

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

Reserved on: 25.11.2013
% Date of Decision: 28.11.2013

+ **WP(C) No.7084 of 2010**

PARAS NATURAL SPRING WATER PVT. LTD. Petitioner
Through: Mr. S.K. Bansal, Adv.

versus

REGISTRAR OF TRADE MARKS DELHI & ORS..... Respondents
Through: Mr. M. Dutta, Adv.

+ **WP(C) No.7085 of 2010**

VRS FOODS LTD. Petitioner
Through: Mr. S.K. Bansal, Adv.

versus

REGISTRAR OF TRADE MARKS DELHI & ANR..... Respondents
Through: Mr. M. Dutta, Adv.

+ **WP(C) No.7087 of 2010**

VRS FOODS LTD. Petitioner
Through: Mr. S.K. Bansal, Adv.

versus

REGISTRAR OF TRADE MARKS DELHI & ANR..... Respondents
Through: Mr. M. Dutta, Adv.

CORAM:
HON'BLE MR. JUSTICE V.K.JAIN

JUDGEMENT

V.K.JAIN, J.

In WP (C) No.7084/2010, Shri Gajender Kumar and Chaudhary Ved Ram trading as M/s. Vedram & Sons (as applicant), applied to the Registrar of Trade Marks for registration of the mark PARAS PREMIUM, on 23.12.1996. The petitioner claims to have acquired rights over the said trademark PARAS PREMIUM. It appears that some objections to the proposed mark were raised by the Trade Marks Registry. Vide letter dated 8.6.2001, the report of the Trade Marks Registry was sent to the applicant stating therein that if no reply was received within three (3) months from the date of the letter, the application for registration of the trademark would be treated as abandoned in terms of Rule 39 (2) of the Trade & Merchandise Marks Rules, 1959. The case of the petitioner is that on receipt of the said letter dated 8.6.2001 it had agreed to association with application No.745528, besides agreeing to disclaim the word 'PREMIUM'.

2. Vide notice dated 4.3.2005, the Registrar of Trade Marks informed the applicant that since it had failed to comply with the office requirements called for, the application for registration was ordered as abandoned, on account of its default in prosecuting the said application. It was further stated in the said notice dated 4.3.2005 that if the applicant had already complied with the office requirements it should furnish copies of the supporting documents within 21 days from the date

of the receipt of the said notice for re-consideration of its case. The applicant claims to have responded to the said notice on 9.5.2005 stating therein that the application had been wrongly abandoned since they had already complied with all the requirements of the Trade Marks Registry vide their letter dated 7.7.2003. A copy of the letter dated 7.7.2003 was annexed to the aforesaid letter.

3. The case of the petitioner is that on coming to know on 23.8.2008 that their application was shown as 'abandoned' instead of 'pending registration', they sent a letter dated 25.8.2008 to the Deputy Registrar of Trade Marks raising objection to the Trade Marks Registry treating their application as 'abandoned'. Since the application of the petitioner continues to be shown as 'abandoned' in the record of the Trade Marks Registry, the petitioner is before this Court, seeking correction in the record of the Trade Marks Registry by regularizing and restoring its application followed by adjudication of the said application in accordance with law. The petitioner is also seeking a direction for correcting the status of the application as 'pending' instead of 'abandoned'.

4. In WP (C) No.7085/2010, Shri Gajender Kumar, Shri Ved Ram and Mrs. Neelam trading as M/s. Vedram & Sons (as applicant), applied to the Registrar of Trade Marks for registration of the mark PARAS LABEL (in English) on 10.12.1993. The examination report raising certain objections to the aforesaid mark was sent to the applicant on 23.3.1999. The applicant responded to the said communication on 18.1.2000 agreeing to be associated with application Nos.490104 and 613697. The applicant also agreed to disclaim the device of Cow's Head. The hearing in the matter was fixed for 31.12.2001 and a notice

was sent to the applicant. Since no one appeared for the applicant on 31.12.2001, the application was treated as 'abandoned'. Vide application dated 7.4.2007, the applicant sought to know the status of their application. According to them no response to the said letter was received by them. This is also the case of the petitioner that on 23.8.2008 they came to know, the status of their application is being shown as 'abandoned' instead of being shown as 'pending' and, therefore, vide letter dated 25.8.2008 sent to the Deputy Registrar of Trade Marks they protested to the status of their application being shown as 'abandoned'. However, since the status of the application continues to be shown as 'abandoned' in the record of the Trade Marks Registry the petitioner is before this Court seeking correction of the status of their application from 'abandoned' to 'pending' and an early hearing for adjudication of the said application.

