
(2010) 07 IPAB CK 0001

In the Intellectual Property Appellate Board

Case No : M.P. No. 71/2009 In OA/17/2009/TM/CH, OA/17/2009/TM/CH

Nisar Enterprises

APPELLANT

Vs

Vikash Fashion Clothing (P) Ltd. And Ors.

RESPONDENT

Date of Decision : 30-07-2010

Acts Referred:

Trade Marks Act, 1999 — Section 9, 11, 12, 18(1), 21, 21(1), 21(2), 21(4), 91
Trade Marks Rules, 2002 — Rule 50, 51, 52, 50(2)

Citation : (2010) 07 IPAB CK 0001

Hon'ble Judges : Z.S. Negi, J; Syed Obaidur Rahaman, Technical Member

Bench : Division Bench

Final Decision : Allowed

Judgement

Z.S. Negi, J

1. The above appeal under Section 91 of the Trade Marks Act, 1999 (hereinafter referred to as the Act) is directed against the order dated 21.9.2007

passed by the Deputy Registrar of Trade Marks, Chennai, in opposition No. MAS-191335 to application No. 1250248, whereby the said opposition is

deemed to have been abandoned under Sub-rule (2) of Rule 50 of the Trade Marks Rules, 2002 (hereinafter referred to as the Rules).

2. According to material on record, the predecessor in title of M/s. Vikash Fashion Clothing (P) Ltd. have been engaged in the business of

manufacturing and marketing of readymade garments since 1.4.1999 under the trade mark 'TAG'. The Trade mark 'TAG' is claimed to be adopted

since 1999 in respect of readymade garments in class 25 and ever since then the trade mark is being used, on readymade garments during the course

of business, continuously, voluminously, exclusively and uninterruptedly. It is claimed that by reason of substantial user of the trade mark, wide sales

promotional work carried out by the applicant and the high standard and quality maintained in regard to readymade garments sold under the trade mark

'TAG', the public have come to associate the said trade mark exclusively with the goods originating from the company and the said trade mark has

acquired immense popularity, valuable goodwill and reputation in favour of the company. With a view to protecting the trade mark 'TAG', the company

applied for registration of the said trade mark in its name under application No. 1250248 dated 18.11.2003 in respect of readymade garments in class

25 claiming user since 1.4.1999 and the application for registration was advertised in the Trade Marks Journal No. 1327 Suppl. (2), dated January 10,

2005 at page 1748.

3. Thereupon, Mr. Mukesh Padamshi Nisar, proprietor of a firm styled as M/s. Nisar Enterprises, Mumbai, on 15.4.2005 gave notice of its intention to

oppose the application for registration of trade mark and the said opposition was numbered as MAS-191335. The grounds taken to oppose the

application for registration, were, inter alia, that the opponent is engaged in the business of manufacturing/marketing readymade garments and hosiery

under the trade mark 'TAG' since 1995 and it has been using the said mark openly, exclusively, continuously and uninterruptedly; that it is the

proprietor of trade mark 'TAG' under application No. 836967 in respect of readymade garments and hosiery in class 25; that the applicant's mark is

non-distinctive mark, therefore, its registration will be in contravention of Section 9 of the Act; that much reputation and goodwill have accrued to the

opponent's trade mark and the trade mark has come to be exclusively associated with the firm; that that the trade mark applied for is similar to

opponent's trade mark and the goods in respect which registration is sought are same goods/goods of same description, in the same class and the use

of the mark applied for will cause confusion or deception in the trade and general public; that the adoption of the mark is dishonest and the applicant

cannot claim the benefit of honest concurrent use and as such the registration sought for is barred by Sections 11 and 12 of the Act; that the applicant

cannot be considered the proprietor of the trade mark under Section 18(1) of the Act and that the foregoing constitutes sufficient grounds for exercise

of Registrar discretion in favour of the opponent.

