

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 06.12.2017

CORAM:

THE HONOURABLE MR. JUSTICE S.VAIDYANATHAN

W.P.No.3317 of 2012

Goldsun Auto Private Limited
Having its Registered Office at
12, Avarampalayam Road,
Ganapathy, Coimbatore,
Tamil Nadu - 641 006, India,
Rep. by its Managing Director,
Mr.G.Ramachandran Petitioner
vs.

1. The Controller General of Patents & Trademarks,
Boudhik Sampada Bhavan,
S.M.Road, Antop Hill,
Mumbai - 400 037.
2. The Registrar of Trademarks,
Trademarks Registry,
Intellectual Property Rights Building,
Industrial Estate SIDCO RMD,
Godown Area, G.S.T. Road,
Guindy, Chennai 600 032.
3. The Deputy Registrar of Trademarks,
Trademarks Registry,
Intellectual Property Rights Building,
Industrial Estate SIDCO RMD,
Godown Area, G.S.T. Road,
Guindy, Chennai 600 032.
4. S.A.Thooyamani Respondents

(R4 impleaded vide order of this Court dated 23.08.2017
in M.P.No.1 of 2014 in W.P.No.3317 of 2012)

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a writ of certiorarified mandamus, to call for the records of the 3rd respondent connected with the letter dated 23.09.2011 (Annexure 10) quash the same and consequently issue directions to the respondents to restore the trademark of the petitioner duly registered under Trademark No.734626 w.e.f. 20th January 1997 by allowing the renewal and restoration application of the petitioner Company, dated 20th January 2012 and pass other consequential reliefs.

For Petitioner : Mr.H.Karthik Seshadri
for M/s.Iyer & Thomas

For Respondents 1 to 3 : Mr.T.L.Thirumalaisamy,
Central Govt. Standing Counsel

For 4th Respondent : Mr.Ramesh Venkatachalapathy

O R D E R

The petitioner has come up with this Writ Petition seeking to quash the letter dated 23.09.2011 issued by the 3rd respondent and for a consequential direction to the respondents to restore his Company's Trademark by allowing the Company's application dated 20.01.2012 for renewal and restoration.

2. According to the petitioner viz. G.Ramachandran, their Company is a Private Limited Company incorporated on 24.03.2008 under the Companies Act, 1956. The authorised capital of the Company is Rs.50,00,000/- divided into 50,000 Equity Shares of Rs.100/- each. The issued and paid up capital of the Company is Rs.1,00,000/- divided into 1000 Equity Shares of Rs.100/- each. The petitioner and his wife are the two Directors and Shareholders of the Company. The trademark "GOLDSUN" along with logo was adopted, continuously and extensively by the Firm for automobile accessories ever since October 1995 and it was duly registered by the Registrar of Trademarks on 16.07.2007.

3. The case of the petitioner is that due to inadvertence, he did not submit any application for renewal. He was under the impression that a lot of time is available for renewal of registration, as the trademark was registered only on 16.07.2007. Once he realized that renewal had to be done, the petitioner, through his authorised representative, filed an application with the Registrar of Trademarks in Form TM-12 for renewal of the registration of the trademark, vide Form TM-13 on 17.08.2011. On the same day, the petitioner was advised to submit Form TM-24 too, to enter the name of his Company as the subsequent proprietor of the registered trademark.

4. The renewal and restoration application filed by the authorised representative of the petitioner was returned by the Registrar of Trademarks saying that the "application status shows as 'removed', hence, returned". Immediately, the authorised representative of the petitioner issued notice to the Deputy Registrar of Trademarks on 23.08.2011 and pointed out the

non-compliance of the procedures stated in the Trademarks Act, 1999 and that the application for renewal and restoration was not filed within the stipulated time and hence, the trademark has been removed from the Registrar of Trademarks. Subsequently, on 10.10.2011, the authorised representative of the petitioner sent one more representation to the Controller General of Patent and Trademarks, Mumbai and requested for restoration and renewal of the trademark.

