

(2014) 10 DEL CK 0158

In the Delhi High Court

Case No : Writ Petition (Civil) No. 3679/2014 and CM No. 7455/2014

Intellectual Property Attorneys Association

APPELLANT

Vs

Union of India

RESPONDENT

Date of Decision : 09-10-2014

Acts Referred:

Industrial Disputes Act, 1947 — Section 25N(2)

Trade and Merchandise Marks Act, 1958 — Section 18, 18, 19, 19, 20, 20

Trade Marks Act, 1999 — Section 11, 127(a), 128, 18, 2(ze)

Citation : (2014) 10 DEL CK 0158

Hon'ble Judges : G. Rohini, C.J.;Rajiv Sahai Endlaw, J

Bench : Division Bench

Advocate : C.M. Lall, Adv., Prathiba M. Singh, Sr. Adv., Mohan Vidhani, Ajay Sahni, Subhash Bhutoria, Rahul Vidhani, Anuj Nair, Ujjwala Jeremiah and Suhasini Raina, Advocate for the Appellant; Arun Bhardwaj, Advocate for the Respondent

Judgement

Rajiv Sahai Endlaw, J.—The petition impugns Clause No.3 of the Office Order No.16 of 2012- 2013 dated 8th June, 2012 issued by the Controller General of Patents, Designs and Trade Marks (Controller General), Government of India and which Clause No.3 is as under:

"3. No request for amendment shall be allowed which seeks substantial alteration in the application for registration of trademark. The substantial amendment in the trademark, proprietor details, specification of goods/services (except deletion of some of the existing items), statement as to the use of mark shall not be permitted. However request for amendment in the proprietorship of the trademark on the basis of valid assignment or transmission; amendment in address of the applicant or in the applicant's address for service; deletion or confinement of any item in the specification of goods/services, confinement/ limitation in the area of sale of goods/rendering of service may be allowed."

2. Notice of the petition was issued on 29th May, 2014. It was inter alia the plea

of the petitioner that the petitioner, prior to the institution of this petition, had also made a representation dated 11th February, 2013 against the aforesaid Clause of the Office Order but no action had been taken thereon. The counsel appearing on advance notice for the respondents Union of India (UOI) and Controller General on 29th May, 2014 stated that the said representation shall be disposed of within a period of six weeks; binding the respondents to the said statement, it was further directed that before disposing of the representation, a hearing shall be given to the authorized representative of the petitioner. The respondents have since filed copy of the order dated 26th June, 2014 of the Controller General rejecting the said representation of the petitioner and giving reasons therefor. In the light thereof, the counsel for the respondents on 3rd September, 2014 stated that since reasoning for the impugned Clause in the Office Order has already been explained, there is no need to file any counter affidavit. We have heard the counsels for the parties.

3. Before proceeding further, we may record that this petition was initially listed before the learned Single Judge who had issued notice thereof; however vide order dated 27th August, 2014, observing that this is in the nature of a Public Interest Litigation (PIL) , the petition was placed before us and was entertained as such. We may further record that though ordinarily without a cause of action, a challenge would not be entertained, the counsel for the respondents having not raised any such objection and we, considering the nature of the Clause aforesaid which is challenged, are of the opinion that the petitioner, an association of practitioners in the field of registration of trademarks, is well within its right to maintain this petition.

4. Though the counsel for the petitioner commenced arguments by drawing our attention to the provisions of The Trade Marks Act, 1999 (TM Act) but finding that the impugned Clause No.3 supra is in the nature of a "general" order of the Controller General as to which amendments to the application for registration of a trademark are not to be allowed and further finding Section 22 of the TM Act to be providing as under:

"22. Correction and amendment ? The Registrar may, on such terms as he thinks just, at any time, whether before or after acceptance of an application for registration under Section 18, permit the correction of any error in or in connection with the application or permit an amendment of the application;

Provided that if an amendment is made to a single application referred to in sub-section (2) of section 18 involving division of such application into two or more applications, the date of making of the initial application shall be deemed to be the date of making of the divided applications so divided."

i.e. not limiting the nature of the amendments to the application for registration of trademark which can be sought, in our view, the question which arises is that when the Statute confers on the Registrar of Trademarks the power to permit the correction of "any error" in or in connection with the application or to permit an

amendment of the application, whether the Controller General by a general order in the nature of a guideline can direct as to which of such amendments shall not be allowed.

5. The Supreme Court in *Workmen of Meenakshi Mills Ltd. and Others Vs. Meenakshi Mills Ltd. and Another*, held that there may be need for guidelines with a view to control the exercise of discretion conferred by the statute, when the discretionary power is purely administrative in character, to be exercised on the subjective opinion of the authority, but not when the power is required to be exercised on objective considerations by a speaking order after affording the parties an opportunity to put forward their respective points of view. Similarly, a Division Bench of this Court also in *Kikki Farms (P) Ltd. and Another Vs. Additional District Magistrate and Others*, , in the context of guidelines issued by the Inspector General (Registration) , to the Sub-registrars, regarding registration of documents, held that no guidelines can possibly be issued or laid down for controlling the quasi- judicial function of a particular functionary or authority under a particular statute when the Registering Officer has to take his own decision and when such instructions / guidelines hardly leave anything open to the Registering Officer to determine.

