

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

% Date of decision: 18th March, 2019

+ W.P.(C) 7644/2017, CM No. 31609/2017

GOPAL JI GUPTA

..... Petitioner

Through: Mr. Shailen Bhatia, Adv. with
Mr. Amit Jain, Adv.

versus

UNION OF INDIA & ANR

..... Respondent

Through: Mr. Rajesh Kumar, Adv. with
Ms. Santwana, Adv.

CORAM:

HON'BLE MR. JUSTICE V. KAMESWAR RAO

V. KAMESWAR RAO, J. (ORAL)

1. The present petition has been filed with the following prayers:-

“It is, therefore, respectfully prayed that the Hon’ble Court may be pleased to issue an appropriate Writ of Mandamus or any other Writ or direction to the Respondents.

a) To set aside the Communication dated 15.07.2015 passed by the Ld. Registrar of the Trade marks dismissing the Form TM-12 of the Petitioner in respect of registration No.473696 in class 25;

b) To allow filing of the TM-12 in respect of registration No. 473696 in class 25;

c) To allow the Form-12 so filed by Petitioner and issue renewal Certificate to the Petitioner in respect of registration No. 473696 in class 25;

d) Any other or further writ or direction which this Hon'ble Court may deem fit and proper in the facts and circumstances of the case be also passed by the Hon'ble Court in favour of the Petitioner and against the Respondents."

2. It is the case of the petitioner and contended by Mr. Shailen Bhatia that petitioner has been trading as M/s Kiran Textiles and vide application dated June 15, 1987, applied for registration of Trademark "BINACA" for category of goods included under Class 25, under Trade & Merchandise Marks Act 1958. Said mark, being valid for seven years would have first become due for renewal in 1994. However, since the same had not yet been notified in the Trademark Journal, no such steps were taken by the petitioner. The petitioner's application and mark were first published on December 16, 1995 and finally registered vide certificate dated March 12, 1998. The petitioner therefore first filed the renewal fee in 2001 (being seven years from date of actual publication in the Journal). With enactment of Trademarks Act, 1999, the said period of seven years was increased to ten years.

3. It is the petitioner's case that after 2001 despite efforts in ascertaining status of his mark, the actual date of expiry of the petitioner's mark was not informed to him. He would draw my

attention to online status report as regards his mark (report dated May 26, 2015 at page 52 of the paper book). It is his case that Section 25(3) of the Act of 1999 and Rule 64(1) of the Trademark Rules, 2002 require the Registrar of Trademarks to first issue notice in Form O-3 to the registered proprietor of the concerned mark i.e due to expire (Rule 58 of Trademark Rules, 2017 is in pari-materia with Rule 64).

4. It is stated that some time in May 2015, the petitioner saw the status of registration of his mark on the website of respondent No.2 and then realized that the renewal of the said mark was due. Consequently, on June 08, 2015 the petitioner filed an application for renewal of the said registration in Form TM-12 with the Registrar of Trademarks, New Delhi. However, vide order dated June 15, 2015, the respondent has been pleased to reject the said application for renewal as being time barred. It is therein noted “*as per renewal section last fee for renewal filed in 2001. Thereafter, no fee was filed. Hence, TM-12 is time barred, so returned herewith with fee.*”

5. It is the petitioner’s case that having not received the intimation / notice as mandated by Section 25(3) of the Act read

with Rule 64(1) of the Rules of 2002, the respondent has erred in unilaterally rejecting the petitioner's application for renewal vide the impugned order. Mr. Bhatia would rely on the judgment of the Single Bench of this Court in *Malhotra Book Depot vs. Union of India and Ors., W.P. (C) 7882/2010* which was upheld by the Division Bench of this Court in *LPA 564/2012, Union of India and Ors. v. Malhotra Book Depot.*

6. Learned counsel for the respondent would at first instance challenge the maintainability of the present petition in light of Section 91 of the Act, inasmuch as it is provided therein that an appeal against the order of the Registrar would lie to the Appellate Board. Reliance is placed on *Paul Manufacturing vs. Assistant Registrar (2006) 32 PTC 285 (Del)*. Moreover, according to him, the present petition is hit by delay and laches, inasmuch as the same has been filed belatedly in 2017, challenging order passed in 2015.

