
(2018) 03 DEL CK 0104

In the Delhi High Court

Case No : LPA 73 Of 2018, C.M. APPL.7426-7431 Of 2018 & Letter Patent Appeal No. 73 Of 2018, Civil Miscellaneous Application No. 7426, 7431 Of 2018

M/S. Epsilon Publishing House Pvt. Ltd

APPELLANT

Vs

Union Of India And Ors

RESPONDENT

Date of Decision : 09-03-2018

Acts Referred:

Trade Marks Act, 1999 — Section 25(3), 25(4), 150
Trade Marks Act, 1999 Rule 2002 — Rule 65, 66

Citation : (2018) 03 DEL CK 0104

Hon'ble Judges : S. RAVINDRA BHAT, A.K. CHAWLA

Bench : Division Bench

Advocate : Sh. Sushant Singh, Sh. Ankit Kaushal, Sh. Tajinder Singh, Sh. Anurag Ahluwalia, Ms. Tejaswitha, Sh. Sanjeev Singh, Sh. D.K. Yadav

Final Decision : Dismissed

Judgement

1. The appellant is aggrieved by a judgment of the learned Single Judge who dismissed its writ petition by which the renewal of trademark

“LOKPRIYA EASY NOTES” was challenged. That trademark had been registered by the third respondent (hereafter called “Jain”) as its

user through an application (made on 02.01.2001) which was granted on 07.03.2007 in Class-14 of the Schedule to the Trade Marks Act, 1999

[hereafter referred to as “the Act”]. The registration was granted after due advertisement.

2. The appellant claims to have adopted the trademark “EASY NOTES” in 1999 for guide books and other printed material published by it. It

applied for registration of the trademarks “E.A.S.Y.” in Class 16 and “EPSILON”, again in Class 16. The appellant had filed a suit claiming

infringement of its trademark and rendition of accounts against Jain before the District Court at

Kanpur (Suit No.5/2015) for the use by Jain of "LOKPRIYA EASY NOTES". Initially, ex-parte order restraining Jain from using "EASY

NOTES" or any other prefix to it was granted. In the written statement, Jain claimed to have been using the trademark "LOKPRIYA EASY

NOTES" since 1977 and also disclosed that the said trademark had been registered on 07.03.2007 in Class 16. The petitioner approached this Court

through writ proceedings contending that the renewal of trademark registration granted to Jain, was unlawful. The appellant relied upon Section 25(3)

of the Act, as well as Rules 65 and 66 of the Trade Marks Rules. The sum and substance of the appellant's argument was that since Jain's

trademark registration ended on 02.05.2011, there was delay in applying for renewal of registration, which resulted in its lapse. Consequently, the

renewal in fact granted by the Trademark Registry was contrary to law.

3. Learned Single Judge, after noticing the relevant provisions of the Trade Marks Act, 1999 and the Trade Marks Rules referred to, rejected the

petition, holding as follows:

"23. In terms of Section 25(3) of the Act, the Registrar is required to send a notice in the prescribed manner to the registered proprietor of the date

of expiration and the conditions as to payment of fees, upon which renewal of the registered trademark may be secured by the registered proprietor. If

those conditions are not met, the Registrar may remove the trademark from the Register. It is necessary to note that the word used in section 25(3) of

the Act is 'may' and not 'shall'. The proviso to Section 25(3) is also couched in negative language which proscribes the Registrar from removing the

mark, if an application is made in the prescribed form and prescribed fee and surcharge is paid within a period of six months. Thus, in any event, the

Registrar has to continue to retain the trademark on the Register till the expiry of the period of six months from the expiry of registration in order to

provide a full play to the proviso to Section 25(3) of the Act. Thus, even if an application for renewal with the prescribed fees and surcharge is

received within a period of six months from the expiry of the registration of the trademark, the Registrar cannot remove the trademark from the

Register.

24. Section 25(4) of the Act comes into play where the trademark has been removed from the Register for non-payment of the prescribed fee. In

terms of Section 25(4) of the Act, the registered proprietor has further six months after the expiry of the initial six months from the date of expiry of

the registration to seek restoration of the trademark on the Register.

25. If the contention of the petitioner is accepted that the trademark in question stood removed automatically from the date of the expiry of the terms

of the registration; then the registered proprietor would be deprived of the grace period of six months in terms of proviso to Section 25(3) of the Act.

He would also be deprived of its right for seeking restoration which has to be exercised within a further period of six months (that is, within a period of

one month from the expiry of the terms of the registration of the trademark).

26. There may be merit in the contention that the Registrar has to follow the procedure as prescribed; however, the essential question is not whether

the Registrar has any discretion in the matter, but, what are the consequences of the Registrar not following the established procedure? Plainly, in the

facts of the present case, it is apparent that the Trademark Registry has not adhered to the timelines as required. Surely, respondent no.3 cannot be

penalised for the same and would be entitled to pursue its application for renewal of its trademark. The same was filed well within the period of six

months and even though the same was not accompanied by a fee of surcharge, nonetheless, respondent no.3 had the right to know the fate of its

application. Since no deficiency was pointed out at the material time, respondent no.3 cannot be deprived of its valuable rights to cure the defects

within the prescribed period. The Registrar also did not advertise the removal of the trademark as required under section 25(4) of the Act read with

Rule 66 of the 2002 Rules. Such advertisement would have provided another opportunity for the petitioner to seek restoration of the trademark.

