amita
Kapur, Advocates for R-3 & R-4.

CORAM:
HON'BLE DR. JUSTICE S.MURALIDHAR

1. Whether Reporters of local papers may be
allowed to see the judgment? No
2. To be referred to the Reporter or not? Yes
3. Whether the judgment should be reported in Digest? Yes

ORDER
19.01.2010

W.P.(C) No. 10633 of 2009 & CM No. 9493 of 2009 (for stay)

1. The challenge in this petition is to an order dated 1st May 2009 passed by the Intellectual Property Appellate Board ('IPAB') allowing the application MP No. 57 of 2007 filed by the Respondent No.3 Amit Arora for a direction that the statement of case filed by the Petitioner M/s. Milton Plastics Ltd. ('MPL') does not form part of the case file of the impugned rectification application filed by MPL for removal of the trade mark MILTON registered in favour of Respondent No.3 under No. 1198540 in class 11 from the Register of Trade Marks under Section 57 of the Trade Marks Act, 1999 ('TM Act'). By the said impugned order the IPAB also dismissed the

Petitioner's application MP No. 57 of 2008 on the ground that since the application filed by Respondent No.3 i.e. MP No. 57 of 2007 had been allowed the Petitioner's application did not survive. Consequently, by the impugned order the IPAB also dismissed the Petitioner's Original Rectification Application ORA/143/06/TM/DEL as not maintainable.

2. The present petition has been filed by six Petitioners i.e. Dinesh Chandra Vaghani, Kanaiyalal I. Vaghani, Nilesh I. Vaghani, Chirnajiv I. Vaghani, Madhup B. Vaghani and M/s. Milton Plastics Ltd. arrayed as Petitioners 1 to 6 respectively. It is stated that Petitioners 1 to 5 had initially set up a partnership firm under the name of M/s. Milton Plastics ('MP') in 1997 and had been carrying on the business of manufacturing and marketing domestic containers, flask, water jugs, water bottles, tiffins, casseroles, apparatus for filtration or purifying water, electric food warmers, toasters, mixers, irons, hair dryers, sandwich makers, oven toasters, grills, juicers, LPG stoves etc. under the trade mark and trade name MILTON. It is stated that a registration certificate dated 13th August 1981 was issued under the erstwhile Trade & Merchandise Marks Act, 1958 in respect of the mark MILTON in favour of Petitioners 1 to 5 'trading as M/s. Milton Plastics.' It is stated that on 22nd January 1998 a Memorandum of Understanding ('MoU') was signed between Petitioners 1 to 5 as partners of MP on one hand and Petitioners 1 to 5 as individuals on the other whereby the proprietary right and the ownership of the trade mark MILTON and the MP logo was withdrawn from the partnership firm MP unto Petitioners 1 to 5 in their individual capacity so as to exclude any other persons who may join the partnership later from claiming any proprietary right in the said mark and logo. By the same MoU

a licence was granted to MP to continue using the trade mark MILTON and MP logo in relation to its goods and business.

3. It is stated that on 1st May 1992 the partnership firm MP was converted into a limited company, MPL. The certificate of incorporation dated 1st May 1992 of MPL has been placed on record. It is stated that MPL thus became a successor-in-interest of the erstwhile firm MP.

4. By an agreement dated 3rd May 1992, a supplementary agreement dated 3rd August 1993 and later by an agreement dated 29th November 1997, Petitioners 1 to 5 granted a licence to Petitioner No.6 to continue marketing the goods using the trade mark MILTON. It is stated that MPL has since been marketing goods under the trade mark and trade name MILTON as a licence user.

5. It is claimed that Petitioners 1 to 5 being the joint proprietors in terms of Section 24 TM Act jointly have the statutory right to the exclusive use of the trade mark MILTON. Consequent upon the above MoU, the Petitioners 1 to 5 filed an application in Form TM-23 under Section 45 of the TM Act on 10th May 1999 with the Registrar of Trade Marks for being registered as transferees and subsequent proprietors of the trade mark.

6. The Petitioners claimed that they became aware of the adoption of the mark MILTON by Respondent No.3 and Respondent No.4 M/s. Hydro Valves, Delhi in respect of LPG gas stoves and water purifiers in September 2002. A lawyer's notice dated 16th September 2002 was issued to

Respondent No.3 by the Petitioners calling upon Respondents 3 and 4 to desist from using the trade mark MILTON in relation to the aforementioned goods. Within 15 days of receipt of the Petitioners' legal notice Respondents 3 and 4 filed civil Suit No.1580 of 2002 against the Petitioners in the civil court at Tis Hazari, Delhi. The said suit is stated to be pending. On their part the Petitioners filed civil Suit No. 1216 of 2003 against Respondents 3 and 4 in this Court for infringement. The said suit is also stated to be pending.