6. We thus enquired from the counsels, whether the power exercised by the Registrar of Trade marks under Section 22 supra is a quasi-judicial power or an administrative power. There as on for such query being that in our prima facie opinion, if it is a quasi-judicial power, the Controller General, even though higher in hierarchy than the Registrar of Trade marks who is to exercise powers under Section 22 (even though as per Section 3 of the TM Act the Controller General is the Registrar of trade marks) cannot dictate to the Registrar of Trademarks, the manner in which such quasi-judicial power will be exercised; however if the power exercised under Section 22 were to be an administrative power, may be the Controller General being a higher administrative authority than the Registrar of Trademarks would be entitled to lay down the guidelines for such administration.

7. The counsels informed that the said question / aspect as to the nature of the powers exercised by the Registrar of Trademarks under Section 22 has not been considered in any prior judgment. It is however contended that the nature of power to be exercised under Section 22 would be quasi-judicial, because:-

(i) the Registrar of Trademarks as per Section 2(ze) of the TM Act is a Tribunal;

(ii) vide Section 127(a) of the TM Act, the Registrar of Trademarks has all the powers of a Civil Court for the purposes of receiving evidence, administering oaths, enforcing the attendance of witnesses, compelling the discovery and production of documents and issuing commissions for the examination of witnesses; (iii) vide Section 128 of the TM Act, the Registrar, before exercising any discretionary or other powers vested in him adversely to a person applying for the exercise of that power is required to give such a person an opportunity of

being heard;

(iv) Section 91 of the Act provides for the remedy of appeal to any person aggrieved "by an order or decision of the Registrar under this Act, or the rules made thereunder" and which would include an order under Section 22 of the Act; and,

(v) an order under Section 22 of the Act is in the course of registration of trademarks under Sections 9 and 11 of the Act and which is in exercise of a quasi-judicial power.

8. We however find a learned Single Judge of this Court in *Madan Mohan Lal Garg Vs. Brijmohan Lal Garg and Others*, to have, in the context of Section 22 of the Trade and Merchandise Marks Act, 1958 and which Section 22 is equivalent to Section 22 of the present TM Act, held that the Registrar, while dealing with an application for amendment and in deciding whether or not to allow such amendment, acts quasi-judicially.

9. Independently of the aforesaid also, on a reading of the scheme of registration in the TM Act, we are of the opinion that the power vested in the Registrar of Trademarks under Section 22 is a quasi-judicial power. Section 28 of the Act, by registration confers certain rights as mentioned therein in the registered proprietor thereof. Chapter III of the Act containing Sections 18 to 26 provides for procedure for and duration of registration. Section 18 provides for making of an application for registration to the Registrar as well as a right in the Registrar to either refuse the application or to accept it absolutely or subject to such amendments, modifications, conditions or limitations as he may deem fit. Section 19 empowers the Registrar, even if has accepted an application, to before its registration withdraw such acceptance of the application. Section 20 provides for advertisement of the application for registration and Section 21 provides for opposition to such registration to be preferred before the Registrar. Section 23 provides for the Registrar to consider the application for registration and if any opposition has been filed thereto, to adjudicate the said opposition and if the application is found to be in order and if any opposition thereto filed has been dismissed, effect the registration by entering the mark on the register required to be maintained of such registered marks. Sections 24 to 26 are not relevant for the present purpose. Chapter VII of the Act provides for rectification and correction of the register and Sections 57 to 60 contained therein empower and enable the Registrar to, even after a trademark has been registered, cancel or vary such registration, if found to have been made in contravention of any law or if the registered proprietor thereof has failed to observe any condition, subject to which registration was effected. Section 58 empowers the Registrar to, on an application of the registered proprietor, correct any error in the name, address or description of the registered proprietor of a trademark or any other entry relating to the trademark and / or other corrections and consequential amendments.

10. The various provisions aforesaid provide for and / or have been interpreted

as providing for decisions to be taken by the Registrar after hearing the party likely to be affected by the order / decision of the Registrar and after complying with the principles of natural justice.

11. The aforesaid scheme of the TM Act leads to an irrebuttable conclusion of the powers exercised by the Registrar of Trademarks in dealing with an application for registration of a trademark being quasi- judicial and / or adjudicatory and not administrative powers. It cannot also be lost sight of that Section 22 providing for correction and amendment of the application for registration does not limit the scope thereof upto the advertisement stage only. It is thus well nigh possible that an application thereunder is filed post-advertisement of the application and post-filing of objections thereto and during the pendency of such objections. When the Registrar, in the matter of decision of such opposition exercises adjudicatory function, it is not possible to hold that the Registrar, while deciding an application for amendment of the application for registration, and in deciding which also it is required to hear the person making the opposition to the application, does not perform adjudicatory functions.