7. It is stated that notices as required by Section 25(3) of the Act are issued only to those registered proprietors, who have not applied for renewal prior to their expiry date. In the present matter, the registration certificate was issued on March 12, 1998 and the first renewal due date was seven years from date of application i.e

June 15, 1994. The petitioner having first filed his renewal request in 2001 was delayed by more than three years after issuance of registration certificate. According to him, renewal of the said mark could have been filed within six months from date of said mark. Since the same was done belatedly in 2001, the said mark was not renewed. As the petitioner received registration certificate after expiry of the first renewal due date, notice under Form O-3 was not required to be issued.

8. In rejoinder, learned counsel for the petitioner would merely reiterate that the status of the petitioner's mark on the respondent's website only showed the said mark as registered and no information was provided as regards expiry of said registration. Therefore, in the absence of intimation under Form O-3, the petitioner was not in a position to seek renewal of the said mark.

9. Having heard the learned counsel for the parties, the first issue which needs to be decided is whether the present petition is maintainable in view of the alternative remedy available to the petitioner. No doubt when appellate remedy is available, appropriate for the parties is to approach the Appellate Authority in terms of the position of law.

10. It is the case of Mr. Bhatia that even though the Chairperson of IPAB is in place, there is no Technical Member available in the IPAB because of which the Coram is not complete and an appeal cannot be heard by IPAB. The aforesaid submission of Mr. Bhatia is appealing. That apart, coming to the merits of the case, there is no dispute that the appellant had filed his application dated June 15, 1987 and applied for registration of Trademark "BINACA". The said registration was registered in the year 1998 and relates back to the date of application of June 15, 1987. There is no dispute on the issue that the validity of Trademark at that relevant point of time was for a period of 7 years. In other words, the Trademark would have become due for renewal in 1994; the petitioner however, could not have applied for renewal of the mark in the year 1994 as the mark itself was registered in the year 1998.

11. A plea was taken by the learned counsel for the respondents that nothing precluded the petitioner to apply for renewal in the year 1998 itself. In this regard, Mr. Bhatia has taken a plea that the petitioner had deposited the fee for renewal in the year 2001 for renewal of the Trademark, post 1994. In support of his submission, he had relied upon the document at page 40 of the paper book which

is a copy of the note sheet of the file of the respondents wherein this aspect has been acknowledged. The plea of the learned counsel for the respondents was that the same was after a delay of three years from the date of registration. According to him, the said renewal application / fee needs to be deposited within a period of six months. If that be so, the issue which arises for consideration is whether the respondents can deny the consideration of the application of the petitioner for renewal of the mark as the period of filing application for renewal / deposit of fee had expired. The answer has to be “NO” for the reason that denial of consideration of application for renewal has the effect of removing the Mark of the petitioner from the Register of the Trademarks i.e. something which is only permissible if a notice is given to the petitioner under Section O-3 as has been contemplated under Section 25 of the Trademarks Act.

12. This position arises from the judgment of a Coordinate Bench of this Court in the case of ***Malhotra Book Depot vs. Union of India and Ors., W.P. (C) 7882/2010***, decided on November 29, 2011. The said decision was taken in appeal before the Division Bench being LPA 564/2012 ***Union of India and Ors. v. Malhotra***

Book Depot, decided on February 27, 2013 wherein it was noticed that the learned Single Judge had *inter alia* held as under:

“(a). that the Registrar in its counter affidavit, in response to the unequivocal plea in the writ petition, that the Notice in Form O3 was not received by the respondent, had merely stated that removal of the mark could not have been done without following the due process as per the provisions of law and had thus made only a presumptive statement; further, the Registrar in para 7 of the counter affidavit had admitted that in various cases O-3 Notices had not been issued; the learned Single Judge thus concluded that in the respondent’s case O-3 Notice had not been issued as provided for in Rule 67;

