

12

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **Date of Decision: 29.11.2011**

% **W.P.(C) NO.7882/2010**

MALHOTRA BOOK DEPOT Petitioner
Through: Mr. Gaurav Pachnanda, Mr Mohit
Goel, Mr. Sidhant Goel and Mrs.
Sangeeta Goel, Advocates
versus

UNION OF INDIA & ORS Respondent
Through: Mr. Sachin Datta, CGSC and Mr.
Abhimanyu Kumar, Advocates

CORAM:
HON'BLE MR. JUSTICE VIPIN SANGHI

VIPIN SANGHI, J. (Oral)

1. This petition has been preferred by the petitioner under Article 226 of the Constitution of India to seek a writ of mandamus against the respondents thereby directing them to grant restoration and/or renewal of the petitioners trademark registration No.268211B dated 23.11.1970 in Class 16.

2. The case of the petitioner is that the petitioner obtained the registration of the stylized mark MBD under Registration No.268211B on 23.11.1970 vide certificate dated 20.12.1971 issued by the Registrar of Trademarks. This registration was lastly renewed on 01.07.1977, and expired on 23.11.1984.

3. The petitioner submits that the said registration was not renewed, and the petitioner came to know of the fact that the Registrar of Trademarks have removed the said marks from the register on 12.04.2010. On 07.10.2010, the petitioner made an application for restoration of the said trademark on the register and renewal thereof. According to the petitioner, the respondent has not entertained this application. Consequently, this petition has been preferred.

4. The submission of learned counsel for the petitioner is that the respondent did not follow the prescribed procedure before removing the said trademark from the register of trademarks. Reference is made to section 25 of the Trade and Merchandise Marks Act, 1958, (The Act) which was applicable at the relevant time. Section 25 of this Act reads as follows:

"25. Duration, renewal and restoration of registration

(1) The registration of a trade mark shall be for a period of seven years, but may be, renewed from time to time in accordance with the provisions of this section.

(2) The Registrar shall, on application made by the registered proprietor of a trade mark in the prescribed manner and within the prescribed period and subject to payment of the prescribed fee, renew the registration of the trade mark for a period of seven years from the date of expiration of the original registration or of the last renewal of registration, as the case may be (which date is in this section referred to as the expiration of the last registration).

(3) At the prescribed time before the expiration of the last registration of a trade mark the Registrar

shall send notice in the prescribed manner to the registered proprietor of the date of expiration and the conditions as to payment of fees and otherwise upon which a renewal of registration may be obtained, and, if at the expiration of the time prescribed in that behalf those conditions have not been duly complied with, the Registrar may remove the trade mark from the register.

(4) Where a trade mark has been removed from the register for non-payment of the prescribed fee, the Registrar may, within one year from the expiration of the last registration of trade mark, on receipt of an application in the prescribed form, if satisfied that it is just so to do, restore the trade mark to the register and renew the registration of the trade mark either generally or subject to such conditions or limitations as he thinks fit to impose, for a period of seven years from the expiration of the last registration". (Emphasis supplied).

5. Reference is also made to Rules 66 to 69 of the Trade & Merchandise Marks Rules, 1959 which were applicable at the relevant time. The said Rules read as follows:

"66. Renewal of Registration.

An application for the renewal of the registration of a trade mark shall be made on form TM – 12 and may be made at any time not more than six months before the expiration of the last registration of the trade mark.

67. Notice before removal of trade mark from register.

At a date not less than one month and not more than two months before the expiration of the last registration of a trade mark, if no application on form TM – 12 for renewal of the registration together with the prescribed fee has been received, the Registrar shall notify the registered proprietor or in the case of a jointly registered trade mark each of the joint registered proprietors and each registered user, if any, in writing on form O – 3 of the approaching expiration at the address of their

respective principal places of business in India as entered in the register or where such registered proprietor or registered user has no principal place of business in India at his address for service in India entered in the register.

68. *Advertisement of removal of trade mark from the register.*

If at the expiration of the last registration of a trade mark the renewal fee has not been paid the Registrar may remove the trade mark from the register and advertise the fact forthwith in the journal.

