
(2014) 07 IPAB CK 0001

In the Intellectual Property Appellate Board

Case No : ORA/227/2013/TM/CH

Montfort Services SDN BHD

APPELLANT

Vs

USA Pro Limited

RESPONDENT

Date of Decision : 10-07-2014

Acts Referred:

Intellectual Property Appellate Board (Procedure) Rules, 2003 — Rule 10(1), 14, 14(2), 27, 27(ix)
Trade Mark Rules, 2002 — Rule 6, 68
Trade Marks Act, 1999 — Section 18, 18(1), 27(ix), 37, 38, 39, 40, 41, 42, 43, 44, 44(1), 44(2), 45, 45(4), 47, 57, 92
Indian Stamp Act — Section 18

Citation : (2015) 61 PTC 536 (IPAB)

Hon'ble Judges : K.N. Basha, J; Sanjeev Kumar Chaswal, Technical Member

Bench : Division Bench

Advocate : P.S. Raman, M.S. Bharath

Final Decision : Allowed

Judgement

K.N. Basha, J

1. This application is preferred by the applicant seeking, the relief of rectification of the impugned trade mark ""USA PRO"" under registration No.

1345642 in Class 25 on the ground of non-user under Sections 47 and 18(1) and 57 of the Trade Marks Act, 1999.

2. In this matter the applicant has impleaded the two respondents' viz., (1) USA PRO LIMITED; (2) The Registrar of Trade Marks, Chennai. It is

seen that the first respondent is the Registered Proprietor of the trade mark ""USA PRO"" on the date of filing the application for rectification i.e., on

13.2.2013. The applicant also produced the latest position or status of the impugned trade mark by way of website status as on 2.6.2014 and the same

reflects that the impugned trade mark is continued to be in the Register under the name of the first respondent as proprietor of the impugned trade mark. It is also seen from the website status produced by the applicant that the name of the agent is mentioned as ""M/s. Kochhar & CO., (5039) Suite No. 503, Fifth Floor, Raheja Towers, 177, Anna Salai, Chennai-600 002."" The first respondent registered the said trade mark in respect of the goods covered under Class 25 viz., outer clothing, sports and leisure wears. Therefore the applicant has rightly impleaded the registered proprietor of the impugned trade mark as the first respondent in this matter.

3. The Registrar of IPAB on receipt and scrutiny of the application sent a communication dated 9.4.2013 to the applicants Attorney pointing out a defect viz., furnishing the address of service in India in respect of the first respondent. The Attorney responded the said communication by sending its reply dated 23.4.2013 furnishing the address of service in India of the registered proprietor viz., the first respondent as per the advertisement of the impugned mark in the Trade Marks Journal M/s. Kochhar & Company, Advocates and Legal Consultants, at Suite No. 503, Fifth Floor, Raheja Towers, 177, Anna Salai, Chennai-600002. In the same communication addressed to the Registry it is mentioned that the website of the trade mark registry also gives the above mentioned address, as the Address for Service in India of the registered proprietor. Thereafter the registry numbered the application in ORA/227/2013/TM/CH and sent notice to the first respondent viz., to the address for service in India and as stated above on 24.7.2013.

The registered post acknowledgement was received by the registry shows that the said notice was received by the first respondent on 25.7.2013. The Registry also sent a similar notice to the second respondent, The Registrar, Trade Mark, Chennai and the same was received by the second respondent on 17.7.2013.

4. Thereafter the original records reveal that without filing any vakalath by the first respondent, the learned counsel M/s. Anand and Anand filed Form-3 on 23.9.2013 seeking for extension of time for filing counter statement. The Registry pointed out the defects through its communication dated 5.11.2013 stating that the learned counsel should file a properly stamped and signed vakalathnama. On receipt of the said communication M/s. Anand and Anand as per their communication dated 18.12.2013 sent a properly

stamped vakalathnama by mentioning the first respondent name as ""M/s.

USA PRO IP LIMITED"", Unit-A, Brook Park East, Shirebrook NG20 8RY, United Kingdom. At this juncture, it is to be stated that the registry while

pointing out the defect as stated above through its communication dated 5.11.2013 mentioned the name of the first respondent only as ""USA PRO

LIMITED"". Though the learned counsel filed vakalath in the name of USA PRO IP LIMITED they have not clarified as to how they put the said

name, who is not a party to the proceedings as per the application filed by the applicant. In view of the deceptive similarity between ""USA PRO

LIMITED"" and ""USA PRO IP LIMITED"" as there is only one word ""IP"" was inserted in between the ""USA PRO ... LIMITED"", the Registry due to

inadvertence received vakalathnama and took the application filed seeking for extension of time for filing counter statement. It is to be stated that the

learned counsel for the third party USA PRO IP LIMITED as stated above filed four extension applications for the respective period and the Board

as per order dated 3.1.2014 granted extension up to 24.1.2014 with a condition that no further extension will be given. The registry communicated the

said order to M/s. Anand and Anand on 6.1.2014. However, the learned counsel sought for further extension from 27.1.2014 to 25.2.2014 along with

the scanned counter statement. In view of such conduct of non-compliance of the conditions imposed earlier, the Board directed the registry to list the

matter for hearing. It is pertinent to highlight the above sequence of events as per the table hereunder:-

5. At this juncture, it is relevant to point out the procedure adopted by the IPAB in respect of entertaining the request for seeking the relief of

extension of time. Initially the Deputy Registrar, used to consider the said request and grant extension as per the provision under rule 27 of the IPAB

(Procedure) Rules, 2003 (hereinafter referred to as Rules). Subsequently, the IPAB Bench passed an order dated 18.7.2011 in (SHRI SHYAM

SINGH Vs. SHRI MANOHAR SINGH & ANOTHER) ORA 267/2008/TM/CH, and held that as per Rule 14 of the IPAB (Procedure) Rules, only

the Board is having the discretion for granting extension of time and no one else. It is better to extract the relevant portion of the said order as

hereunder:.