7. It is stated that through an application filed by the Respondents 3 and 4 for amendment of written statement in Suit No. 1216 of 2003 the Petitioners learnt that Respondent No.3 had been issued the impugned registration certificate dated 13th May 2003 in respect of the trade mark MILTON vide registration certificate No. 1198540 in class 11. The Petitioners, claiming to be aggrieved persons filed an application ORA 143/06/TM/DEL before the IPAB under Section 57 of the Act read with Rule 2 of the Trade Marks (Applications and Appeals to the IPAB) Rules, 2003 (hereinafter referred to as the TMAA Rules) and Rule 3 of the Intellectual Property Appellate Board (Procedure Rules) 2003 (hereinafter referred to as the IPAB Procedure Rules). The Petitioners filed the rectification application, in two parts i.e. Form 1 as well as Statement of Case with a supporting affidavit. It is claimed that an inadvertent error had crept into Form 1 as well as in the Statement of Case inasmuch as that in Form 1, MPL was shown as the sole Petitioner whereas in the Statement of Case the names of the Petitioners 1 to 6 were shown.

8. On 30th April 2007, Respondents 3 and 4 filed MP No. 57 of 2007 seeking

directions from the IPAB that the Statement of Case filed by the Petitioners does not form part of the case file and that the IPAB should deal with only the case as set up in the Form 1. Respondents 3 and 4 also filed a reply to Form 1 and not the Statement of Case.

9. In March 2008 the Petitioners filed a reply to MP No. 57 of 2007 and simultaneously filed MP No. 57 of 2008. The prayer in the latter application MP No. 57 of 2008 was for correcting the error in the array of parties in Form 1 and to introduce certain paragraphs therein by way of such amendment.

10. By the impugned order the IPAB allowed the application MP No. 57 of 2007 filed by Respondents 3 and 4 and consequently dismissed the Petitioners' application MP No. 57 of 2008. The IPAB held that apart from the discrepancies in Form 1, when compared with the Statement of Case filed by the Petitioners, there could not be more than one applicant in an application for rectification. Further Form 1 did not reveal how MPL could be a party to the proceedings. The statement of case showed that the only applicant was MPL and applicants 1 to 5 were its Directors. It was observed by the IPAB that it had already held "in such matters only one Petitioner can be a person aggrieved and the application can be filed only by one applicant." It was held that the licensee's rights are traceable to the registered proprietor and therefore there was no question of the licensee becoming a co-applicant. It was observed that the registered proprietor could protect his statutory rights independently and initiate rectification proceedings. Consequently, MP No. 57 of 2007 was allowed and MP No. 57

of 2008 was dismissed as not surviving. The rectification application was also dismissed as being not maintainable.

11. This Court has heard the submissions of Mr. Hemant Singh, learned counsel for the Petitioners and Mr. Shailen Bhatia, learned counsel for the Respondents 3 and 4.

12. At the outset this Court must observe that the Respondent IPAB ought not to have been impleaded as Respondent No.2 in this petition. An authority whose order is under challenge in a writ petition cannot possibly be made a party to the writ petition. However since the petition itself has been finally heard, no order is being passed to strike off the IPAB from the array of parties.

13. The first question that arises is whether the IPAB was right in its understanding that an application for rectification could be filed by only one person in terms of Section 57 of the Act.

14. Section 57(2) states as follows:

“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 Appellate Board or to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as it may think fit.”

15. Merely because the singular ‘person’ is used in the above provision, it cannot *ipso facto* mean that it does not include the plural. The word ‘person’ is not defined separately under Section 2 of the TM Act. Nevertheless as long as the context does not indicate otherwise, it is perfectly possible that the word ‘person’ would include ‘persons’ as well.

16. There could be many contexts where more than one person could jointly file an application under Section 57 of the TM Act. For instance, under Section 24 (2) of the TM Act it is possible that more than one person is interested in a trade mark and, therefore, such persons may be registered as joint proprietors of the trade mark. In the Law of Trade Marks and Passing off by P. Narayanan, Sixth Edition, Eastern Law House (2004) it is pointed out that an application for registration of a trade mark could be made by individuals who are partners on behalf of the firm and in the name of such partners. Likewise, a Hindu Undivided Family (‘HUF’) may make an application in the name of its members as the HUF. Further it is pointed out that under Section 3 (42) of the General Clauses Act, 1897 the word ‘person’ includes any company or association or body of individuals, whether incorporated or not. It is perfectly possible that even in terms of Section 24(2) where the mark is used or proposed to be used in relation of the goods connected with the course of trade by two or more persons then they may all apply for registration in their joint names. Therefore there are contexts envisaged in the TM Act itself that make it possible for more than one applicant to join in an application for rectification. Section 18 of the TM Act which talks of application for registration envisages an application by “any person claiming to be the proprietor of a trade mark.” It does not mean,

therefore, that there cannot be more than one person to apply for rectification.

