

(2006) 10 IPAB CK 0003

In the Intellectual Property Appellate Board

Austin Nichols And Co. Inc.

APPELLANT

Vs

Jagatjit Industries Limited And Ors.

RESPONDENT

Date of Decision : 06-10-2006

Acts Referred:

Trade Marks Act, 1999 — Section 21, 21(2), 23, 57(4), 125, 125(1)
Trade Marks Rules, 2002 — Rule 23, 47(6)

Citation : (2006) 33 PTC 722 (IPAB)

Hon'ble Judges : Z.S. Negi, J;S. Usha, Technical Member

Bench : Division Bench

Final Decision : Allowed

Judgement

S. Usha, Technical Member

1. Appeal arising out of the order of the disposal of the show cause notice issued under Section 57(4) of the Trade Marks Act, 1999, (hereinafter

referred to as the Act) by the Assistant Registrar of Trade Marks in relation to application No. 618414 in class 33 filed by M/s Jagatjit Industries

Limited for registration of the trade mark 'BLENDERS PRIDE' dated 2.2.2005. The show cause notice was cancelled/withdrawn as the notice was

issued without jurisdiction. The facts of the case is that the appellant is a company incorporated under the laws of United States of America. The

appellant is an ultimate subsidiary of Pernod Ricard S.A., which is engaged in the business of manufacturing and marketing a variety of alcoholic

beverages worldwide. The appellant is also carrying on business under various brands Such as ROYAL SALUTE, CHIVAS REGAL, etc. The

appellants have coined and adopted the trade mark 'BLENDERS PRIDE' through their predecessors in title i.e. M/s Seagram Company Limited in the

year 1973. On account of extensive sales and marketing, the trade mark

'BLENDERS PRIDE' has come about to acquire the highest level of distinctiveness, goodwill and reputation in various countries. In order to secure its proprietary right in the said trade mark, the appellants have applied for and were granted registration of their trade mark 'BLENDERS PRIDE' in more than 50 countries since the year 1973. The appellant has been selling 'BLENDERS PRIDE' whisky in India through its licensees, namely, Seagram India (P) Ltd since 1995. The appellant has also applied for registration of their trade mark 'BLENDERS PRIDE' under application Nos. 623364 and 623365 in class 33 which are pending registration.

2. The third respondent's application No. 618414 for registration of an identical trade mark 'BLENDERS PRIDE' was advertised in the Trade Marks

Journal MEGA-I dated 25.8.2003. The Trade Marks Journal was made available to the public on 7.10.2003. The appellant herein had filed Form TM-

44 seeking extension of one month's time for filing the notice of opposition against the third respondent's application on 6.1.2004. On 19.1.2004 the

appellants had filed their notice of opposition before the Trade Marks Registry, New Delhi and the same was numbered as DEL-160325. The Trade

Marks Registry, New Delhi had issued a notice to the third respondent on 16.2.2004 inviting their counter statement and had also stated that if the

counter statement was not filed, the trade mark application would be deemed to be abandoned. The appellant came to know on 20.1.2005 that the

trade mark registration certificate bearing No. 618414 was issued on 13.1.2004 itself to the third respondent. The appellants immediately, through their

attorneys, had informed the Trade Marks Registry, namely, the first respondent herein about the pending opposition proceedings (DEL 160325).

3. Since the appellant had not received any communication from the first respondent, the appellant had filed a writ petition before the Hon'ble High

Court of Delhi in WP(C) 2712 and 2713 of 2005. Meanwhile, on 16.2.2005, the Registrar of Trade Marks had issued a show cause notice under

Section 57(4) of the Act calling upon the third respondent to show cause as to why such impugned registration certificate which has been

inadvertently and erroneously issued should not be cancelled. On 2.3.2005 the Hon'ble High Court of Delhi was pleased to dispose of the WP(C) 2712

and 2713 of 2005 with an observation that the first respondent shall proceed to decide the issues arising out of the show cause notice as expeditiously

as possible in accordance with law.

4. The third respondent had filed its reply on 14.3.2005 to the show cause notice under Section 57(4) of the Act. The second respondent, namely, the

Assistant Registrar, Trade Marks Registry after taking on record the submissions made by the third respondent, and after considering the same, and

on being satisfied that there is no prima facie case made out, had directed the third respondent not to use the certificate in any manner and also to

return the said certificate on the ground that the opposition proceedings were pending and also fixed the date of hearing for 28.6.2005. In the

meanwhile, the third respondent filed a writ petition bearing number WP(C) Nos. 10080-81 of 2005 before the Hon'ble High Court of Delhi

challenging the order dated 26.5.2005 passed by the Assistant Registrar directing them not to use the certificate in any manner and to return the same

to him. The said WP was also disposed of on 13.9.2005 and the High Court had directed the first respondent to dispose of the proceedings on or

before 16.11.2005. The second respondent heard and disposed of the show cause proceedings as the show cause notice was withdrawn on the ground

that it was issued without jurisdiction. Aggrieved by the said order the appellant has filed the present appeal.

