

IN THE HIGH COURT OF DELHI AT NEW DELHI

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Judgment delivered on: 18.09.2017

+ **W.P.(C) 5568/2017 & CM No. 23379/2017**

M/S EPSILON PUBLISHING HOUSE PVT LTD Petitioner

Versus

UNION OF INDIA AND ORS Respondents

Advocates who appeared in this case:

For the Petitioner : Mr Sushant Singh and Mr Harsh Vardhan
Pathak.

For the Respondents : Mr Anurag Ahluwalia, CGSC for UOI.
Mr Sanjeev Singh for R-3.

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HON'BLE MR JUSTICE VIBHU BAKHRU

JUDGMENT

VIBHU BAKHRU, J

1. The petitioner has filed the present petition, *inter alia*, impugning the order dated 04.05.2017 (hereafter 'the impugned order'), passed by the Registrar of Trademarks (hereafter 'the Registrar'). By the impugned order, the Registrar has renewed the trademark 'LOKPRIYA EASYNOTES' bearing no. 1006905 in class 16 for a period of 10 years in favour of respondent no.3. The petitioner claims that this renewal is beyond the scope of provisions of the Trade Marks Act, 1999 (hereafter 'the Act') and the rules framed there under, namely, the Trade Marks Rules, 2002 (hereafter '2002 Rules') and/or the Trade Marks Rules, 2017 (hereafter '2017 Rules').

2. It is the case of the petitioner that the trademark in question - that is, 'LOKPRIYA EASYNOTES' - expired in 2011 and since respondent no.3's

application for renewal was not filed along with the prescribed fee surcharge, the said trademark was required to be removed from the register maintained by the Registrar.

3. Briefly stated, the relevant facts necessary to address the controversy raised in this petition are as under:-

3.1 The petitioner is a company incorporated under the Companies Act, 1956 and claims to be engaged in the business of printing educational books/guides and other printing material since 2000. The petitioner states that it adopted the trademark 'EASY NOTES' in the year 1999 and the said trademark has been used by the petitioner in respect of guidebooks and other printed material continuously since its adoption in 1999. The petitioner further states that it has secured the registration in respect of its trademarks, 'EASY NOTES' (Regn. No. 1590623) in class 16; 'E.A.S.Y.' (Regn. No. 1409455) in class 16; and 'EPSILON' (Regn. No. 1107286) all in class 16. The aforesaid marks are subsisting on Register of trademarks.

3.2 It is stated that in the year 2015, the petitioner filed a civil suit for permanent injunction, passing of, infringement of trademark and rendition of accounts and damages against respondent no.3, in the District Court, Kanpur (Original Suit No. 05 of 2015) in relation to the use of the trademark 'LOKPRIYA EASYNOTES'. On 30.05.2015, the District Judge, Kanpur passed an *ex parte* order restraining respondent no.3 from using the trademark EASY NOTES with the pre-fix 'LOKPRIYA' or any other prefix or suffix and passing of the goods as that of the petitioner (plaintiff therein). It is stated that respondent no.3 filed a written statement contesting the suit, *inter alia*, claiming that it was a prior user of

the trademark 'LOKPRIYA EASY NOTES' and had been using the said mark since 1977.

3.3 Respondent no.3 applied for registration of the trademark 'LOKPRIYA EASY NOTES' on 02.05.2001 and the same was registered on 07.03.2007 under registration no. 1006905 in class 16. The said trademark was registered after due advertisement in the trademark journal.

3.4 The petitioner applied for registration of the trademark 'EASY NOTES' on 14.08.2007, which was registered in its favour on 25.03.2010.

3.5 The registration of the trademark 'LOKPRIYA EASY NOTES' in favour of respondent no.3 was for a period of ten years (that is, from 02.05.2001 to 02.05.2011).

3.6 Respondent no.3 filed an application for renewal of the trademark 'LOKPRIYA EASY NOTES' on 19.05.2011. Thereafter, on 13.03.2013, the petitioner filed a petition before the Trademark Registry seeking cancellation of the registration of the trademark 'LOKPRIYA EASY NOTES' in favour of respondent no.3.

3.7 It transpires that subsequently the petitioner also filed a request for obtaining certified documents relating to respondent no.3's trademark application for the registration of the trademark 'LOKPRIYA EASY NOTES'. In response to the said application, the petitioner was informed by a letter dated 17.09.2013, that the trademark 'LOKPRIYA EASY NOTES' did not appear to be renewed.