5. The grievance of the petitioner is that the Registrar of Trademarks, while removing his Company's trademark from the Registry, failed to comply with the following procedures:

(i) As per Section 23(2) and Rule 62(1), the Certificate of Registration of a trademark to be issued by the Registrar shall be in Form O-2;

(ii) As per Rule 64(1), at a date not less than one month and not more than three months before the expiration of the last registration of a trademark, if no application in 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 trademark each of the joint registered proprietors and each registered user, if any, in writing in Form O-3 of the approaching expiration at the address of their respective principle places of business in India as entered in the Register or where such registered principle 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.

6. In the counter filed on behalf of respondents 1 to 3, it is stated that the petitioner had miserably failed to avail the opportunity provided to those for filing Interlocutory Petition in cases, where the Registration Certificates and/or Form O-3 notice have not been received as stipulated in Circular Nos.CG/F/Public Notice/2010/163, dated 24.10.2010 and CG/F/Public Notice/2010/18, dated 30.11.2010, respectively. Therefore, according to the official respondents, as the Registered Propriety had slept over his rights, he cannot seek to enforce the same through a court of law.

7. The impleaded 4th respondent, who is the Proprietor of M/s.Sun Associated Engineering, has filed a counter affidavit, wherein, he has stated that initially he along with one G.Manoharan and V.Ponnusamy, promoted a Company viz. "Sun Auto" during the year 1990, to manufacture crash guards and luggage carriers for automobiles. To supplement the production, he promoted another Company, viz "Sun Associated Engineering" in the year 1993. During the year 1995, the 4th respondent retired from "Sun Auto" and started "Goldsun Auto" with the writ petitioner to manufacture the same products. Since the Companies viz. Goldsun Auto, Sun Associated Engineering, Sun Associates and Bright Engineering, all run by the petitioner, 4th respondent and their spouse, together as partners, used the same trademark, they enjoyed certain tax benefits, as a small scale industry.

8. The 4th respondent went on to state that due to difference of opinion with the writ petitioner, he retained "Sun Associated Engineering", however, the impugned trademark was abandoned by the partners and by efflux of time, the trademark had come into public domain, since the writ petitioner did not file renewal application within the stipulated time prescribed under the Trademarks Act. According to the 4th respondent, as a diligent user of the trademark, he filed a separate application before the Trademark Registry on 12.08.2011 claiming usage from the year 1993 and the same is pending registration.

9. According to the learned counsel for the petitioner, in terms of the provisions of the Act, more particularly in the light of Form O-3, a notice is required and admittedly, the 3rd respondent has not issued any notice to the petitioner, which fact has been admitted in paragraph 4 of the counter affidavit filed by the 3rd respondent. He contended that the respondents could have issued a notice to the petitioner and after waiting for a reasonable period, if no reply is received, then they could have passed an order removing the petitioner's trademark from the Register.

10. In support of his case, learned counsel for the petitioner drew the attention of this Court to the following :

(i) Bombay High Court decision in the case of CIPLA Limited vs. Registrar of Trade Marks, Mumbai in W.P.No.1669 of 2012, dated 23.09.2013

"11. Mr.Joshi further contended that in the present case, the office must have issued

O-3 notice. However, the concerned record pertaining to the year 2002 is not readily available.

15. It is not necessary for us to decide this issue. In any event, the failure to comply with the mandatory provisions of Section 25(3) is a jurisdictional issue which raises a pure question of law. We are therefore, inclined to entertain this petition in exercise of our extraordinary jurisdiction under Article 226 of the Constitution of India.

16. The question in our view should not be approached from any penal point of view. If restoration is just, it is bound to be made. That is the effect of the scheme of the Act and the Rules. It is true that has been an inordinate delay. If that delay has led to registration of the trademark in favour of someone else, it may be a different matter depending upon the facts of the case. No one else has applied for or claimed any right of registration in the said trademark in the meantime.

17. Therefore, in the facts and circumstances of the case, the respondents are directed to grant restoration and renewal of the trademark registration CIPLA No.114794, dated 6th November 1945, within two weeks of the petitioner paying the requisite charges and complying with the requisite formalities."