4. On 19.8.2005, the applicant filed its counter-statement to the notice of

opposition denying the material averments made in the notice of opposition and thereafter, the opponent, on 20.4.2006, filed the evidence in support of its opposition by way of affidavit dated 13.4.2006 of Mr. Mukesh Padamshi Nisar along with exhibits A to C. On 18.12.2006, the applicant filed evidence of in support of application for registration by way of affidavit dated 15.12.2006 of Mr. Madanlal Bhansali along with exhibits A to D and on 6.1.2007, the opponent filed evidence in reply under Rule 52 of the Rules by way of affidavit dated 5.1.2007 of Mr. Mukesh Padamshi Nisar. After completion of the pleading, the opponent was waiting for a hearing notice from the Registry of Trade Marks, Chennai but the opponent was taken by surprise when on 16.10.2007 it received order dated 21.9.2007 in proceedings taken under Section 21 of the Act treating the opposition as abandoned under Sub-rule (2) of Rule 50 of the Rules. It is stated that immediately after receipt of the impugned order, the opponent on 17.10.2007 requested the Registrar of Trade Marks, Chennai vide letter dated 17.10.2007 to set aside the impugned order or in alternative to appoint a hearing in the matter and no response was received from the Registrar of Trade Marks, Chennai, reminders were sent to the Registrar of Trade Marks, Chennai on 16.11.2007, 18.12.2007 and 2.1.2008 but till today the opponent has not received any communication from the Registrar of Trade Marks, Chennai.

5. Aggrieved by the impugned abandonment order dated 21.9.2007, the opponent has preferred the instant appeal on the grounds, inter alia, that the abandonment order passed by the Respondent No. 2 herein is erroneous in law facts and equity; that in deciding the case, the Respondent No. 2 has failed to apply the correct and accepted principles of law and this impaired and adversely affected the legal validity of the decision; that the Respondent No. 2 wrongly passed the order under Section 21(1) of the Act and thereby holding that the opponent/Appellant has failed to file evidence in support of opposition under Sub-rule (1) of Rule 50 of the Rules and, therefore, by operation of law, the opposition is deemed to have been abandoned under Sub-rule (2) of Rule 50 of the Rules; that the impugned order has resulted in failure of justice because the Respondent No. 2 allowed herself to be influenced by extraneous considerations and fact, which never formed a part of the evidence in the case and that the Respondent No. 2 wrongly exercised her discretion in the matter and disregarded the principles of

equity and natural justice. The Appellant has prayed that the appeal be allowed by setting aside the impugned order restoring back the opposition No. MAS-191335 and the Respondent No. 2 be directed to take the Appellant's and Respondent's evidences under rules 50, 51 and 52 of the Rules on record and appoint the hearing in the matter to decide the same on merits. The Appellant has, along with the appeal, filed a miscellaneous petition being M.P. No. 71/2009 for interim stay averring that, in view of the facts and grounds mentioned in the petition, the Appellant prays the following reliefs:

(a) that pending the hearing and final disposal of the appeal the Board may stay the operation of the order and decision dated 21st September, 2007 of the Respondent No. 2, and the Respondent No. 1 be directed not to refer and rely upon the impugned order in other proceedings pending before the

Registrar of Trade Marks;

(b) that pending the hearing and final disposal of the appeal, the Respondent No. 3 be directed not to enter the mark on the Register and/or not to issue the registration certificate to Respondent No. 1;

(c) that the Respondent No. 1 be ordered to pay the Appellant the cost of this petition.

6. Respondent No. 1 filed the counter-statement denying the material objections raised in the appeal and has stated that its trade mark has come to be

exclusively associated with the goods of Respondent No. 1's manufacture and merchandise. The trade mark applied for by the Respondent No. 1 has

acquired immense popularity and valuable goodwill and reputation by virtue of continuous, voluminous, exclusive and uninterrupted use and as such the

Respondent No. 1 is entitled to its registration by virtue of such user and the order dated 21.9.2007 passed by the Respondent No. 2 is right and

correct and is in accordance with Trade Marks Act and Rules. It is stated that the appeal is not maintainable in law nor on facts as the Appellant has

suppressed material facts and has failed to approach this Appellate Board with clean hands. The Respondent No. 1 does not admit that the Appellant

has filed evidence in support of its opposition in time. Lastly the Respondent No. 1 has stated that the order passed by the Respondent No. 2 is within

the principles of equity and natural justice, therefore, the appeal be dismissed with costs.