17. There is nothing in the TMAA Rules or the IPAB Procedure Rules to indicate that an application for rectification can be filed only by one person. Interestingly Form 1 which is appended to the TM Applications and Appeals Rules reads as under:

“FORM 1

Application for the removal of trade mark from the register or rectification of the register under section 47/57/125 of the Trade Marks Act, 1999

(To be filed in triplicate along with statement of case in triplicate and accompanied by as many copies of each of them as there are registered users under the registration)

In the matter of Trade Mark No. registered in the name of in class.....**I/We**.....hereby apply that the entry in the register in respect of the above mentioned Trade Mark may be (removed) (rectified) in the following manner:-

.....
The ground of **my/our** application are as follows:-

.....
No action concerning the trade mark in question is pending in any court or before Registrar of Trade Marks.

All communications relating to this application may be sent to the following address in India:-

.....
.....

Dated this.....day of.....

Place.....

.....Signature of the Applicant
(Full Name of the Signatory)”
(emphasis supplied)

The use of the words ‘I/We’ and ‘my/our’ in Form I indicates that it is perfectly possible for more than one person to be an applicant in terms of Form 1. Rule 3 of the IPAB Procedure Rules requires the application to be filed “by an aggrieved person”. In the context in which the said word is used in Rule 3 it would include ‘persons’ as well.

18. Consequently, this Court is unable to concur with the view expressed by the IPAB that an application for rectification can be filed only by an individual applicant and that more than one applicant cannot join in the making of such an application for rectification. However it is clarified that if the IPAB were to require each such applicant to pay a separate fee, that by itself, cannot be said to be unjustified. The IPAB may issue necessary instructions to clarify the above legal position so that hereinafter no application for rectification by an applicant is rejected only because it has been filed by more than one person.

19. The above position in the law does not imply that every person who has joined in an application for registration or rectification is, by that fact alone, entitled to be granted registration or the prayer for rectification. It is for the

individuals who have joined in the application to satisfy the IPAB in that regard. All that this Court has explained is that the mere fact that more than one person has joined in making an application for rectification will not by itself constitute a ground for rejection of such application.

20. Turning to the facts of the present case, the sequence of events shows that the registration was initially granted to Petitioners 1 to 5 ‘trading as MP’. Thereafter, under the MoU, the proprietorship in the trade mark was transferred from the firm MP to the five individual partners i.e. Petitioners 1 to 5 who in turn gave a licence to the firm MP. Consequent upon the MoU dated 22nd January 1988 form TM-23 appears to have been submitted for entering the names of Petitioners 1 to 5 as subsequent proprietors of the trade mark in question. According to the Petitioners no decision on Form TM-23 has been taken by the Registrar of Trade Marks. Learned counsel for the Respondents points out that if the Register of Trade Mark has not yet been corrected to note the transfer of the proprietorship in the mark from the firm MP to the individual partners i.e. Petitioners 1 to 5, then the locus of the Petitioners 1 to 5 or even the Petitioner No.6 MPL to seek rectification would itself be in doubt.

21. This Court does not wish to adjudicate on this question since in the considered view of this Court it is now for the IPAB to take re-examine the matter. With this Court not agreeing with the IPAB on the reasons given by it in the impugned order for rejecting the rectification application, it becomes necessary for the IPAB to once again consider the application MP No. 57 of 2007 and MP No. 57 of 2008 as well as the Original Rectification

Application ORA No. 143/06/TM/DEL afresh. The IPAB will take into account the decision, if any, by the Registrar of Trade Marks on Form TM-23 submitted by Petitioners 1 to 5. If no decision has been taken as yet, a direction is issued to the Registrar of Trade Marks to take a decision thereon within a period of four weeks from today. The consequence of the decision of the Registrar of Trade Marks on TM-23 will be for the IPAB to consider. Further the IPAB will also consider the effect of the conversion of the firm M/s. MP into the company M/s. MPL and the consequent transfer of the rights of MP as licensee of the trade mark to M/s. MPL. The documents placed on record by the Petitioners in the present proceedings, if not already produced before the IPAB, are permitted to be produced by it before the IPAB for that purpose.

22. Learned counsel for Respondents 3 and 4 pointed out that the power of attorney executed in favour of Petitioner No.5, a copy of which has been produced, has been executed only by Petitioners 1, 2 and 3 and not by Petitioner No.4. Learned counsel for the Petitioners states that there is a separate power of attorney executed by Petitioner No.4 in favour of Petitioner No.5. Copies of both sets of power of attorneys are permitted to be produced by the Petitioners before the IPAB for its appreciation.

23. This Court is, therefore, not deciding the merits of either MP No. 57 of 2007 or MP No. 57 of 2008. It is for the IPAB to decide both applications afresh. Consequently, the impugned order is set aside. The two applications, MP No. 57 of 2007 filed by Respondents 3 and 4 and MP No. 57 of 2008 filed by the Petitioners as well as the Original Rectification Application

ORA No. 143/06/TM/DEL shall stand revived and will be listed now before the IPAB on 10th March 2010.

24. The writ petition is allowed in the above terms.

25. A certified copy of this order be delivered to the Registrar of Trade Marks as well as the IPAB within one week.

26. A copy of this order be given dasti to the learned counsel for the parties.

JANUARY 19, 2010
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S. MURALIDHAR, J