5. Before we consider the merits of this matter, we think certain procedural

aspects must be made clear and this will apply to everyone. Rule 14 of The Intellectual Property Appellate Board (Procedure) Rules, 2003 deals with extension of time and it provides for extension of time for doing any act, whether the time so specified has expired or not. This extension of time may also be made subject to such conditions as the Board may think fit to impose. Sub-rule 2 of Rule 14 clearly indicates that the Appellate Board is not required to hear the parties before disposing of an application for extension of time. It appears that hitherto the Deputy Registrar had under Rule 27 been condoning the delay or extending the time as the case may be for doing any act. This was done under the understanding of Rule 27(ix) which reads as follows:-

27. (ix) to decide questions relating to extension of time in respect of filing of counter statement, reply, rejoinder etc.

6. When Rule 14 is clear that it is the discretion of the Appellate Board to grant extension of time it can only mean that the extension of time is within

the sole discretion of Intellectual Property Appellate Board (IPAB) and no one else. This is further reinforced by the phrase ""Subject to such

conditions as it may think fit to impose....."". Here the word 'it' refers to the Board. Therefore, the conditions that should be imposed while

extending the time is by the Board which may deem fit to do so.

7. Sub-rule 2 of Rule 14 speaks of the Board not being required to hear the parties. Therefore, right to grant extension of time with or without

conditions and the right to refuse extension of time is exclusively within the discretion of the Appellate Board. No other officer or person can assume

this power. If we were to construe Rule 27(ix) as granting the power to Deputy Registrar it would run contrary to the scope of Rule 14. If we read

Rule 27, we find that the functions of the Deputy Registrar which is of course subject to orders of the Chairman is to receive applications, appeals,

counter statements, replies and other documents. He can decide all questions arising out of the scrutiny of the appeals which means if the appeals are

not in conformity with the rules, the Deputy Registrar can make the necessary required corrections before they are registered. The Deputy Registrar

may also to require any application, appeal, counter statement, replies presented to the Appellate Board to be amended so that they are in conformity

with the rules.

8. The Deputy Registrar may fix dates of hearing of the applications or appeals or other proceedings and issue notices therefore subject to the

directions of the Chairman. He may direct any formal amendment of records. He may order supply of copies of documents to parties to proceedings.

He may grant leave to inspect the records or requisition of records from any court, Registrar of Trade Marks or other authority. It is seen that on

consideration of all these functions, the Deputy Registrar does not perform any function which is even faintly judicial, they are ministerial. To grant

him the power of condoning the delay or extending the time, would be implicitly granting him the power to refuse to condone the delay or refuse to

grant extension of time. Therefore, the entire proceedings which must be adjudicated by the Board would come to a conclusion by the order the

Deputy Registrar if we understand section 27(ix) to mean that the Deputy Registrar can extend time. We do not think this is an appropriate

understanding of Rule 27 that the Deputy Registrar is to decide question for extension of time and not to decide the right to have time extended. For

example, if there is any doubt as to the exact number of days of delay, the officer may decide.

9. Therefore, hereafter all applications made under Form 3 will be placed before the Board. As per Rule 14(2) the Board need not hear the parties

before disposing of the application. On a perusal of the papers, the Board will, if satisfied that sufficient cause is made out, grant extension of time.

While doing so, the Board may insist that on the date by which the time is so extended, the counter statement shall be filed. The Board, may if it thinks

fit, post the matter for hearing. But this is entirely at the discretion of the Board.

6. The above said order of the IPAB makes it abundantly clear that only the Board is entitled and empowered to consider the request for extension of

time for filing counter statement etc. as per the provision of Rule 14(2) of the IPAB (Procedure) Rules, 2003 and the parties need not be heard while

dealing with the application for extension of time. In view of the same, the Board granted extension of time for filing counter statement as stated

above and in view of the deceptive similarity between USA PRO LIMITED and USA PRO IP LIMITED, the Board granted extension of time as

stated above. The said mistake came to light only when the Registry directed to list the matter for hearing on the ground of non compliance of the

conditions viz., no further extension will be granted after extension of time up to 24.1.2014 as at that time only the learned counsel for the applicant

pointed out that the learned counsel M/s. Anand and Anand has filed vakalath only mentioning the respondent as USA PRO IP LIMITED and

whereas the first respondent is USA PRO LIMITED and as such the learned counsel has no locus standi to appear in this matter. We have passed an

order on 3.6.2014 recording the said statement of the learned counsel for the applicant and the learned counsel representing M/s. Anand and Anand

submitted that they have received instructions only in respect of seeking extension of time for filing counter statement and they have to get further

instructions in respect of confusion regarding the name of the first respondent.

7. Under the above said sequence of events, we have posted the matter today for further hearing. Mr. P.S. Raman, the learned senior counsel for the

applicant and Mr. M.S. Bharath, the learned counsel for M/s. Anand and Anand appearing for USA PRO IP LIMITED viz., the third party to the

proceedings are present. By mutual consent of both the learned counsel, the main ORA itself is taken up for final hearing today.