12. The Supreme Court, in *Workmen of Meenakshi Mills Ltd. (supra)* , held that the power of the appropriate government under Section 25-N(2) of the Industrial Disputes Act, 1947 to grant or refuse permission for retrenchment to be not purely administrative in character but partaking exercise of a function which is judicial in nature owing to the exercise of the said power envisaging passing of a speaking order on an objective consideration of relevant facts after affording an opportunity to the concerned parties.

13. Applying the aforesaid test, the power of the Registrar of Trademarks in the matter of registration of trademark is certainly judicial in nature in as much as the Registrar is also required to, in exercise thereof afford an opportunity to the concerned parties, to decide on objective consideration of relevant facts and to pass a speaking order which is amenable to appeal.

14. We thus conclude that the power exercised by the Registrar of Trademarks under Section 22 of the Act is adjudicatory / quasi-judicial powers.

15. Once the power exercised by the Registrar under Section 22 is found to be quasi-judicial, it has been held in *The Joint Action Committee of Airlines Pilots Associations of India and Others Vs. The Director General of Civil Aviation and Others*, that the said power has to be exercised by the person yielding such quasi-judicial power and such person cannot be made to work under the dictates of his superior authority. It was held to be a settled legal proposition that the authority which has been conferred with the competence under the statute, alone can pass the order and that no other person, not even a superior authority, can interfere with the functioning of the Statutory Authority. It was observed that in a democratic set up like ours, persons occupying key positions are not supposed to mortgage their discretion, volition and decision making authority and be prepared to give way to carry out commands having no sanctity in law and thus,

if any decision is taken by a Statutory Authority at the behest of or on suggestion of a person who has no statutory role to play, the same would be patently illegal.

16. The aforesaid proposition squarely applies to the present case. The Registrar of Trademarks under the TM Act has been conferred with certain statutory powers and which have been found by us to be adjudicatory in nature. The said powers are to be exercised by the Registrar. The Controller General, even if superior in hierarchy to the Registrar, has no statutory role to play in the matter of registration of trademark as provided in the Act and if any decision were to be taken by the Registrar of Trademarks at the behest of or on suggestion or on command of Controller General as the impugned Clause 3 supra purports to do, the same would be patently illegal.

17. Though the aforesaid is enough to allow the petition but notice may also be taken of the reasoning given in the order dated 26th June, 2014 supra of the Controller General justifying the impugned Clause No.3 of the Office Order supra and rejecting the representation of the petitioner. The Controller General has reasoned and which reasons are reiterated by the counsel before us:-

(a) that the applicants for registration often, after opposition claiming prior use has been preferred thereto, apply to prepone the date originally stated in the application, from which the trademark sought to be registered is in use and to curb such practise;

(b) that the date of commencement of use of trademark is vital and of immense importance in determination of the validity of the mark and the Trade Marks law being a merchandise law and a trader always has to be alert and cannot make a mistake in giving an incorrect date of commencement of use;

(c) that the functions of the Registrar of Trademarks are performed by various officers of the Trademark Registry and it is essential to have harmony in decisions of officers in similar circumstances and issuance of such guidelines is necessary to ensure the same; and,

(d) that such a directive is necessary to stop the misuse of the provisions of Section 22 of the Act.

18. The counsel for the respondents has further argued that it is not as if the applicant is barred from seeking registration on the basis of particulars which he seeks to change; all that the impugned Clause No.3 (supra) has done is to bar such amendments; it is always open to the applicant to abandon the application in which amendment is sought and to file a fresh application with changed particulars.

19. Howsoever bona fide the reasons which prevailed with the Controller General in issuing the impugned directive, the same would still fall in the teeth of what the Supreme Court in Joint Action Committee of Airlines Pilots Associations of India (supra) has reiterated, cannot be done. The directive is clearly an attempt by the Controller General to influence the decision which the Registrar alone

under the Act is entitled to take. As far as the reason of uniformity in orders is concerned, the same can be ensured by applying the doctrine of stare decisis and not in the manner sought to be done. Even if the reason for the directive, were to be of expediency, to expedite the process of registration, the same can still not justify the same. In fact, we have during the hearing enquired from the counsel for the respondents, whether the Chief Justice of a High Court can issue a general direction to all Judges as to what kinds of amendment to pleadings which should be allowed and what should not be allowed. To be fair to the counsel for the respondents, he did not contend that the same would be permissible. The order of the Controller General stands on a similar footing and cannot also stand. The Registrar of Trademarks has to, on case to case basis, decide whether the amendment claimed, even if to prepone the date of commencement of use of trademark sought to be registered, is as an afterthought, to meet the objection filed to registration and thus in abuse of the procedure for amendment or bona fide and there can be no general order that no such amendment shall be allowed.

20. The petition thus succeeds. Clause No.3 supra of the Office Order No.16 of 2012-2013 dated 8th June, 2012 of the Controller General of Patents, Designs and Trade Marks is quashed / struck down. The Registrar of Trademarks shall decide the applications for amendment to the application for registration of trademark on case to case basis.

No costs.