5. In WP (C) No.7087/2010, Shri Gajender Kumar, Shri Ved Ram and Mrs. Neelam trading as M/s. Vedram & Sons (as applicant), applied to the Registrar of Trade Marks for registration of the mark PARAS LABEL on 10.12.1993. The petitioner claims to have acquired rights over the said trademark PARAS LABEL (in Hindi). A notice for hearing on 31.12.2001 was issued by the Trade Marks Registry to the applicant. Since no one appeared on that date, the application was treated as abandoned on account of non-appearance of the applicant. Vide letter dated 7.4.2007, the petitioner requested respondent No.1 to intimate the status of their application and fix a date of hearing for its disposal. According to the petitioner, they came to know on 23.8.2008 that their application was being treated as 'abandoned' instead of being treated as 'pending', by the Trade Marks Registry. Vide letter dated

25.8.2008 the petitioner lodged protest with the Deputy Registrar of Trade Marks for treating their application as ‘abandoned’. Since the Trade Marks Registry continues to treat the application to be ‘abandoned’, the petitioner is before this Court seeking regularization and restoring of their application. They are also seeking correction of the status of their application from ‘abandoned’ to ‘pending’ and an early hearing for adjudication of the said application.

6. Section 18 of the Trade & Merchandise Marks Act, 1958 enables a person claiming to be the proprietor of a trademark, who is desirous of registering the said mark to apply to the Registrar of Trade Marks for registration of his trademark. Section 21 of the said Act provides that any person may within the time stipulated in the said Section give notice in writing of opposition to the registration. The Registrar is required to serve a copy of the notice on the applicant, who is required to send, within two (2) months, a counter statement of the grounds on which he relies for his application and if the applicant does not do so he shall be deemed to have abandoned his application. If the applicant sends a counter statement, a copy of the same is to be served by the Registrar on the person giving notice of opposition. The Registrar is then required to give an opportunity, to both the applicant as well as the opponent to produce evidence upon which they rely and after hearing the parties and considering their evidence the Registrar is required to decide whether the registration is to be permitted and if so subject to what conditions or limitations.

Section 23 of the said Act provides for registration of the trademark where either the application has not been opposed or the opposition has been decided in favour of the applicant. It would, thus,

be seen that the Act does not envisage treating the application for registration as abandoned on account of the applicant failing to respond to the objections of the Trade Marks Registry. The Act provides for treating the application to be abandoned only where the applicant despite receiving notice of opposition fails to send to the Registrar a counter statement of his grounds on which he relies his application.

7. Rule 39 (2) of the Trade and Merchandise Marks Rules, 1959 reads as under:

“39. Objection to acceptance. Hearing.

....
(2.) If within three months from the date of the communication mentioned in sub-rule (1), the applicant does not amend his application according to the proposal aforesaid, or submit his observations to the Registrar or apply for a hearing, the application shall be deemed to have been abandoned.”

It would, thus, be seen that the aforesaid Rule does provide for treating the application to have been abandoned in case the applicant, does not amend his application according to the proposal of the Registrar or does not submit his observation to him or does not apply for a hearing within three (3) months from the date of receipt of objection or proposal of the Registrar in terms of sub-rule (1) of the said Rule.

8. The contention of the learned counsel for the petitioners is that since the Act does not provide for treating the application to be ‘abandoned’, the aforesaid Rule, to the extent it provides for treating the application to be ‘abandoned’ being contrary to the provisions of the Act is required to be discarded and cannot be resorted to by the Registrar. The learned counsel for the respondents, on the other hand, contended that though the Act does not expressly provide for treating the

application as ‘abandoned’ on account of the applicant not responding to the objections or proposal sent to him by the Registrar, it also does not bar such a procedure being adopted by the Registrar and, therefore, the provisions of the Rule cannot be said to be contrary to the provisions of the Act.

9. I am in agreement with the learned counsel for the respondents that though the Act does not provide for treating the application to be ‘abandoned’ on account of the applicant not responding to the objections or proposal of the Registrar in terms of sub-rule (1) of Rule 39, there is no inconsistency between the Act and the Rule since, the Act does not contain a prohibition against treating the application to be abandoned on such a ground and the Rules can always be used to supplement the provisions of the Act though they certainly cannot be in derogation of the specific provisions of the Act. Rule 39 (2) of the said Rules in my view serves a salutary purpose by requiring the applicant to respond promptly to the communication received from the Registrar in terms of sub-rule (1). In the absence of, a time limit for responding to such an objection or proposal, the applicant may prolong the matter by filing an application and then not co-operating with the Registrar in adjudication of his application. In fact, instead of leaving it to the Registrar to fix a time for the applicant to respond to his objection or proposal the rule making authority has statutorily prescribed such a time, thereby eliminating any subjectivity in fixing the time for responding such objection or proposal of the Registrar. Such an interpretation will also enable the Registrar to dispose of such applications expeditiously instead of keeping them pending awaiting response from the applicant.