(b). that under Section 25 of The Trade and Merchandise Marks Act, 1958 (the Act) (which was applicable in the year 1984 when the Registration of the mark of the respondent expired), the application for renewal of the registration could be made upon receipt of the Notice in Form O-3;

(c). that the Registrar could remove the Trademark from the Register and advertise the factum of removal in the Journal only after a Notice in Form O-3 had been issued;

(d). that the removal of the registered Trademark from the Register entails civil consequences for the registered proprietor of the mark;

(e). the said removal of the registered Trademark cannot be done without prior notice to the registered proprietor in the prescribed form;

(f). mere expiration of the registration by lapse of time and the failure of the registered proprietor of the Trademark 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 Act r/w Rule 67 of the Rules;

(g). removal of the registered Trademark from the Register without complying with the mandatory requirements of Section 25(3) would itself be laconic and illegal;

(h). that the plea of the Registrar that the application for restoration and renewal of the mark was beyond the time prescribed in Section 25(4) and Rule 69 could not be accepted because the removal of the mark from the Register was not in terms of Section 25(3) r/w Rules 67 & 68;

(i). that under the Act and the Rules, mere lapse of the time does not result in its removal and for which Notice in Form O-3 is required to be given;

(j). that in the facts of the present case, since the mandatory Notice in Form O-3 had not been given prior to the removal of the mark, the application seeking its restoration and renewal could not be said to be barred by time.”

13. Suffice it to state that the Division Bench has upheld the judgment of the learned Single Judge on the aspect that a Trademark can be removed from the Register of Trademarks only after complying with the mandatory procedure prescribed under Section 25 read with Rule 67 of the Rules of 1959. The Division Bench also has in paras 16 to 20 held as under:

“16. Section 25(3) providing for sending of a notice prescribes removal of the trademark only “if” at the expiration of the time prescribed in the notice, the conditions required therein to be fulfilled have not been complied. The Supreme Court recently in Head Master, Lawrence School Lovedale v. Jayanthi Raghu AIR 2012 SC 1571 held that the use of the word „if“ is meant to indicate a condition. Thus, Section 25(3) cannot be interpreted as permitting removal without the condition of sending of notice being complied

with. Earlier also, a Full Bench of the Punjab & Haryana High Court in Harbans Singh v. State of Punjab AIR 1987 P&H 19 held that the word „if“ is always expressive of a condition.

17. The scheme of the Rules regarding renewal of registration and restoration also suggests so. Rule 66 permits an application for renewal of registration to be made any time within six months before the expiration of the last registration. However the removal for non-renewal has not been made automatic. If the registered proprietor does not make an application for renewal till two months prior to the expiration of the last registration, the Registrar is required to notify the registered proprietor of the approaching expiration (under Rule 67) and is to remove the trademark from the register only thereafter, as is evident from Rule 68 having been placed after Rule 67. If removal pursuant to non-renewal was to be de hors the notice for removal, Rule 68 would have followed Rule 66 and not Rule 67. Though Rule 68 permits removal upon expiration of last registration and non-payment of renewal fee and does not make the same dependent upon compliance of Rule 67 but to read Rule 68 as permitting removal de hors compliance of Rule 67 would be contrary to Section 25(3) which as aforesaid permits removal only if at the expiration of

the time prescribed in the notice required to be sent thereunder, the registered proprietor has not applied for renewal. It is a settled principle of law that rules framed under a statute cannot override the statute. In Ispat Industries Ltd. v. Commissioner of Customs (2006) 12 SCC 583 it is held that the Rules are subservient to the Act and cannot deviate from the provisions of the parent Act. It was further held that the Rules are created to serve the object of the legislation and if there are two possible interpretations of a Rule, one which sub-serves the object of the provision in the parent statute ought to be adopted, as an interpretation to the contrary will make the Rule ultra vires the Act.