8. THE CASE OF THE APPLICANT

The applicant stated that they belong to the ""Montfort Services Sdn. group of companies"". The applicant concern was incorporated in the year 2007

and acquired a strong geographical presence in International Markets throughout the world, they have obtained the registrations for trade mark USA

PRO in several countries as stated hereunder:

They have also filed several applications worldwide and they are pending for registration as stated hereunder:

9. The applicant seeks to use the trade mark USA PRO LIMITED in India for goods covered under Classes 18, 25 and 28. Therefore, they have

conducted a search at the office of the Registrar of Trade Marks, New Delhi and the same revealed that the trade mark ""USA PRO"" was already

registered in favour of the first respondent in Class 25 with the user claim as ""proposed to be used"". But on enquiry in the Indian Markets they came

across no information, the documents or products in respect of the use of the trade mark ""USA PRO"" by the first respondent. The applicant also

engaged a professional investigation agency to conduct an investigation into the business affairs of the first respondent under the trade mark ""USA

PRO"" but the report revealed that the impugned trade mark viz., ""USA PRO"" has not been put into use by the registered proprietor in India. The impugned trade mark was never intended to be used by the first respondent in relation to the goods covered under Class 25 in India and the registration was made by the first respondent in respect of the impugned trade mark only with a mala fide intention of blocking other traders, such as the applicant from using the said marks in relation to the goods falling in Class 25, it amounts to unfair competition. The applicant has obtained distinctiveness in respect of the trade mark ""USA PRO"" and there is no justification for the first respondent to block other traders including the applicant for using the impugned trade mark in relation to the goods covered under Class 25. The conduct of the first respondent would amount to diluting the distinctiveness of the applicant's trade mark ""USA PRO"". The adoption of the impugned trade mark under Class 25 by the first respondent was dishonest and the same was wrongly entered into the register and remaining on the register without sufficient cause and as such the same is liable to be removed from the register of the Trade Mark Registry. The impugned trade mark of the first respondent has not been used for a continuous period of 5 years and 3 years from the date that it had been actually entered on the register of Trade Mark Registry in the name of the first respondent and such non user of the trade mark and the impugned registration is without any cause. The impugned registration of the trade mark has been wrongly granted and wrongly remaining on the register in contravention of Sections 18, 47 and 57 of the Trade Marks Act, 1999 and therefore the same is liable to be cancelled, removed and rectified.

10. No Counter Statement

As already pointed out, the first respondent has neither appeared in person nor through any agent or advocate till date. The USA PRO IP LIMITED, the third party, who has filed vakalath claimed to be the first respondent herein. The circumstances under which the registry received the vakalath and consequently the Board granted extension of time for filing counter statement were already narrated earlier. However, Mr. M.S. Bharath, the learned counsel appearing for the third party contended that the third party viz., USA PRO IP LIMITED stepped into the shoes of the first respondent USA PRO LIMITED on the basis of the assignment deed dated 11.03.2008. In view of

the same, we are constrained to hear the arguments of Mr. M.S.

Bharath, the learned counsel for the third party with a view to follow the principles of natural justice.

11. Mr. P.S. Raman, the learned senior counsel appearing for the applicant and Mr. M.S. Bharath, the learned counsel appearing for third party ""USA

PRO IP LIMITED"" are present today and both of them argued at length.

12. Mr. P.S. Raman, the learned senior counsel would vehemently contend that the learned counsel for the ""USA PRO IP LIMITED"" has no

authority or locus standi to make any representation for the said company as the same is not a party to the present proceedings and the registry itself

could have rejected and returned the vakalath, as the vakalath was not filed for the first respondent viz., ""USA PRO LIMITED"". In view of the same,

there is no question of seeking extension of time for filing counter statement and if at all any statement to be filed, it should be only by the first

respondent ""USA PRO LIMITED"" and not by the ""USA PRO IP LIMITED"". The learned senior counsel would put forward further contention as

hereunder:

(i) The applicant has filed rectification application by impleading USA PRO LIMITED as the first respondent on the basis of verification of the trade

mark register from the official website of the Trade Mark Registry, as the same reflected that the registered proprietor is only the first respondent

USA PRO LIMITED. To substantiate such contention the learned senior counsel produced the current status of the impugned trade mark from the

official website of the Trade Mark Registry as on 2.6.2014.

(ii) Notice to the first respondent was properly served and in spite of the same the first respondent is not appearing before the Bench and as such the

rectification application is to be allowed straightaway.

(iii) The ""USA PRO IP LIMITED"" is a third party and they are attempting to contest in this matter on the ground of alleged assignment given by

USA PRO LIMITED"" in favour of U.P. Brand Limited and they in turn gave assignment in favour of the present third party ""USA PRO IP

LIMITED"" and all these factors have not been brought to the notice of this Bench right from the filing of vakalath till the filing of extension petition

and only after the applicant brought to the notice of this Bench during the first date of hearing on 3.6.2014, the third party has come forward with the

present version of assignment deed executed in their favour not by the ""USA PRO LIMITED"", but by UP Brands Limited and both of them from

United Kingdom.

(iv) The verification by the applicant through website Open Corporates, The Open Database Of The Corporate World revealed that USA PRO

LIMITED, the first respondent herein is not in existence today, as the same was dissolved on 9.8.2011, which came to their knowledge only at present

and even as on date the impugned trade mark is only in the name of USA PRO LIMITED in the registry of the Trade Mark, Chennai and as such the

impugned trade mark dies along with the first respondent herein. Therefore the impugned trade mark automatically goes out of the Registry of Trade

Mark, Chennai.

(v) Even assuming the first respondent ""USA PRO LIMITED"" is alive as on date, the first respondent has not filed their counter statement within the

stipulated time as per Rule 10(1) of Intellectual Property Appellate Board (Procedure) Rules, 2003, which stipulates the time for 2 months from the

date of service of notice and admittedly the counter statement is not filed within the said time frame and therefore the first respondent has no locus

standi to object the rectification.

(vi) The third party ""USA PRO IP LIMITED"" claim assignment in their favour in the year 2008 itself from UP Brands Limited and UP Brands

Limited in turn said to have obtained assignment from the first respondent ""USA PRO LIMITED"". But the said third party has not taken any steps to

get transfer of the impugned mark in the Registry of Trade Mark in their favour. It is submitted only today that they have filed Form TM-24 at the

Trade Mark Registry, Chennai on 09.07.2014 and there is no explanation for such inordinate delay.