10. The next question which comes up for consideration in this regard is as to whether the provisions of the Rules are directory or mandatory. In this regard, a reference may be made to Section 101 of the Act which to the extent it is relevant provides that if the Registrar is satisfied that there is sufficient cause for extending the time for doing any act (not being a time expressly provided in the Act), he may extend the time even in the cases where the time so specified has expired. Thus, in appropriate cases, the Registrar is competent to extend the time fixed by sub-rule (2) of Rule 39 of the said Rules, for responding to the proposal or objection of the Registrar. A reference in this regard may also be made to Rule 106 which provides that an application for extension of time under Section 101 (not being a time expressly provided in the Act or prescribed by rule 81 or by sub-rule (4) of rule 82 or a time for the extension of which provision is made in the Rules) shall be made on Form TM-56. Extension of time prescribed under Rule 39 (2) does not come under any exceptions mentioned in Rule 106 and, therefore, the provisions of Section 101 of the Act read with Rule 106 of the Rules do enable the Registrar to extend the time prescribed in sub-rule (2), in appropriate cases. Since the Registrar may is competent to extend the time in appropriate cases, it would be difficult to say that the provisions of sub-rule (2) are mandatory. On a conjoint reading of the aforesaid provisions of the Act and the Rules, I am of the view that in a case where an applicant does not amend his application according to the proposal of the Registrar sent to him in terms of sub-rule (1) or does not submit his observation or does not apply for hearing, the Registrar may, in appropriate cases, treat the application to have been abandoned.

11. The next question which comes up for consideration is as to whether the Registrar is required to give any show cause notice or opportunity of hearing to the applicant before he treats the application as abandoned in terms of sub-rule (2) of Rule 39. Section 98 of the Act to the extent it is relevant provides that the Registrar shall not exercise any discretionary or other power vested in him by the Act or the Rules made thereunder adversely to a person applying for the exercising of that power (if so required by that person within the prescribed time) without giving opportunity of hearing to such a person. Even otherwise, since an order treating the application to have been abandoned entails serious civil consequences for the applicant, the basic principles of natural justice require that before the Registrar treats an application to be abandoned on account of failure of the applicant to respond to his objection or proposal sent under sub-rule (1) of Rule 39 he must necessarily give a show cause notice/opportunity of hearing to the applicant before treating the application to have been abandoned. This procedure, in my view, becomes necessary considering that the Registrar is competent in terms of the provisions of Section 101 read with Rule 106 to extend the time stipulated in sub-rule (2) of Rule 39 even after the said time has expired. If such a notice/hearing is given to the applicant he will get an opportunity to make an application under Section 101 read with Rule 106 to the Registrar for extension of time and the Registrar if satisfied that the applicant was prevented by sufficient cause from responding to his objection or proposal, may extend the time fixed under sub-rule (2). Unless such notice/hearing is given to the applicant, he would get an opportunity to file an application

for extension of time for complying with the objection or proposal of the Registrar.

12. As regards treating the application to be ‘abandoned’ on account of the failure of the applicant to produce evidence in support of his claim, no such power is conferred upon the Registrar even by sub-rule (2) of Rule 39. Therefore, if the applicant does not appear on a date of hearing fixed by the Registrar, the appropriate procedure for him would be to decide the application on its merits instead of treating the same to have been abandoned.

13. For the reasons stated hereinabove, the impugned orders treating the applications in question to have been ‘abandoned’ are hereby quashed. In the case(s) in which the Registrar treated the application to be abandoned, on account of failure of the applicant to respond to the report/objection of the Registry, the Registrar shall give a notice/hearing to the concerned applicant to show cause why the application be not deemed to have been ‘abandoned’ in terms of sub-rule (2) of Rule 39 on account of their not responding to the objections/proposal sent to him under sub-rule (1) of Rule 39. On receipt of such a notice the applicant will be entitled to file an appropriate application seeking extension of time for the said purpose. The Registrar will then pass an appropriate order on his application seeking extension of time. In case the application for extension of time is allowed, the Registrar shall proceed to adjudicate upon the application in accordance with law. If, however, the application is rejected, and consequently for registration of trademark is deemed to have been ‘abandoned’ in terms of sub-rule (2) of Rule 39, the applicant shall be entitled to avail such remedy as is open to him in law against such a decision of the Registrar. It is made

clear that while deciding the application for extension of time as also while treating the application for registration to have been 'abandoned', the Registrar shall pass a speaking order, taking into consideration the plea taken by the applicant while seeking extension of time.

14. In the cases where the Registry has treated the application as abandoned on account of failure of the applicant to produce evidence, the Registrar shall give a notice to the applicant requiring him to produce his evidence in support of the application for registration and in case no evidence is produced, he shall decide the application for registration on its merits, instead of treating the same to have been 'abandoned'. If evidence is produced by the applicant in support of his application the Registrar shall proceed to adjudicate upon the application in accordance with law.

The notice in terms of this order shall be given by the Registrar to the concerned applicant within four (4) weeks of receiving a copy of this order.

The writ petitions stand disposed of. No order as to costs.

NOVEMBER 28, 2013
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V.K. JAIN, J.