(ii) a Delhi High Court decision in the case of Union of India vs. Malhotra Book Depot, in L.P.A.No.564 of 2012, dated 27.02.2013

"23. Further, once it is held that for the Registrar to invoke the bar of limitation of one year for applying for renewal, the notice under Form O-3 is mandatory, the Registrar cannot be permitted to invoke the presumption of the removal having been done in the manner prescribed in law. The learned Single Judge is right in observing that the appellants by inserting the public notices have admitted to default in issuing the notice in Form O-3. It is significant to note that the respondent had applied for restoration and

renewal within one year therefrom. One of the two judges of the Supreme Court, in *Delhi Airtech Services Pvt. Ltd. v. State of U.P.* (2011) 9 SCC 354 after noticing the distinction between mandatory and directory provisions held that where a statute imposes a public duty and proceeds to lay down the manner in which the duty shall be performed, the injustice or inconvenience (to the public authority) resulting from a rigid adherence to the statutory prescriptions may not be a relevant factor in holding such prescription to be only directory. Though the said matter is referred to a larger Bench, but that does not affect the efficacy of the aforesaid. Earlier, a five Judge Bench in *Mysore State Electricity Board Vs. Bangalore Woolen, Cotton and Silk Mills Ltd.* AIR 1963 SC 1128 also, faced with an argument that if a question between the Electricity Board and the consumer were to be referred to arbitration, then there may be thousands of arbitration, which the legislature could not have contemplated, held that it was an argument based on inconvenience and that inconvenience is not a decisive factor in interpreting a statute. We are of the opinion that Section 25 having imposed a duty on the Registrar to effect removal of the mark only after sending the notice and upon failure of the registered proprietor to comply therewith, the argument, and which also prevailed with the IPAB, that Registrar should not be held bound by such duty merely for the reason of the proof of dispatch/service of such notices being available, is fallacious."

11. In reply, learned Central Government Standing Counsel appearing for respondents 1 to 3 contended that the petitioner has obtained the trademark, but, due to administrative reasons, it has taken a decade for passing orders on its registration. In any event, that will not preclude the petitioner from seeking renewal and admittedly, the petitioner having failed and not made any request for renewal of trademark, his contention that there is a default on the part of the official respondents may not be correct. According to him, the petitioner has not cared to take any steps for renewal of the trademark and hence, the request of the petitioner has to be rejected.

12. On the other hand, learned counsel appearing for the impleaded 4th respondent contended that the 4th respondent was a partner with the petitioner and that after the statutory period was over, he made an application for the very same trademark, after confirming that the present name was not available in the records. But, the petitioner, after the expiry of the time contemplated under the provisions of the Act, more particularly under Section 25, has made an application on 17.08.2011 for renewal with a delay of more than two years and when the 4th respondent's application seeking renewal is pending, the petitioner cannot be entitled to any relief.

13. Learned counsel for the 4th respondent, referring to Section 25(4) of the Trademarks Act, 1999 contended that after a period of ten years, if any application for renewal is made, the Registrar, shall, after six months and within one year from the expiry of the last registration of the trademark on receipt of the application in the prescribed form and on payment of the prescribed fee, restore the trademark to the Register and renew the same. He further contended that the petitioner has made an application seeking renewal of registration of trademark, too belatedly, i.e. after a period of three years, and hence, according to him, he cannot be shown any indulgence.

14. In reply, learned counsel for the petitioner submitted that the provisions of Section 25(4) of the Trademarks Act will not be applicable to the facts of this case, as the said proviso is applicable, only when a trademark has been removed from the register for non-payment of the prescribed fee. According to him, the pendency of the application of the impleaded 4th respondent seeking renewal of trademark and the usage of the trademark in question by the 4th respondent are all matters to be decided before the appropriate forum.

15. Learned counsel appearing for the 4th respondent contended that the finding to be rendered in this Writ Petition will certainly have a bearing on the 4th respondent's application and hence, prayed for dismissal of the Writ Petition.

16. Heard the learned counsel on either side and perused the material documents available on record.

17. For the sake of convenience, Sections 23 and 25 of the Trade Marks Act, 1999, are extracted below:

23. Registration : (1) Subject to the provisions of section 19, when an application for registration of a trade mark has been accepted and either-

(a) the application has not been opposed and the time for notice of opposition has expired, or

(b) the application has been opposed and the opposition has been decided in favor of the applicant.