(vii) The contention of the third party to the effect that there is no prescribed limitation for filing of Form TM-24 is unacceptable for the simple reason

as there is no fixed time; it goes without saying that they should have filed the said Form TM-24 within a reasonable time and not as per their sweet

will.

(viii) The copies of the assignment deeds produced by the third party show that the said deeds are not only not duly stamped, but also bereft of proper

attestation by Notary Public or any other authority. The stamp papers have been

purchased from the State of Uttar Pradesh and whereas both the assignor and the assignee are from United Kingdom and the consideration was also paid in UK pounds and the execution of the assignment deed was also made at United Kingdom. The endorsement in the document also shows that the stamp papers were purchased in the year 2014.

(ix) Even assuming that the assignment deeds are duly stamped validly executed in the year 2008 as the assignment was not registered before the

Registrar of Trade Mark, Chennai, the same are inadmissible in evidence in proof and the third party cannot place reliance on such documents.

(x) In support of the above contentions, the learned senior counsel would place reliance on the following decisions:-

(a) PTC (Suppl.) (2) 145 Madras (Soundarapandian Match Works Vs. M. Jayarama Chetty & Others);

(b) 2013(3) CTC 841 (Orchid Chemicals & Pharmaceuticals Ltd. Vs. Wockhardt Ltd.);

(c) AIR 1999 Bombay 407 (Ratansi Mulji Vs. Vinod Ratilal Gandhi & Another);

(d) Manupatra/TN/2680/2013 (M/S. Nico quality products rep. By its partner mr. K.C. VIJAY Vs. M/S. N.C. ARYA SNUFF & CIGAR CO. REP.

By Its Partner S. Chandrasekaran & others) and

(e) (Prem Sagar S/O late sh. Ved parkash Vs. P. Ram Chand & Company & Others).

13. Mr. M.S. Bharath, the learned counsel for third party viz. ""USA PRO IP LIMITED"" would strenuously contend that the said third party is entitled

to contest in this matter as they have already stepped into the shoes of the first respondent/assignor as per the assignment deeds produced by them

executed in their favour. The learned counsel would put forward the following contentions to substantiate the claim of the above said third party.

(i) The ""USA PRO LIMITED"" assigned their right in respect of the impugned trade mark in favour of UP Brands Limited and they in turn assigned

their rights in respect of the impugned trade mark in favour of the ""Usa Pro Ip Limited"" on 11.03.2008 and as such they have stepped into the shoes of

the first respondent/assignor and they are having every right to contest the present rectification application.

(ii) The assignment deeds, which are produced before this Bench today contain the signature of the respective parties and typing of the said

documents on the Indian Non-Judicial Stamp papers purchased from Uttar Pradesh State is in practice and on that score the said documents cannot be thrown out.

(iii) The vakalath, extension petition and the scanned counter statement are all signed by the third party viz. ""USA PRO IP LIMITED"".

(iv) The original counter-statement signed by the assignee/third party was also filed on 7.03.2014 and the said counter statement was filed well within the time granted by this Bench.

(v) The third party also filed application in Form TM-24 in the Trade Mark Registry, Chennai along with requisite fee for recording their name in the Registry as the registered proprietor of the impugned trade mark registered at Chennai, on 9.07.2014 and as such the third party ""USA PRO IP LIMITED"" is having every right to contest in this application.

(vi) The provisions under Section 45 of the Act does not stipulate any specified period of limitation for filing Form TM-24 and the provision under Rule

68 Trade Mark Rules, 2002 (Hereinafter referred as the 'Rules') also does not specify any stipulated time for submitting the application under Form

TM-24 or TM-23. As per the entries 27 and 28 of the First Schedule of the Rules, 6 months time is prescribed for transfer of trade mark from the

date of acquisition of proprietorship with a fee of Rs. 5000/- and if it exceeds from 6 to 12 months with a fee of Rs. 7500/- and if the application was

not filed even within 12 months with a fee of Rs. 10,000/-. Even as per entry 28 there is no statutory limit for filing application to transfer the name in

Form TM-25 or Form TM-24.

(vii) The decisions relied on by the other side is not applicable to the issue involved in this matter, as the same related to the proceedings initiated in

respect of infringement of the trade mark and not in respect of rectification of trade mark.

(viii) The learned counsel for the third party would also submit that they may be permitted to file Miscellaneous Petition explaining the transfer of title

of the impugned trade mark in their favour.

14. We have given our careful and anxious consideration to the rival contentions put forward by either side and thoroughly scrutinized the materials

produced before us, apart from perusing the application.

15. Whether the third party viz., USA PRO IP Limited has locus standi to appear as the first respondent in this case?

The first and foremost contention of Mr. P.S. Raman, the learned senior counsel for the applicant is that the applicant impleaded only USA PRO

Limited as the first respondent and the first respondent having not appeared before this Board even after the receipt of the notice the third party viz.,

USA PRO IP Limited has no authority or locus standi to appear for the first respondent herein. We are able to see much force in the said contention.

However, Mr. M.S. Bharath, the learned counsel appearing for the third party vehemently contended that they are having every right to appear for the

first respondent, as they have already stepped into the shoes of the first respondent on the basis of the assignment deed dated 11.3.2008 executed in

their favour. We have already narrated the sequence of events as to how the third party has come into the picture in this matter. In view of the

specific stand taken by the third party that they have obtained assignment in their favour in respect of the impugned trade mark ""USA PRO"" on the

basis of the assignment deed dated 11.3.2008 we have decided to hear the learned counsel for the third party with a view to follow the principles of

natural justice. It is pertinent to state that as per the provision under Section 92 of the Trade Marks Act, 1999 the Board is vested with the power of

formulating its own procedure by following the principles of natural justice, subject to the provisions of this Act and the Rules made thereunder.