3.8 Thereafter, on 22.05.2015, the petitioner filed a suit for permanent injunction before the District Courts, Kanpur, *inter alia*, seeking a

permanent injunction restraining respondent no.3 from using the trademark 'LOKPRIYA EASY NOTES'

3.9 On 12.04.2017, the petitioner caused its advocate to file objections with the Registrar of Trademark, *inter alia*, praying for removal of the trademark 'LOKPRIYA EASY NOTES' from the Register. It was further claimed that the petitioner's vested right would be affected if the said trademark is renewed.

3.10 Ignoring the objections of the petitioner, the Trademark Registry renewed the trademark "LOKPRIYA EASY NOTES" in favour of the respondent no.3 for a further period of 10 years from 02.05.2011. Aggrieved by the same, the petitioner has filed the present petition.

4. Mr Sushant Singh, learned counsel appearing for the petitioner contended that in terms of Section 25(2) of the Act, the Registrar is required to renew the registration of the trademark for a period of 10 years from the date of expiration of the original registration or the last renewal of registration, only on an application made by the registered proprietor of a trademark in the prescribed manner, and within the prescribed period, and subject to payment of the prescribed fee. He submitted that in the present case, respondent no.3 had not filed an application for renewal of the registration before its expiration (that is, on or before 02.05.2011) and, therefore, in terms of Section 25(3) of the Act, the Registrar was required to remove the trademark from the Register. He submitted that in terms of proviso to Section 25(3) of the Act, the Registrar was required not to remove the trademark, provided an application for renewal was made in the prescribed form and the prescribed fee and surcharge was paid within a period of six months from the expiration of the last registration of the

trademark. He submitted that in the present case, although an application for renewal of registration was made, the same was made seventeen days after the expiration of the trademark and, thus, was required to be accompanied by the prescribed surcharge in addition to the prescribed fee. He argued that since the said application was not accompanied by the said surcharge, in terms of Rule 11(5) of the 2002 Rules (*pari materia* to Rule 10(5) of the 2017 Rules), the application was *non est* and, therefore, could not be scrutinised by the Trademark Registry.

5. Mr Singh earnestly contended that there was no discretion available with the Registrar in the matter and in terms of the proviso to Section 25(3) of the Act, the Registrar was required to remove the trademark from the Register. He submitted that although the proviso stated that the Registrar shall not remove the trademark if an application is made in the prescribed form, however, the proviso also provided that the trademark would be renewed, which could only be done if the prescribed surcharge was paid along with the application. He submitted that since trademark in question could not be renewed, the opening lines of the proviso must be read as mandating the Registrar to remove the trademark.

6. He further submitted that the proviso to section 25(3) of the Act only provided an exception to the main provision. In the present case, since the prescribed surcharge had not been paid, the provision had no application; therefore, in terms of Section 25(3) of the Act, the Registrar was required to remove the trademark from the Register. He earnestly contended that there was no discretion available with the Registrar to condone any delay.

7. Mr Singh referred to the decision in the case of *Electricite De France (Edf)'S Patents and Commissariat A L'energie Atomique's*

Patents : [1992] R.P.C in support of his contention that failure to pay the prescribed fee for renewal would necessarily result in removal of the trademark.

8. Next, Mr Singh contended that the recourse to provisions of Section 131 of the Act was not available because a specific period has been prescribed under the Act and, therefore, the Registrar did not have the power to extend the time as provided under the Act.

9. Lastly, Mr Singh contended that in terms of Rule 66 of the 2002 Rules (Rule 60 of the 2017 Rules), the Registrar was required to afford an opportunity to the petitioner to be heard as the third party rights had vested in favour of the petitioner on account of non-renewal of the trademarks.

10. I heard Mr Singh at length. By an order passed on 07.07.2017, this Court had also called upon respondent no.2 to file an affidavit indicating the manner in which the respondent no.3's application for renewal had been processed. Respondent no.2 was further called upon to specifically state whether any deficiency notices are sent in normal course and if so, whether any such notice was sent in this case also.

11. In compliance with the aforesaid direction, respondent no.2 (Registrar of Trademark) filed an affidavit, *inter alia*, affirming as under:-

“It is submitted that the process of renewal is initiated after getting requisite fee amount by cash section on specified form TM-R (Form-TM-12 under the old Trade Mark, Rules 2002) by cash section and then it is sent for scanning and uploading in concerned section. Thereafter, the renewal requests are notified in renewal section wherein section scrutinizes the application and if request of renewal is as per

law, the marks are renewed by the renewal section. However, during the scrutiny of renewal requests, if any deficiency is found, a compliance letter is issued. It is further submitted that in normal course, the Registrar of Trade Marks sends compliance letter and such notice was issued in the present matter also.”