18. We are therefore unable to appreciate the view of the IPAB that the two i.e. removal and renewal have no relation with each other.

19. The Act and the Rules have prescribed the manner in which the trademark, which is universally identified as intellectual “property”, is to be removed from the register and which removal has the effect of divesting the registered proprietor of his property rights in the registered trademark. Once the matter is seen in this light, we fail to see as to how a registered proprietor can be divested of his property rights in the registered mark in any manner other than the

manner prescribed under the Act and the Rules. The Constitutional principles applicable to tangible property would apply to intangible intellectual property also and which bar a person from being deprived of his property save in the manner prescribed by law. The Constitution Bench of the Supreme Court recently in K.T. Plantation Pvt. Ltd. v. State of Karnataka (2011) 9 SCC 1 held that the expression 'Property' in Article 300A which proclaims that no person can be deprived of his property save by authority of law meaning thereby that a person cannot be deprived of his property merely by an executive fiat without any specific legal authority or without the support of law made by a competent legislature, is confined not to land alone, but includes intangibles like copyrights and other intellectual property and embraces every possible interest recognised by law. In Thukral Mechanical Works (supra) also it was held that registration of a trademark confers a very valuable right and removal of a mark from the register takes away the valuable right of a registered proprietor and has civil or evil consequences and therefore can be done only when the conditions laid down therefor are satisfied. It was yet further held that as removal takes away somebody's right, it deserves strict construction.

20. The next question which arises for consideration is, what would be the effect of a removal from the register, without following the prescribed procedure. Section 25(4) makes the period of one year, prescribed for restoration of the mark to the register and renewal thereof, begin from the expiration of the last registration and not from the date of removal. We find it strange that though the right to restoration accrues on removal but the time prescribed to apply for restoration is from the expiry of the last registration. What will happen if removal itself is after one year from the expiry of the last registration as is the case here. Section 25(4) if literally read, applies only if the mark has been removed. If it were to be held that under Rule 66 renewal has to be applied for only within six months prior to the expiration of the mark and not after the expiration, then owing to the mark being not removed, the registered proprietor would not be entitled to avail of Section 25(4). The period of one year provided under Section 25(4) for applying for renewal would then become illusory. Section 25(4) can thus be held to be applicable only where removal is simultaneous to the expiration and not where removal is not so and is effected much after the date of expiration, as in the present case. Neither the Act nor Rules prescribe any limitation for applying for restoration and renewal in

a situation where the removal of the mark from the register is without issuing the notice in Form O-3. In the absence of any limitation having been prescribed, the only inference is that such application can be made at any time and in the decision whereon the LPA 564/2012 Page 23 of 28 Registrar would be entitled to take into consideration the relevant factors such as whether the same or a similar mark has in the interregnum being registered by any other person etc.”

14. In view of the position of law, it is clear that the mark cannot be removed from the Register of Trademarks without compliance with the provisions of Section 25 and Rule 67 of the Rules of 1959 which is akin to Rule 64 of the Trademarks Rules, 2002, which were in vogue when the impugned action was taken and there is no dispute that such a procedure was not followed.

15. If that be so, the respondents are required to consider the application filed by the petitioner for renewal. During the course of arguments, the learned counsel for the respondents has submitted that there were other applications in same class 25 received in the office of the Registrar of Trademark having similar / identical marks in that regard. Mr. Bhatia has stated that there are five applications

which have been filed in that regard and out of which three having been filed by the petitioner and two applications, one by Mr. Mohinder Pal Singh and Mr. Harish Chawla, have been removed abandoned.

16. In other words, there is no application filed by any other third party for registration of the said mark. In view of the aforesaid position, the writ petition is allowed and the respondents are directed to consider the application of the petitioner for renewal subject to the petitioner depositing late charges, if any, and fulfilling any other requirements as is necessary for considering the application for renewal. The writ petition is disposed of accordingly. No costs.

CM No. 31609/2017

Dismissed as infructuous.

V. KAMESWAR RAO, J

MARCH 18, 2019/ak/aky