16. Whether the assignment deed was validly executed in favour of the third party?

The learned counsel for the third party contended that only the third party signed vakalath, extension petition and the scanned counter statement. It is

to be stated that the perusal of the vakalath, extension petition and the scanned counter statement makes it crystal clear that the third party has not

made a whisper about the so-called assignment. It is curious to note that in the scanned counter statement, the third party mentioned their name as the

respondent No. 1 in the cause title and even at that place they have not mentioned that they are the assignee of the first respondent herein. We have

pointed out earlier that the applicant has rightly impleaded USA PRO Limited as the first respondent herein and the Trade Mark Registry reflects only

the name of the first respondent as the registered proprietor of the impugned trade mark and the said factor is very much evident from the production

of the latest website status as on 2.6.2014. Therefore the applicant has rightly impleaded only the first respondent and not third party viz., USA PRO

IP Limited, as the first respondent herein. Even in the so-called scanned counter statement, the third party has not explained as to how they have

acquired the right in respect of the impugned trade mark. At the risk of repetition it is to be reiterated that the third party has not whispered a word

about the so-called assignment deed dated 11.03.2008. It is the specific case of the third party that on the same date i.e., on 11.3.2008 USA PRO

Limited, the first respondent herein executed an assignment deed in favour of UP Brand Limited and the UP Brand Limited in turn executed the

assignment deed in favour of the third party herein. The perusal of the so-called two assignment deeds reveals several infirmities raising serious doubt

about its genuineness in respect of the execution of assignment deeds transferring the impugned trade mark ""USA PRO"" in favour of the UP Brand

Limited and UP Brand Limited in turn in favour of the third party. It is pertinent to note that both the assignment deeds contain the Indian Non Judicial

Stamp for Rs. 100/- purchased from the State of Uttar Pradesh and the seal of the Uttar Pradesh Treasury reflects the date as ""04.07.2014"". It is not

explained by the third party as to how the assignment deed was executed on 11.3.2008 in the Indian Non Judicial Stamp paper purchased from the

State of Uttar Pradesh on 4.7.2014. The perusal of the first assignment deed between USA PRO Limited and UP Brand Limited reveals that USA

PRO Limited is acting by its Administrator, Robert Paler of Gallaghers. The assignee UP Brand Limited is not represented by any one. The signature

of the Administrator for USA PRO Limited is also found without mentioning his name, a signature was found on behalf of UP Brand Limited but the

name is not disclosed. There is also no attestation of any witnesses or Notary attestation. The perusal of the second assignment deed dated 11.3.2008

reveals that it is only between UP Brand Limited and USA PRO IP Limited and there is no mention as to who are the persons representing both the

companies viz., the assignor and assignee. It is seen in the last page that a person holding the position of director has signed for UP Brand Limited and

though there is a signature for USA PRO IP Limited, his name and position is not disclosed. The said document also does not contain Notary

attestation, except containing a signature in the column of witness signature for both the companies. In respect of the said infirmities, the learned

counsel for the third party contended that it is in practice for preparing such assignment deeds. The contents of the said documents make it abundantly clear that the execution could have been made only at United Kingdom. The perusal of the said assignment deed would also reveal that the UK addresses of the respective companies have been mentioned and further consideration was also paid in pounds. Therefore, it is clear that the said document could have been executed only at United Kingdom outside India and as such it should have been stamped in India within three months after it was brought in accordance with Section 18 of the Indian Stamp Act, 1899. But in the instant case, we have pointed out the above said peculiar and curious aspects for preparing and executing the so-called assignment deeds. We are unable to countenance the contention of the learned counsel for the third party that it is usual practice to prepare and execute such document for the simple reason, the so-called assignment deeds are not on the basis of the established procedure of law. We never come across such documents with such infirmities. In view of the foregoing reasons, we have no hesitation to hold that the so-called assignment deeds dated 11.3.2008 purported to be executed between USA PRO Limited and UP Brand Limited and between UP Brand Limited and USA PRO IP Limited have not been validly executed. In view of such findings, we are constrained to recall our order dated 3.1.2014 granting extension of time for filing counter statement, as the said orders have been passed under the impression that the said relief was sought for by the first respondent herein on the ground of deceptive similarity between USA PRO Limited and USA PRO IP Limited. We have narrated the said sequence of events earlier. At this juncture, we are also constrained to state that except filing a scanned counter statement dated 25.2.2014; the third party has not filed any original counter statement till date. Though the learned counsel for the third party claimed before us that the original counter statement was filed on 7.3.2014, the verification of the records of the Registry reveals that no such original counter statement was filed on 7.3.2014. It is also pertinent to state at this juncture that Rule 10(1) of the Intellectual Property Appellate Board (Procedure) Rules, 2003 stipulates two months time from the date of service of notice for filing counter statement and the said rule is violated in the instant case and the third party has admitted that no counter statement filed within the stipulated time. In view of the arguments of the learned counsel for the third party herein

that have been heard and considered in respect of the assignment deeds dated 11.3.2008, there is no need for the third party to file any miscellaneous petition to explain as to how they obtained right or title over the impugned trade mark.

17. Even assuming that the assignment deeds are validly executed whether the third party can place reliance on them?

First of all, the third party has not got its registration in the Registry of Trade Mark, Chennai transferring the impugned trade mark ""USA PRO"" in

their favour till date. The learned counsel for the third party with all force contended that there is no limitation for registering the assignment deed in

their favour. In support of such contention, the learned counsel placed reliance on the provision under Section 45 of the Trade Marks Act, 1999 and

Rule 68 of the Trade Marks Rules, 2002 and entries 27 and 28 to the First schedule to the Rules.