7. On 30th March, 2010, the Appellant filed reply denying the statements and claims made by the Respondent No. 1 in the counter-statement. It is stated that the impugned order is passed basically on technical grounds and erroneously treated the opposition as abandoned without considering the Appellant's evidence filed in support of its opposition to the application for registration. The copy of counter-statement dated 19.8.2005 filed by the Respondent No. 1 has been served upon the Appellant on 23.3.2006 and the evidence under Rule 50 of the Rules has been filed within the prescribed period of two months that is on 20.4.2006; the Respondent No. 1 has filed evidence under Rule 51 of the Rules on 15.12.2006 and the Appellant filed evidence in reply under Rule 52 of the Rules on 6.1.2007. It is submitted that the Respondent No. 2 ought to have seen the file and ought not to have passed the arbitrary order, which is patently wrong on the face of the record. It is also submitted that instead of appointing a hearing, the Respondent No. 2 has passed the impugned order under Section 21 of the Act by treating the opposition as abandoned under Rule 50(2) of the Rules.

8. The appeal together with miscellaneous petition came up before us for hearing on 13.7.2010 wherein Shri L. Ramprasad, advocate appeared for the Appellant and there is no representation from the Respondent No. 1. The record shows that the Respondent No. 1 remained unrepresented on the earlier hearings on 22.2.2010, 26.2.2010 and 22.4.2010 also and there is no request for adjournment of hearing to some other day.

9. Learned Counsel for the Appellant submitted that the Respondent No. 2 has passed the impugned order without looking into the records. He took us through affidavits, dated 13.4.2006 and Exhibits A to C thereof, and dated 5.1.2007, respectively, and submitted that the Appellant/opponent has filed evidence in support of notice of opposition in time and it has also filed evidence in reply on time and several months prior to passing of the impugned order the evidence was in the office of Respondent No. 2. Learned Counsel by taking us through the letters addressed to the Registrar of Trade Marks, Chennai by the attorneys of the Appellant/opponent dated 17.10.2007, 16.11.2007, 18.12.2007 and 2.1.2008 at pages 279 to 282 submitted that vide letter dated 17.10.2007, after explaining the entire factual position, a request was made to the Registrar to set aside the impugned order which has been erroneously passed and to appoint a fresh hearing in the matter and other letters were reminders but there was no response from the Registrar

of Trade Marks, Chennai. Apart from this, the Registrar's office was vide letter dated 3.9.2007 requested to appoint the hearing but no intimation was

received. Learned Counsel further submitted that the impugned order is perverse as the Respondent No. 2 has blatantly erred in appreciating the facts

and circumstances of the case as well as the material on record and she failed to apply the principles of law and equity. Learned Counsel in support of

his submissions relied on the orders of this Appellate Board in Hindustan Lever Limited v. PFIZER Ltd. and Anr. 2006(33) PTC 205 (IPAB) and

Sanyo Electric Co. Ltd. v. The Assistant Registrar of Trade Mark 2007 (34) PTC 156 (IPAB).

10. Before adverting to the contentions urged by the learned Counsel in support of his claims and the pleadings of the parties on record, it is desirable

to look at the provisions of the Act and rules made thereunder. We are mainly concerned here with the provisions of Section 21 of the Act which

deals with opposition to registration. Sub-sections (2) to (4) of that section provide as under:

21. (1) x x x x

(2) The Registrar shall serve a copy of the notice on the applicant for registration and, within two months from the receipt by the applicant of such

copy of the notice of opposition, the applicant shall send to the Registrar in the prescribed manner a counter-statement of the grounds on which he

relies for his application, and if he does not do so he shall be deemed to have abandoned his application.

(3) If the applicant sends such counter-statement, the Registrar shall serve a copy thereof on the person giving notice of opposition.

(4) Any evidence upon which the opponent and the applicant may rely shall be submitted in the prescribed manner and within the prescribed time to

the Registrar, and the Registrar shall give an opportunity to them to be heard, if they so desire.

(5),(6) and (7) x x x x

The plain reading of Sub-section (2) of Section 21 suggest that the Registrar shall serve a copy of the notice of opposition on the applicant and within

two months from that date, the applicant shall send to the Registrar a counter-statement of the grounds on which he relies for his application and it

further provides that in case such counter-statement is not filed then the

application shall be deemed to have been abandoned by the applicant. Sub-section (4) of Section 21 requires the applicant and opponent to submit evidence upon which they rely in support of their claim in the prescribed manner and within prescribed time to the Registrar of Trade Marks. The manner and within which time the evidence to be submitted to the Registrar of Trade Marks under Sub-section (4) of Section 21 of the Act by the opponent and the applicant is provided under rules 50 and 51 of the Rules. Rule

50 requires to be extracted as the main argument/contentions in the appeal centre round Rule 50 of the Rules which read as under:-

50. Evidence in support of opposition.-(1) Within two months from services on him of a copy of the counter-statement or within such further period

not exceeding one month in the aggregate thereafter as the Registrar may on request allow, the opponent shall either leave with the Registrar, such

evidence by way of affidavit as he may desire to adduce in support of his opposition or shall intimate to the Registrar and to the applicant in writing

that he does not desire to adduce evidence in support of his opposition but intends to rely on the facts stated in the notice of opposition. He shall deliver

to the applicant copies of any evidence that he leaves with the Registrar under this sub-rule and intimate the Registrar in writing of such delivery.