69 *Registration and renewal of registration.*

An application for the restoration of a trade mark to the register and renewal of its registration under sub-section (4) of section 25, shall be made on form TM – 13, within one year from the expiration of the last registration of the trade mark accompanied by the prescribed fee".
(Emphasis supplied)

6. Learned counsel for the petitioner submits that under section 25(3) of the aforesaid Act, it was obligatory on the registrar to send notice in the prescribed manner to the registered proprietor of the date of expiration and conditions as to payment of fee and otherwise, upon which a renewal of registration may be obtained. Only after such a notice had been issued under section 25(3) read with rule 67, as extracted above, upon the failure of the registered proprietor to seek renewal of the registered trademark, could the registrar proceed to remove the mark from the register.

7. Learned counsel for the petitioner further submits that the fact that the respondent did not issue the mandatory O-3 notice is evident from the pleadings. Reference is made to paras 1 and 12 of the writ

petition, wherein a specific averment has been made to the effect that the respondent has not issued the said notice, and that petitioner has not, in any event, received the same. These averments have not been specifically denied.

8. On the other hand, in their counter-affidavit, all that is stated by the respondent is that a large number of regular removal of trademarks from the register could not have been done without following the due process as per the provisions of law. Therefore, only a presumptive statement is made. In fact, in para 7 of the counter-affidavit, it is the admitted position that in various cases, O-3 notice had not been issued by the registrar. This being the position, it can safely be assumed that in the petitioners case O-3 notice had not been issued as provided for in Rule 67 of the aforesaid rules.

9. Learned counsel for the petitioner places reliance on the decision of the Madras High Court in **A. Abdul Karim Sahib and sons, etc., Tiruchirapalli v. The Assistant Registrar of Trade Marks, Madras**, 1983 PTC 55, which has been followed by this Court in W.P.(C.) No.8950/2006, **Kalsi Metal Works Pvt. Ltd. v. Union of India**, decided on 16.05.2007.

10. On the other hand, the submission of learned counsel for the respondent is that once the registration had lapsed, the same could be removed from the register even without following the requirement of section 25(3) and rule 67, as aforesaid. Mr. Datta further submits that

after the expiry of one year from the date when the registration had been removed from the register, there is no power in the registrar of trademarks to either restore the registration of the trademark or to renew the same.

11. It is further argued that on a reading of section 25(3), 25(4) and the aforesaid rules, it cannot be said that the non issuance of a notice in form O-3 would automatically extend the period of registration.

12. Mr. Datta submits that the registration of the mark in question had been obtained in the name of Sh. Ashok Kumar and Sh. Balbir Singh trading as Malhotra Book Depot. However, in the present petition, the petitioner has claimed in para 9 that the constitution of the petitioner has changed. According to the petitioner, a fresh partnership deed was executed between the new partners, namely Shri Ashok Kumar Malhotra and Ms. Satish Bala Malhotra. Subsequently, on the demise of Sh. Ashok Kumar Malhotra, the constitution of the petitioner was again changed and a fresh partnership deed was executed between Ms. Satish Bala Malhotra, Ms. Monica Malhotra Khandhari and Ms. Sonica Malhotra on 30.12.2009. Mr. Datta submits that it is not clear whether the title in the trademark in question vests in the petitioner or not.

13. In his rejoinder, learned counsel submits that the petitioner has given an explanation with regard to the vesting of the trademark in the letter dated 07.10.2010 placed on record.

14. Having heard learned counsel for the parties and examined the aforesaid provisions of the Trade and Merchandise Marks Act, 1958 and the Rules framed thereunder, namely, the Trade and Merchandise Rules, 1959, I am inclined to allow the present petition. Analysis of Section 25 of the aforesaid Act shows that a trade mark registered under the said Act may be renewed from time to time for periods of seven years each on making of an application and payment of the requisite fee. The application for renewal of the trade mark may be made, not earlier than six months before the expiration of the last registration of the trade mark. If such an application is made, the registration of the trade mark would be renewed, provided the conditions laid down under the Act and the Rules are satisfied. However, if no application is made for renewal of the registration of the trade mark and only two months are left before its expiration, then the Registrar is obliged to give a notice within one month to the registered proprietor or if there are more than one, to each of the registered proprietors, in writing in form O-3, of the approaching expiration of the registered trade mark. Upon receipt of said notice, the application for renewal of the registration may be made, in which case, the same would be renewed. If, however, after the expiration of the last registration of a trade mark, the renewal fee has not been paid despite issuance of a notice by the Registrar in form O-3, the Registrar may remove the trade mark from the register and advertise the fact forthwith in the journal.