12. In the present case, the renewal request in form TM 12 for renewal of the trademark 'LOKPRIYA EASYNOTES' (Trademark No. 1006905 in class 16) was, admittedly, filed on 19.05.2011. This was accompanied by a consolidated cheque for a sum of ₹9,000/- out of which ₹5,000/- was for the renewal fee. However, the said form was not scanned or uploaded and, therefore, the said form was not scrutinized by the renewal section of the Trademark Registry and remained pending. This came to light on receipt of a letter dated 20.03.2017, sent by the attorney of respondent no.3 seeking information as to the status of the renewal request.

13. It is affirmed in the affidavit filed on behalf of respondent no.2 that on scrutiny of the renewal application, it was discovered that a surcharge was liable to be paid in terms of proviso to Rule 65 of the 2002 Rules and, therefore, a compliance letter dated 17.04.2017, demanding the surcharge was issued.

14. In compliance with the aforesaid letter, respondent no.2 paid the surcharge. It is stated that the surcharge was paid under TM-M (miscellaneous fee) for ₹5,000/- as by that time 2017 Rules had come to existence and, in terms of new Rules, surcharge was required to be filed in Form TM-R and since, TM-10 was not in existence in the system and the

new TM-R form was not available for late fee, the surcharge was paid under TM-M form

15. In the given circumstances, it is apparent that respondents have a practice of issuing a communication indicating deficiencies if the applications filed are not found to be in order. In the present case, no notice of any deficiency was issued to respondent no.3 and, plainly, respondent no.3 cannot be prejudiced by the same. Respondent no.2 has also filed details of several instances where the applications could not be examined within the specified time and, consequently, deficiency notices had been issued much beyond the prescribed time in such cases. Indisputably, the petitioner had made the application within a period of seventeen days of the expiry of the registration of the trademark 'LOKPRIYA EASYNOTES'. In terms of proviso to Section 25(3) of the Act, the Registrar was required not to remove the trademark and, renew the same. However, as affirmed on behalf of respondent no.2, respondent no.3's application for renewal was not examined and, therefore, could not be processed further. Clearly, if the application had been examined at that stage, the deficiency in the surcharge would have been pointed out. In such case respondent no.3 would have the opportunity to cure its application and its trademark could not have been removed from the Register.

16. The contention that in terms of Rule 11(5) of the 2002 Rules, respondent no.3's application ought to have been ignored, is plainly unsustainable. In terms of the said Rule, any document filed without payment of the prescribed fee or insufficient fee would be deemed not to have been filed for the purposes of proceedings under the said Rules. However, that does not mean that such filing is required to be ignored

completely and does not preclude the respondents from pointing out any defect in order for the party filing such document to cure the same. In the present case, it is pointed out that there is a consistent practice to examine all applications for renewal and to point out deficiencies. This would obviously include the deficiency in payment of fee/surcharge as well, thus, enabling the concerned party to cure the same.

17. It is also necessary to refer to Chapter III of the 2002 Rules in this regard. In terms of Rule 64(1) of the 2002 Rules, the Registrar is required to inform the registered proprietor of a trademark regarding the approaching expiration of the trademark at least one month and, not more than three months prior to the date of expiration of the trademark. Although, in terms of Rule 65 of the 2002 Rules, if the renewal fees is not paid at the expiration of the last registration of the trademark, the Registrar is required to remove the trademark from the Registrar and advertise the same in the journal. However, the proviso to Rule 65 requires the Registrar not to remove the trademark from the Register, if an application for payment of surcharge is made under proviso to Section 25(3) of the Act within six months from the expiry of the last registration of the trademark.

18. In terms of Rule 66 of the 2002 Rules, if an application for renewal has not been received within a period of six months from the expiry of the registration, the trademark is to be removed and its removal advertised. Thus, the proprietor of the registered trademark has yet another chance to seek its restoration in terms of Rule 66 of the 2002 Rules.

19. Rule 65 and Rule 66 of the 2002 Rules are set out below:-

“65. Advertisement of removal of trade mark from the Register.— If, at the expiration of last registration of a

trade mark, the renewal fees has not been paid, the Registrar may remove the trade mark from the register and advertise the fact forthwith in the Journal:

Provided that the Registrar shall not remove the trade mark from the register if an application for payment of surcharge is made under proviso to sub-section (3) of section 25 in Form TM-10 within six months from the expiration of the last registration of the trade mark.

66. Restoration 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 in Form TM-13 after six months and within one year from the expiration of the last registration of the trade mark accompanied by the prescribed fee. The Registrar shall, while considering the request for such restoration and renewal have regard to the interest of other affected persons.”

20. Admittedly, in the present case, respondent no.2 has not taken any steps to remove the trademark from the Register and consequently no such removal has been advertised.