Before proceeding to consider the said provisions it is to be stated that Sections 37 to 45 contained in Chapter V of the Trade Marks Act, 1999 deal

with Assignment and Transmission. Section 37 deals with the registered mark and it provides that a registered proprietor may assign his rights in the

trade mark and give effectual receipts for any consideration for such assignment. Section 38 also pertains to registered trade marks that are

assignable with or without the goodwill of the business concerned. Section 39 relates to unregistered trade marks. As per this provision the

unregistered trade mark can also be assigned or transmitted with or without the goodwill of the business concerned. Section 40 relates to restriction on

assignment or transmission where multiple exclusive rights would be created in different parts of India. Section 41 relates to assignment of trade

marks otherwise than in connection with the goodwill of the business. This provision applies to both the registered and unregistered trade marks.

Sections 43 and 44 relate to the assignment of certification trade marks. Assignment of certification trade marks can only be done with the consent of

the Registrar. Lastly, Section 45 pertains to the registration of assignment in relation to registered trade marks.

Let us now incorporate specific provisions relied on by the learned counsel for the third party. Section 45 of the Act reads hereunder:

45. Registration of assignments and Transmissions.--

(1) Where a person becomes entitled by assignment or transmission to a registered trade mark, he shall apply in the prescribed manner to the

Registrar to register his title, and the Registrar shall, on receipt of the application and on proof of title to his satisfaction, register him as the proprietor

of the trade mark in respect of the goods or services in respect of which the assignment or transmission has effect, and shall cause particulars of the

assignment or transmission to be entered on the register.

(2) The Registrar may require the applicant to furnish evidence or further evidence in proof of title only where there is a reasonable doubt about the

veracity of any statement or any document furnished.

(3) Where the validity of an assignment or transmission is in dispute between the parties, the Registrar may refuse to register the assignment or

transmission until the rights of the parties have been determined by a competent court and in all other cases the Registrar shall dispose of the

application within the prescribed period.

(4) Until an application under sub-section (1) has been filed, the assignment or transmission shall be ineffective against a person acquiring a conflicting

interest in or under the registered trade mark without the knowledge of assignment or transmission.

Rule 68 of the Trade Marks Rules, 2002 reads hereunder:

68. Application for entry of assignment or transmission.-An application to register the title of a person who becomes entitled by assignment or

transmission to a registered trade mark shall be made in Form TM-24 or TM-23 according as it is made by such person alone or conjointly with the

registered proprietor.

Now coming to the entries 27 and 28 to the First Schedule of the rules, the same reads hereunder:

18. The reading of Section 45 of the Act incorporated earlier makes it crystal clear that it is a mandatory provision requiring the assignee claimed to

have entitled to a registered trade mark to submit an application in a prescribed manner to the Registrar to register his title to the trade mark. It is

incumbent on the assignee to take such steps in order to protect his interest to the impugned trade mark. Merely because, there is no prescribed period

of limitation, the assignee cannot sleep over the matter. As far as the instant case is concerned, the fact remains the so-called assignment was made

as early as on 11.3.2008 and till date the assignee viz., the third party has not got the registration of the assignment in respect of the impugned trade mark. Having slept over the matter nearly for a period of 6 years, the third party cannot wake up suddenly and claim the assignment by placing reliance on the so-called assignment deeds. There is absolutely no explanation for the inordinate delay of 6 years in getting the registration of the assignment. It is submitted by the learned counsel for the third party that they have filed Form TM-24 at the Trade Mark Registry, Chennai only on 9.7.2014. It is also pertinent to note that as per provision of Section 45(4) of the Act it is very clear that until an application under sub-section(1) has been filed, the assignment shall be ineffective against a person acquiring a conflicting interest in respect of the registered trade mark without the knowledge of assignee. Therefore if the assignee is really interested in making their right in respect of trade mark, they have to take prompt steps to get the registration of assignment.

19. The reading of Rule 68 would also reveal that it is mandatory for the assignee to prefer an application for entry of assignment in Form TM-24 or TM-23. Therefore it is incumbent on the assignee to prefer such application within a reasonable time to protect their interest or right over the trade mark. As far as entries 27 and 28 to the First Schedule of the Rules are concerned, they are dealing in respect of prescribed fee for a particular period's viz., from 6 months, between 6 months to 12 months and exceeding 12 months and as such the said entries are only in respect of prescribed fee and that it cannot be construed that there is no time limit for taking steps to get the registration of title to the impugned trade mark.

20. The above said undisputed facts make it crystal clear that the third party herein sought to place reliance on the so-called assignment deeds, which were not registered under the Trade Marks Act as contemplated and mandated as per provision of Section 45 of the Act. Mr. P.S. Raman, the learned senior counsel for the applicant contended that without registration of the assignment as per provision under Section 45 of the Act, the third party cannot plead that the impugned trade mark has been assigned to them. The learned senior counsel in support of such contention has rightly placed reliance on the following decisions:

(i) In *Ratansi Mulji Vs. Vinod Ratilal* AIR 1991 Bombay 407), the Hon'ble High

Court of Bombay held as follows:

11. The second factual contention raised by Mr. Chitnis, about which there is also no dispute, is that the entire set of the trademarks were registered in the names of the Finlay Mills Ltd. and the Registrar of Trademarks has confirmed in writing that the registration in the names of the petitioners continues up to the present point of time and furthermore that the National Textile Corporation has not taken any steps whatsoever for the purpose of getting themselves registered as the owners of the trade-marks in question. Mr. Thakore has stated that this position is incorrect in so far as the officers of the National Textile Corporation had, in fact, approached the Registrar of Trade-marks on more than one occasion and had also pointed out to him that they desired to take the necessary steps for the purpose of having the entries altered to their names and that they were already informed by the officers that no such applications would be entertained by the Registrar, because the Finlay Mills Ltd. have filed a suit which is pending before the High Court and the matter is sub judice. Assuming that the statements made by Mr. Thakore are correct, it does not alter the factual position at all in so far as this Court is required to go by the position as it obtains on record, namely, that the Finlay Mills Ltd. on the dates when the prosecutions were instituted against them before the trial Court were, in fact, the registered owners of the trade-marks in question. This position is of considerable significance.