5. The case was taken up for hearing on 11.7.2006 in the circuit bench sitting of the Board at Delhi. Even though the matter was listed for hearing the

M.P. No. 47/2006, as both the counsel argued the case in full, the main appeal was heard. Learned senior Counsel Shri Sudir Chandra Aggarwal

assisted by Shri Hemant Singh and Shri Bhagpati Prasad Padhya appeared on behalf of the appellant and learned senior Counsel Shri V.P. Singh

assisted by Shri A. Sharma, Shri K. Budhiraja and Shri M. Menon appeared on behalf of the third respondent.

6. Learned senior Counsel for the appellant submitted that the mark was advertised in the Trade Marks Journal on 25.8.2003 which was made

available to public on 7.10.2003 and that as per Section 21 of the Act the appellants had to file their notice of opposition within three months, that is, on

or before 7.1.2004. As per Rule 47(6) of the Trade Marks Rules, 2002 (hereinafter referred to as the said rules) the appellants had filed their Form

TM-44 on 6.1.2004 seeking extension of one month's time for filing their notice of opposition. The learned senior Counsel also submitted that, as per

Rule 23 of the said Rules, the certificate of registration shall be issued only after the prescribed period of four months, but in this case, the certificate was issued even before the expiry of the statutory period.

7. Learned senior Counsel for the appellant also contended that the Assistant Registrar had misdirected and misinterpreted the provisions of Section 125 of the Act. He also submitted that when the provisions of Section 21 of the Act has not been complied with, the question of rectification does not arise and such being the case, the question as to where the rectification petition will lie either before the Registrar or the Board does not arise. The learned senior counsel submitted that the suit was filed by the third respondent against the licensee of the appellant and the licensee had questioned the validity of the registration of the third respondent's mark. He mainly contended that in that suit the appellant herein was not a party and the provisions of Section 125 of the Act will not apply.

8. The learned senior Counsel for the appellant also submitted that on 16.02.04 the Assistant Registrar had issued a notice under Section 21(2) of the Act calling upon the third respondent herein to file his counter statement after serving a copy of notice of opposition. Apart from that the Trade Marks Registry had also issued a notice on 16.2.2005 to the third respondent under Section 57(4) of the Act to show cause as to why the certificate already issued on 13.01.2004 should not be cancelled as it had been erroneously issued to the third respondent.

9. The learned senior Counsel mainly contended that the question of validity of the registration of the trade mark was not raised by the appellants, but by one M/s Seagram India Limited in their written statement in the suit filed by the third respondent herein only in April, 2005 has raised this issue, which was after the issuance of the show cause notice dated 16.2.2005. The learned senior Counsel for the appellant also submitted that the Assistant Registrar himself had issued the notice on 26.5.2005 calling back the certificate, stating that the certificate had been erroneously issued and after hearing the matter has held that the show cause notice issued without jurisdiction is liable to be withdrawn and/or cancelled.

10. The learned senior Counsel also pointed out that the notice under Section 57(4) of the Act dated 26.05.2005 in page 69 of the type set of documents relied on by the appellant wherein it was stated that the entry made

in the Registry of Trade Marks in respect of the aforesaid mark is without sufficient cause and is wrongly remaining on the Register. The learned Counsel also brought to our notice the order passed by the High Court of Delhi directing the first respondent to dispose of the proceedings. That is the show cause notice issued by the Registry of Trade Marks calling for the registration certificate which was issued wrongly even before the statutory period had expired.

11. The learned senior Counsel also relied upon *Ramesh L. Vadodaria v. Assistant Registrar of Trade Marks and Anr.* 2004 (30) PTC 297 stating that the Registrar was duty bound to make an enquiry and correct wrong or mistaken entries. Learned senior Counsel for the appellant, therefore, prayed that the impugned order be set aside and the appeal be allowed.

12. Learned senior Counsel for the third respondent argued that as per Section 125(1) of the Act, the Registrar has no powers to rectify the mark and the Board alone has the power as the suit was pending before the District Court at Jalandhar. The learned senior Counsel vehemently argued that the defendant in the said suit namely *M/s Seagram India (P). Limited* was the licensee of the appellant and as both the defendant in the suit filed before the District Court at Jalandhar as well as the appellant herein were one and the same and that the provisions of Section 125 of the Act would apply to the proceedings.

13. The learned senior Counsel for the third respondent relied on the decision in *Whirpool Corporation v. Registrar of Trade Marks and Ors.* He sought the support of various findings from that decision and also placed reliance mainly on para 72 of the judgment wherein it was stated that when the matter was pending before the High Court, the Registrar of Trade Marks will not have powers to issue notice under Section 57(4) of the Act for cancellation of the certificate.

14. The learned senior Counsel for the third respondent also contended that as per Section 57(4) of the Act the Registrar can issue notice on his own and referred to a letter of the appellant filed in the type set of documents requesting the Registrar to issue notice under Section 57(4) as the certificate was issued during the pendency of the opposition proceedings. His main contention in this regard was that the notice under Section 57(4) of the Act can be issued by the Registrar of Trade Marks on his own and not at request of

any person.