27. In view of the above, this Court finds no infirmity with the decision of the Registrar to renew the trademark "LOKPRIYA EASY NOTES" in

favour of respondent no.3. No interference by this Court is called for. The contention that the petitioner was required to be heard before granting such

renewal is also unpersuasive. Concededly, the matter of renewal of the trademark is strictly between the Trademark Registry and the registered

proprietor of the trademark. The question of any third party right being

considered at that stage does not arise, any person aggrieved by registration of a trademark is entitled to file an application for rectification of the register and, in this case, the petitioner has already initiated such proceedings.

28. The reference to Rule 66 of 2002 Rules, which requires the Registrar to have regard to the interests of affected persons, would arise only once

the trademark in question has been removed from the Register of trademarks. The present case is not one of restoration of a trademark that has been

removed from the Register.â??

4.It is contended that the appellant petitioner is the prior user of trademark â??EASY NOTESâ? and had applied in 2000

for registration. Jain was the subsequent user of the mark and could not have, therefore, claimed any legitimate rights over it. The fact that Jain

secured registration in the overall circumstances had no bearing on the issue that was decided by the learned Single Judge whether the renewal of that

trademark registration was valid.

5.It is highlighted that the learned Single Judge fell into error in holding that the power to deny extension of registration is discretionary. In this regard,

it is argued that a conjoint reading of Sections 25(3) and (4) would lead to only one conclusion that unless the statutory procedure is adopted, which is

the lodging of the relevant application for extension, accompanied by the prescribed fee and the surcharge, within the time mentioned in the statute, the

extension cannot be granted. It is argued that the learned Single Judge, on the one hand, held that the trademark could be retained on the register if an

application for renewal were to be made along with surcharge within six months from the date of expiry. However, at the same time, the impugned

order is clearly erroneous in law in holding that the surcharge though paid later could still be taken into account for the purpose of renewal of

trademark registration.

6.Learned counsel submits that the impugned order overlooks Section of the Act which mandates that the filing of an application or a request would be

deemed to be made on the day when the fee fixed by the Act and Rules are paid. In other words, the surcharge which ought to have been paid under

Section 25(3), i.e. within six months of the date of expiration of the trademark registration, was actually deposited on 17.04.2017. Thus, the filing in

terms of Section 150 was in fact from 17.04.2017. The mere fact of the

application filed on 19.05.2011 could not rescue Jain's belated request for renewal of trademark registration that had lapsed long back in 2011, after the expiry of six months' period.

7. The preceding factual discussion would show that the third respondent - Jain's use and registration of "LOKPRIYA EASY NOTES" as a

trademark with effect from 2001 was sought to be challenged. Interestingly, the challenge through a rectification application made on 13.03.2013 is not

based upon the lapsing of the registration of the alleged mark. The statement of case (annexure produced along with writ petition) merely attacks the

registration on the ground that the appellant was prior user. The materials on record, on the other hand, show that the trade mark registry " had kept

the third respondent's renewal application pending even though it was filed within the period prescribed. The trademark registration was made on

02.05.2011; the renewal application was made on 19.05.2011; thus the requirement of Section 25(3) was fulfilled.

8. The appellant's grouse is that the renewal in this case was not justified because the prescribed fee did not accompany the application. The

appellant relies upon Section 150 which reads as follows:

"150. Fees and surcharge."(1) There shall be paid in respect of [applications, international applications] and registration and other matters under this Act such fees and surcharge as may be prescribed by the Central Government.

(2)Where a fee is payable in respect of the doing of an act by the Registrar, the Registrar shall not do that act until the fee has been paid.

(3) Where a fee is payable in respect of the filing of a document at the Trade Marks Registry, the document shall be deemed not to have been filed at

the Registry until the fee has been paid."

9.This Court notices that the impugned order noticed and analyzed Rules 65 and 66 of the Trade Marks Rules as they existed at the relevant time. The

proviso to Rule 65 states that the Registrar cannot move the application from the register if the payment of surcharge is made under Section 25(3)

within 6 months from the expiry of last registration mark. The learned Single Judge also noticed importantly, Rule 66, which states that a lapsed mark

can be registered and specifies the circumstances applicable for such action. The text of Section 150 seems to suggest that if a fee is prescribed for

the doing of a thing or for submission of an application, the absence of such fee would result in the application being treated as having not been filed.

At the same time, the Court is cognizant of the fact that the application was made on 19.05.2011, i.e. within a six month period. The defect, as it were,

with respect to the surcharge shortage, came to the notice of the authorities in 2017 when notice was issued in that regard. It would also be

worthwhile noticing that the new rules came into effect on 26.07.2017. Furthermore, the basic grounds for challenge of the trade mark registration, i.e.

in the pleadings in the rectification application right upto 2015, were not that the registration had lapsed. It was on the basis that the mark was

misleading. The Court also notes that the suit alleging infringement was filed only in 2015, i.e. much after Jain's

rectification application.

10. Having to all these circumstances, the learned Single Judge's conclusions that the renewal, in the facts of this case could

not be characterized as illegal, is reasonable; there is no infirmity in the impugned judgment. The appeal is accordingly dismissed.