The registrar shall, unless the Central Government otherwise directs, register the said trade mark and the trade mark when registered shall be registered as of the date of the making of the said application and that date shall, subject to the provisions of section 154, be deemed to be the date of registration.

(2) On the registration of a trade mark, the Registrar shall issue to the applicant a certificate in the prescribed form of the registration thereof, sealed with the seal of the Trade Marks Registry.

(3) Where registration of a trade mark, is not completed within twelve months from the date of application by reason of default on the part of the applicant, the Registrar may, after notice to the applicant in the prescribed manner, treat the application as abandoned unless it is completed within the time specified in that behalf in the notice.

(4) The Registrar may amend the register a certificate of registration for the purpose of correcting a clerical error or an obvious mistake.

25. Duration, renewal, removal and restoration and registration.-

(1) The registration of trade mark, after the commencement of this Act, shall be for a period of ten 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 ten 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.

Provided that the Registrar shall not remove the trade mark from the register if an application is made in the prescribed form and the prescribed fee and surcharge is paid within six months from the expiration of the last registration of the trade mark and shall renew the registration of the trade mark for a period of ten years under sub-section (2).

(4) Where a trade mark has been removed from the register for non-payment of the prescribed fee, the Registrar shall, after six months and within one year from the expiration of the last registration of the trade mark, on receipt of an application in the prescribed form and on payment of the prescribed fee, 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 ten

years from the expiration of the last registration.

18. It is not in dispute that the petitioner was using the trademark 'GOLDSUN' along with the logo in his business. It is also not in dispute that the trademark was obtained by the petitioner on the application made by him in the year 1997 and it was approved and recorded in the Register only on 16.07.2007, after a lapse of ten years. As the petitioner did not take steps to renew the registration of trademark, his request was not considered and the application was returned on the ground that the trademark has been removed from the records.

19. Though the contention of the learned counsel for the 4th respondent appears to be novel, as contemplated under the provisions of the Act, it is the duty cast upon the official respondents to pass an order within a period of ten years (before its expiry), which would enable the petitioner to make an application within the time limit. It may be correct that the pendency of the application may not be a bar for the petitioner to submit an application for renewal. As there is no automatic renewal and that only after an order granting the trademark, an application for renewal can be made and that for removal, mandatory provisions of Section 25(4) need to be complied with along with notice vide Form O-3, the petitioner's case has to be necessarily considered.

20. Though the contention of the impleaded 4th respondent that the petitioner has got a right of appeal before the Appellate forum and that he ought to have availed the appellate remedy before approaching this Court appears to be sound, this Court, having admitted the Writ Petition on 05.03.2012, and rejecting it on the ground of alternative remedy after five years, may not be warranted.

21. I find much force in the contentions of the petitioner and hence, the impugned proceedings of the 3rd respondent dated 23.09.2011, is set aside. The observations made in this order touching the merits of the matter is only for the purpose of disposal of the Writ Petition and it will not bar the contesting parties, viz. the petitioner and the impleaded 4th respondent to approach the appropriate forum with regard to the trademark that may be used by one of the parties.

The Writ Petition is allowed with the above directions and observations. No costs. Consequently, connected M.P.No.2 of 2012 is closed.

Sd/-

Assistant Registrar(CS-ii)

//True Copy//

Sub Assistant Registrar

(aeb)

To:

1. The Controller General of Patents & Trademarks,
Boudhik Sampada Bhavan,
S.M.Road, Antop Hill,
Mumbai - 400 037.
2. The Registrar of Trademarks,
Trademarks Registry,
Intellectual Property Rights Building,
Industrial Estate SIDCO RMD,
Godown Area, G.S.T. Road,
Guindy, Chennai 600 032.
3. The Deputy Registrar of Trademarks,
Trademarks Registry,
Intellectual Property Rights Building,
Industrial Estate SIDCO RMD,
Godown Area, G.S.T. Road,
Guindy, Chennai 600 032.

+1cc to Mr.H.KARTHIK SESAHDRI, Advocate, S.R.No. 86754
+1cc to Mr.T.L.THIRUMALAISAMY, Advocate, S.R.No. 86965
+1cc to Mr.M.SRIRAM, Advocate, S.R.No. 87188

Order in
W.P.No.3317 of 2012

AD(CO)
TR(29/01/2018)

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