21. Contrary to the submissions canvassed by Mr Singh, the practice of informing the registered proprietor of any deficiency in the renewal fee application is not inconsistent with the Rules or the international practice. This is also apparent from the text from Kerly's law of Trademarks and Trade name (which was relied upon by Mr Singh). The relevant extract from the said commentary is quoted below:-

“Under the 1994 Act, marks are registered and renewed for period of 10 years. The process of renewal begins with the Registry sending a notice to the proprietor informing him of the date of expiry and the manner in which the registration may be renewed. At any time within the six months prior to the date of expiry, the proprietor effects renewal of his

registration by filing Form TM11 together with the appropriate fee. Renewal takes effect from the date of expiry of the previous registration.

If the renewal fee is not paid by the date of expiry, the mark is not immediately removed from the Register. First, the fact of non-payment of the renewal fee is published. The proprietor has a period of six months from the date of expiry within which to file a request for renewal together with the renewal fee and an additional renewal fee. Pending the filing of such a request, the registration is in limbo. It has expired but has not been removed from the Register.”

22. At this stage, it is also relevant to refer to Section 25 of the Act, which reads as under:-

“25. Duration, renewal, removal and restoration of registration.—(1) The registration of a 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.”

23. In terms of Section 25(3) of the Act, the Registrar is required to send a notice in the prescribed manner to the registered proprietor of the date of expiration and the conditions as to payment of fees, upon which renewal of the registered trademark may be secured by the registered proprietor. If those conditions are not met, the Registrar may remove the trademark from the Register. It is necessary to note that the word used in section 25(3) of the Act is '*may*' and not '*shall*'. The proviso to Section 25(3) is also couched in negative language which proscribes the Registrar from removing the mark, if an application is made in the prescribed form and prescribed fee and surcharge is paid within a period of six months. Thus, in any event, the Registrar has to continue to retain the trademark on the Register till the expiry of the period of six months from the expiry of registration in order to provide a full play to the proviso to Section 25(3) of the Act. Thus, even if an application for renewal with the prescribed fees and surcharge is received within a period of six months from the expiry of

the registration of the trademark, the Registrar cannot remove the trademark from the Register.

24. Section 25(4) of the Act comes into play where the trademark has been removed from the Register for non-payment of the prescribed fee. In terms of Section 25(4) of the Act, the registered proprietor has further six months after the expiry of the initial six months from the date of expiry of the registration to seek restoration of the trademark on the Register.

25. If the contention of the petitioner is accepted that the trademark in question stood removed automatically from the date of the expiry of the terms of the registration; then the registered proprietor would be deprived of the grace period of six months in terms of proviso to Section 25(3) of the Act. He would also be deprived of its right for seeking restoration which has to be exercised within a further period of six months (that is, within a period of one month from the expiry of the terms of the registration of the trademark).

26. There may be merit in the contention that the Registrar has to follow the procedure as prescribed; however, the essential question is not whether the Registrar has any discretion in the matter, but, what are the consequences of the Registrar not following the established procedure? Plainly, in the facts of the present case, it is apparent that the Trademark Registry has not adhered to the timelines as required. Surely, respondent no.3 cannot be penalised for the same and would be entitled to pursue its application for renewal of its trademark. The same was filed well within the period of six months and even though the same was not accompanied by a fee of surcharge, nonetheless, respondent no.3 had the right to know the fate of its application. Since no deficiency was pointed out at the

material time, respondent no.3 cannot be deprived of its valuable rights to cure the defects within the prescribed period. The Registrar also did not advertise the removal of the trademark as required under section 25(4) of the Act read with Rule 66 of the 2002 Rules. Such advertisement would have provided another opportunity for the petitioner to seek restoration of the trademark.

27. In view of the above, this Court finds no infirmity with the decision of the Registrar to renew the trademark 'LOKPRIYA EASY NOTES' in favour of respondent no.3. No interference by this Court is called for. The contention that the petitioner was required to be heard before granting such renewal is also unpersuasive. Concededly, the matter of renewal of the trademark is strictly between the Trademark Registry and the registered proprietor of the trademark. The question of any third party right being considered at that stage does not arise, any person aggrieved by registration of a trademark is entitled to file an application for rectification of the register and, in this case, the petitioner has already initiated such proceedings.

28. The reference to Rule 66 of 2002 Rules, which requires the Registrar to have regard to the interests of affected persons, would arise only once the trademark in question has been removed from the Register of trademarks. The present case is not one of restoration of a trademark that has been removed from the Register.

29. The petition and the application are accordingly, dismissed.

VIBHU BAKHRU, J

SEPTEMBER 18, 2017/RK