15. An application for restoration of the trade mark to the Registrar and for renewal of its registration can be made within one year from the expiration of the last registration of the trade mark, accompanied by the prescribed fee.

16. The scheme of the Act and the Rules, therefore, is that before the removal of the mark from the register, the Registrar must give prior notice in form O-3 to the registered proprietor or to each of the joint registered proprietors in writing, putting them to notice of the impending expiry of registration of the mark. The removal of the registered mark from the register entails civil consequences for the registered proprietor of the mark. The said removal of the registered trade mark, in the scheme of things, therefore, cannot be done without prior notice to the registered proprietor/joint proprietors in the prescribed form. The mere expiration of the registration by lapse of time, and the failure of the registered proprietor of the trade mark to get the same renewed, by itself, does not lead to the conclusion that the same can be removed from the register by the Registrar of Trade marks without complying with the mandatory procedure prescribed in Section 25(3) of the aforesaid Act or read with Rule 67 of the aforesaid Rules. Removal of the registered mark from the register without complying with the mandatory requirements of Section 25(3) of the aforesaid Act read with Rule 67 of the aforesaid Rules would itself be laconic and illegal.

17. Reliance placed by Mr. Dutta on Section 25(4) and Rule 69 as aforesaid to contend that the petitioner's application to seek restoration of the mark on the register and for its renewal could have been made only within the period of one year from the expiration of the last registration of the trade mark, and not thereafter, cannot be accepted because, in this case, the removal of the mark from the register *ab initio* was not in terms of Section 25(3) read with Rules 67 and 68 as aforesaid.

18. The scheme contained in Section 25 read with Rules 66 and 67 as aforesaid, is that in case the application for renewal of the registration is not made before the expiration of the last registration, the registration of the trade mark would lapse. However that, by itself, would not lead to removal of the mark from the register. That, by itself, would not even entitle the Registrar to remove the mark from the Register. For removing the mark from the register, the procedure prescribed in Section 25(3) and Rules 67 and 68 should necessarily be followed. An application to seek renewal of the trade mark can be made, at the earliest, six months prior to its expiry. However, a perusal of Section 25(2) with Rule 66 shows that an application for renewal of the trade mark may be made even after the expiry of the last registration of the trade mark, but before its removal from the register. It is not that if the application for renewal of the trade mark is made after the expiration of the last registration of the trade mark, the same would not be entertained. The same would be entitled to be

entertained, provided the mark has not been removed from the register by following the procedure prescribed under Section 25(3) read with Rules 67 and 68. Rule 68 necessarily has to be read in conjunction with Rule 67 and cannot be read independent of it. The procedure prescribed in Rule 67 should first be complied with before invoking Rule 68.

19. In the present case, since the respondents did not issue the mandatory notice in form O-3, prior to removing the registered trade mark in question from the register, the removal of the said trade mark from the register was illegal. That being the position, the application to seek its restoration and for renewal of the registered trade mark under Section 25(4) cannot be said to be barred by limitation on the ground that it has not been made within the period of one year from the date of expiration of the last registration of the trade mark.

20. I also agree with the view taken by the Madras High Court in **A.Abdul Karim Sahib** (supra). On the issue of restoration of the trade mark on the register, renewal should not be approached from a penal point of view. If restoration is just, it is bound to be made. The delay, if any, has not led to registration of the trade mark in question in favour of any third party. No third party rights have, therefore, been created. This Court has followed the aforesaid decision of the Madras High Court in **Kalsi Metal Works** (supra).

21. For the aforesaid reasons, I allow this writ petition and issue a mandamus to the respondents to grant restoration and renewal of the trade mark registration No. 268211B dated 23.11.1970 in Class 16, upon the petitioner paying the requisite charges and complying with the requisite formalities.

22. It is made clear that this order shall not prejudice the rights of any third party who may claim the right of registration in the said trade mark, considering the fact that the respondents have raised a doubt about the manner in which the trade mark in question has been assigned/transferred over the years.

23. The petition stands disposed of in view of the aforesaid terms.

NOVEMBER 29, 2011
sr

VIPIN SANGHI, J