12..... It is significant to record that even though Mr. Thakore has pointed out that the officers of the National Textile Corporation did approach the Trade Marks Registry orally with the request that they be registered as users of the trade-mark, admittedly, they did not prefer any application, nor have they been registered as the users of the trademarks in question.....

13..... Suffice it to say that if it was the contention of the National Textile Corporation that by operation of law they have become the registered proprietors of the trade-marks, it was open to them to have taken necessary steps for the purpose of getting themselves registered as proprietors of the trade-marks either jointly with the present petitioners or to their exclusion. Obviously, no such steps have been taken.....

20.....It is abundantly clear from the provisions of Section 44 of the Trade & Merchandise Marks Act, 1958 that, in the first instance, the party who

claims rights by virtue of assignment and transmission is required within the framework of this Act to get himself registered and furthermore as per

the proviso to that Section, where the validity of an assignment or transmission is disputed, the Registrar may refuse registration and until the rights of

the parties have been determined by competent Court, no such registration shall take place. By necessary implication, it follows that without

registration of the assignment or transmission no rights can be pleaded on the ground that the trade marks have been assigned or transmitted.

(b) Similarly, the Hon'ble High Court of Madras in *SOUNDARAPANDIAN MATCH WORKS Vs. M. JAYARAMA CHETTY*, (2001) 2 M.L.J.

176) held as follows:

19. Therefore on a reading of sub-section (2) of Section 44 of the Act, it is clear that unless there is a direction by the Registrar or the Competent

Court the document or assignment which has not been registered as provided under sub-section (1) shall not be admitted in evidence in proof of the

title to the trade mark by assignment. The document of assignment thus becomes inadmissible to prove the title to the trade mark by assignment. In

this context, the third defendant had not moved any Court or Registrar to accept the assignment with the result I am inclined to hold that the third

defendant cannot claim to have stepped into the shoes of the assignor or to exercise any of the rights of the assignor/registered proprietor. This

statutory bar has not been considered by the Trial Court in the proper light before holding that the third defendant had validly acquired the rights of the

first defendant...

(c) Similarly, a Division Bench of the Hon'ble High Court of Madras in *ORCHID CHEMICALS Vs. WOCKHARDT LTD.* (2013(3) C.T.C. 841)

has held as follows:

5.2 Admittedly, the Appellant has not registered the Assignment Deed required under the Act. Under the Trade Marks Act, 1999, a separate

proceeding is contemplated for the above said purpose. If the Appellant was desirous of using the Trade Mark of M/s. Mano Pharmaceutical Limited,

it ought to have filed an appropriate application along with M/s. Mano Pharmaceutical Limited. Inasmuch as the said procedure is mandatory, we are

of the considered view that the appellant cannot seek an order of injunction.

(d) In *M/S. Nico Quality Products Rep. By Its Partner Mr. K.C. Vijay Vs. M/S. N.C.*

arya snuff & cigar co. Rep. By its partner s. Chandrasekaran

& others-The Hon'ble single Judge of the Madras High Court held:

38. It is yet another submission of the learned senior counsel for the applicant that the registration of Deed of assignment is necessary only to prevent

the third parties from acquiring any conflict interest in respect of the trade marks assigned to the assignee. So far as the transferor and transferee is

concerned, the right flown from the deed of assignment. Hence, even if the deed of assignment is not registered, it will not prevent the assignee to

initiate any legal action as against the transferor if the transferor violates the deed of assignment. For this submission of the learned senior counsel for

the applicant, the judgment relied upon by the learned counsel for the respondents reported in 2001 2 M.L.J. 176 (Soundarapandian Match Works v.

M. Jayarama Chetty and others) gives a fitting answer. In the said judgment it has been held as follows:

19. Therefore on a reading of sub-section (2) of Section 44 of the Act, it is clear that unless there is a direction by the Registrar or the Competent

Court the document or assignment which has not been registered as provided under sub-section (1) shall not be admitted in evidence in proof of the

title to the trade mark by assignment. The document of assignment thus becomes inadmissible to prove the title of the trade mark by assignment. In

this context, the third defendant had not moved any Court of Registrar to accept the assignment with the result I am inclined to hold that the third

defendant cannot claim to have stepped into the shoes of the assignor or to exercise any of the rights of the assignor/registered proprietor. This

statutory bar has not been considered by the trial Court in the proper light before holding that the third defendant had validly acquired the rights of the

first defendant with the result to the said extent the plaintiff is entitled to succeed namely, reliefs claimed against the third defendant.

In the judgment reported in 2013(3) CTC 841 (Orchid Chemicals & Pharmaceuticals Vs. Wockhardt Limited) it has been held as follows:

5.2 Admittedly, the Appellant has not registered the Assignment Deed required under the Act. Under the Trade Marks Act, 1999, a separate

proceeding is contemplated for the above said purpose. If the Appellant was desirous of using the Trade Mark of M/s. Mano Pharmaceutical Limited,

it ought to have filed an appropriate application along with M/s. Mano

Pharmaceutical Limited. Inasmuch as the said procedure is mandatory, we are of the considered view that the appellant cannot seek an order of injunction.

A reading of the above said judgment would show that the Registration of the deed of assignment is compulsory. If the deed of assignment is not registered as required under section 44(1) of the Trade Marks Act, it is inadmissible in evidence. Therefore, I am not inclined to accept the submission made by the learned counsel for the applicant that the registration of the assignment is not compulsory because the right of the assignee flows from the assignment itself.