15. Learned senior Counsel also submitted that as per the averments made in the written statement by Seagram India (P) Limited, licensee of the

appellant, the appellant was also a party to the suit and that the appellant should have filed the rectification proceedings before the Board as per

Section 125 of the Act and not before the Registrar of Trade Marks.

16. The learned senior Counsel for third respondent also brought to our notice that the defendant in the suit, namely, Seagram India (P) Limited had

taken out an application under Section 124 of the Act to stay the proceedings until the disposal of proceedings under Section 57(4) of the Act is

decided. The learned senior Counsel also pointed out that the power agent namely, Shri Rajiv Chauhan who stood as power agent for Seagram India

(P) Limited in the suit before the District Court, Jalandhar was also a power agent for the appellant and this alone would go to show that Seagram

India Limited, the defendant in the suit and the appellant herein are one and the same. When the suit was filed between the same parties and when the

validity of the mark was raised, the rectification petition should have been filed only before the Board and not before the Registrar of Trade Marks

was the main contention of senior counsel for the third respondent. The learned senior Counsel submitted that as the suit was pending and the

defendant therein had raised a doubt about the validity of the third respondent's mark which was registered, the matter was to be decided only by the

Board and not by the Registrar of Trade Marks and as such the Assistant Registrar of Trade Marks was right in holding that the show cause notice

issued was without jurisdiction and that he notice issued was liable to be withdrawn and/or cancelled.

17. We have carefully heard the contentions of both the counsel. Learned v senior counsel for the appellant brought to our notice that the Registrar of

Trade, marks notice on 16.2.2004 calling upon the third respondent to file their counter statement within two months as per Section 21(1) of the Act.

We are of the opinion that the notice of opposition had been taken on record and numbered as DEL-160325 which clearly shows that the Form TM-44

filed by the appellant herein for extension of time had been accepted by the Registrar of Trade Marks. After that the notice had been issued to the

third respondent calling upon them to file their counter statement. We are of the

opinion that after the application for extension had been accepted by the Registry, the opposition being numbered/and notice also sent to the respondent herein calling upon them to file their counter statement, the Registrar of Trade Marks has issued the certificate before the statutory period is a total abuse of process of law. Looking into the facts of the case we are of the opinion that the Registrar of Trade Marks had failed to follow the provisions of Section 23 of the Act and we find that the Registrar had issued the certificate on 13.1.2004, that is even before the expiry of statutory period for filing notice of opposition.

18. We disagree with the view of the Assistant Registrar of Trade Marks that the judgment reported in AIR 1999 SC 222 squarely applies to the present case. The facts of the case are that the mark was opposed and the same was dismissed, against which the appeal was filed. The appellant had also filed the rectification application for removal of the mark from the Register of Trade Marks for which registration was granted and the appeal was pending. The appellant had also filed a suit for temporary injunction against the third respondent and hence the Apex Court held that when the suit was pending the Registrar of Trade Marks could not issue notice under Section 57(4) of the Act. In this case the facts are different and the notice issued by the Registrar of Trade Marks under Section 57(4) of the Act is that the certificate has been wrongly issued when the application was under notice of opposition.

19. We are of the view that the notice issued to show cause under Section 57(4) of the Act at the request made by the appellant is correct and we disagree with the argument of the learned senior counsel for the third respondent that the notice should be issued by the Registrar of Trade Marks only on its own motion. As contemplated in the Act the Registrar of Trade Marks is empowered to initiate suo moto action when he comes to know about the wrong entries in the Register either by himself or through some information. On information or on his own or from some person the Registrar of Trade Marks is duty bound to make an enquiry by issuing a notice. In the instant case the Registrar of Trade Marks has issued the notice on a request made by the appellant and hence we are also of the view that the notice which has been issued has been rightly done by the Registrar of Trade Marks.

20. On the facts of the case, we find that the notice of opposition has been issued to the respondents herein in February, 2004 calling upon them to file

their counter statement, whereas the defendant in the suit namely, M/s Seagram India (P) Ltd. has only in April 2005 in its written statement raised

the question of validity of the registered certificate. In fact the Registrar of Trade Marks has issued notice under Section 57(4) of the Act on

16.2.2005 when the defendant was not even served of the suit papers filed by the respondent herein. Moreover, the suit filed by the respondent has

been filed against Seagram India (P) Ltd. and not against the appellant herein. In view of the above facts, we find that the Registrar of Trade Marks

has gone wrong in holding that he has no jurisdiction to hear the rectification application and that the show cause notice is liable to be withdrawn

and/or cancelled.

21. In view of the above findings, we have no hesitation in holding that the order of the Registrar of Trade Marks has to be set aside and accordingly

the appeal is allowed and there will be no order as to costs. The Registrar is also directed to expeditiously decide the opposition proceedings under

DEL-160325 as per the provisions of Section 21 of the Act. As the main appeal itself has been allowed M.P. No. 47/2006 does not survive.