(e) In the decision of the IPAB reported in (prem sagar s/o late sh. Ved parkash Vs. P. Ram chand & company & others) it is held hereunder:

24. On a plain reading of the application for rectification, it clearly states that the applicant along with the founder Shri Ved Prakash was carrying on

business and the trade mark is said to have taken assigned to him by the founder in whose name the mark was registered. The applicant had produced

the application on Form TM-24 to bring on record the applicant as subsequent proprietor, in the year 1999 which is still pending. Here it is worth

mentioning the observations made in 2001(2) CTMR 195 Soundarapandian Match Works v. M. Jayarama Chetty-the court did not accept the

contention that the registration is only a formal clerical requirement and that transfer having taken effect on the execution of the deed of assignment,

all the rights of the registered proprietor are transferred to the assignee. The court held with reference to the 1958 Act, that "while Section 44(1)

entitles registration of an assignment and a mandatory duty is cast upon the Registrar to register the assignment subject only to his satisfaction of proof

of title, the proviso to Section 44(1) of the Act entitles the Registrar to refuse to register the assignment if there was any dispute between the

parties.... The consequence of non registration appear to be rigorous on a reading of Sub section (2) of Section 44 of the Act (corresponding to

Section 45(2) of the 1999 Act)... Therefore, on a reading of Sub-section (2) of Section 44 of the Act, it is clear that unless there is a direction by the

Registrar or the competent court the document or assignment which has not been registered as provided under Sub-section (1) shall not be admitted in

evidence in proof of the title to the trade mark by assignment. The document of assignment thus becomes inadmissible to prove the title to the trade

mark by assignment.

25. It is thus obvious that the deed will be admissible in cases of recordal before the Registrar or in a civil suit. So here, unless the recordal is

complete, the applicant cannot claim to be the registered proprietor of the trade mark.

21. The principles laid down in the decisions cited supra make it crystal clear that the assignment deeds which are not registered as per provision

under Section 45 of the Trade Marks Act, 1999 cannot be used as evidence for proof. The learned counsel for the third party submitted that the above

said decisions are rendered in the proceedings initiated for infringement of trade mark and not in respect of the rectification of trade mark. It is

needless to state that the principles are one and the same in respect of both the proceedings and they are applicable to the issue involved in the case

on hand as it is admitted fact that till date the third party has not got the registration of assignment in respect of the impugned trade mark ""USA PRO"".

22. The first respondent company itself is dissolved

The last but not the least contention of the learned senior counsel for the applicant herein is that the first respondent company itself was dissolved on

9.8.2011. Mr. P.S. Raman, learned senior counsel would submit that the applicant came to know only now about the factor of the dissolution of the

first respondent company. In order to substantiate such claim, the learned senior counsel would produce the print out of the website, which reads

hereunder:

Open Corporates

The open Database Of The Corporate World

Search

(c) Companies o Directors

Share on Twitter Share on Facebook Share on Google Plus Share on

Linked In Log in/Sign up

USA PRO LIMITED

Company Number

02623094

Status

Dissolved

Incorporation Date

21 June 1991 (about 23 years ago)

Dissolution Date

9 August 2011

Company Type

Private Limited Company

Jurisdiction

United Kingdom

Registered Address

â?¢ GALLAGHERS PO BOX 698, 69-85 TABERNACLE STREET

â?¢ LONDON

â?¢ EC2A 4RR

SIC Codes

â?¢ 51.90-Other wholesale

Latest Accounts Date

2005-12-31

Latest Annual Return Date

2007-06-21

Previous Names

â?¢ STANSHURST LIMITED (2001-10-12)

Directors/Officers

â?¢ inactive MARTIN ANTONY WEBSTER, Secretary, 10 Mar 2008

â?¢ inactive KEVIN PAUL JARVIS, director, 21 Jun 1992-

â?¢ inactive MICHELLE GRETA MITCHELL JARVIS, director 14 Jun 1993-

â?¢ inactive MARTIN ANTONY WEBSTER, secretary, 10 Mar 2008

Registry Page

<http://datea.companieshouse.gov.uk/doc...>

23. The reading of the above print out of the website reveals that the first respondent company itself was dissolved as early as on 09.08.2011 and as

such the impugned trade mark dies along with the first respondent herein. As we have already pointed out that till date the third party has not

registered the assignment as per provision under Section 45 of the Act and as such the impugned trade mark stands as on date only in the name of the

first respondent as the registered proprietor and in the absence of the registration of the so-called assignment deeds dated 11.03.2008 before the date

of dissolution of the first respondent company on 09.08.2011, the impugned trade mark deemed to have been removed or rectified from the Registry of

Trade Marks, Chennai. The third party having missed the bus cannot now claim for the registration of the assignment deeds in respect of the

impugned trade mark in the Registry of Trade Marks, Chennai.

24. Before concluding it is to be reiterated that the applicant sought for rectification of the impugned trade mark ""USA PRO"" mainly on the ground of

non-user under Section 47 of the Act. It is seen in the application for the registration of the impugned trade mark ""USA PRO"" dated 18.03.2005 and it

is stated by the first respondent herein that it was proposed to be used. As we have already pointed out that the first respondent has not filed any

counter statement denying and disputing the claim of the applicant in respect of the non-use of the impugned trade mark. It is specifically stated by the

applicant that their enquiry revealed that there was no information in respect of the use of the impugned trade mark by the first respondent and the

report of the professional investigation agency engaged by the applicant also disclosed that the impugned trade mark has not been put into use by the

registered proprietor in India in respect of the goods falling in Class 25. Therefore it is rightly contented that the adoption of the impugned trade mark

under Class 25 by the first respondent was dishonest and the same was wrongly entered into register and remaining on the register without sufficient

cause.

25. In view of the foregoing reasons, we are of the considered view that the third party herein has been miserably failed to establish its claim of

assignment of the rights of the impugned trade mark in their favour by the first respondent company. Accordingly, the rectification application is

deserved to be allowed and the Registrar of Trade Marks, Chennai is hereby directed to expunge or remove the impugned trade mark ""USA PRO

under registration No. 1345642 in Class 25 from its register. No costs