(2) If an opponent takes no action under Sub-rule (1) within the time mentioned therein, he shall be deemed to have abandoned his opposition.

(3) x x x x

From the reading of Rule 50 It is clear that within two months from the date of service of a copy of a counter-statement or within such further time

not exceeding one month in aggregate thereafter as the Registrar may on request allow, the opponent shall file evidence in support of his opposition

before the Registrar or intimate to the Registrar and to the applicant in writing that he does not desire to adduce any evidence but intends to rely on

the facts stated in the notice of opposition. Sub-rule (2) of Rule 50 of the Rules provides that if the opponent takes no action within the time mentioned

in Sub-rule (1), then the opposition shall be deemed to have been abandoned. The question for our determination is whether the opposition is deemed

to have been abandoned as contemplated under Rule 50(2) of the Rules. It is abundantly clear that an opposition is deemed to have been abandoned

only if the opponent fails to leaves with the Registrar, such evidence by way of

affidavit as he may desire to adduce in support of his opposition or fails to intimate to the Registrar and to the applicant in writing that he does not desire to adduce evidence but intends to rely on the facts stated in the notice of opposition. It is settled that this legal fiction cannot be stretched beyond the purpose for which it was enacted. Rule 56 of the Rules provide that upon completion of the evidence if any, the Registrar shall give notice to the parties of the first date of hearing in accordance with the requirements contained therein.

11. In the present case, it is averred by the Appellant that the counter-statement filed by the Respondent No. 1 was served on the Appellant on 23.3.

2006 and the Appellant filed evidence in support of opposition within less than a month's time, that is to say on 20.4.2006. The Respondent No. 1 has

not given any reply to the averments made at sub-paras (D) and (F) of para 4 of the appeal and as such the averment of the Appellant that it has filed

the evidence and evidence in reply in time have to be taken as admitted. It is, therefore, patently clear that the Appellant has taken action under Sub-

rule (1) of Rule 50 of the Rules but despite that the Respondent No. 2 has passed the impugned order dated 21.9.2007 arbitrarily and blatantly . The

bald contention of the Respondent No. 1 contained in para 13 of the counter-statement that the appeal is not maintainable in law nor on the facts of

the case as the Appellant has suppressed the material facts and has failed to approach this Appellate Board with clean hands is not at all sustainable in

the absence of any particulars furnished relating to the alleged suppressed material facts to substantiate its contention by the Respondent No. 1.

Further, the bald contention that since the Appellant failed to file evidence within the prescribed time limit, the Respondent No. 2 rightly and correctly

followed the procedure laid down under the Rules and abandoned the opposition is also not at all sustainable on the face of material available on

record. It is the undisputed fact that both the parties have filed their respective evidence in support of their application or opposition, as the case may

be, and in view of this, the Respondent No. 2 was duty bound to fix the matter for hearing in accordance with the provisions of Rule 56 of the Rules

but instead of complying with the requirement of the said Rule 56 the Respondent No. 2 has arbitrarily resorted to treat the opposition as deemed to

have been abandoned under Rule 50 (2) of the Rules. Immediately after receipt

of impugned order, the Appellant's attorneys wrote to the Registrar of Trade Marks, Chennai, pointing out that the evidence under Rule 50 and reply evidence under Rule 52 of the Rules were filed -by attaching copies thereof -and requesting that the erroneous order passed by the Respondent No. 2 be set aside and for fixing the matter for hearing, followed by three reminders but the Registrar failed to respond. The stoic silence maintained by the Registrar in the matter can be taken as admission of the fact that the evidence under reference were received by the Registry of Trade Marks, Chennai and the impugned order was passed without taking into consideration of the evidence on record. We are of the considered opinion that the impugned order dated 21.9.2007 cannot at all be sustainable.

12. The result is that the appeal is allowed by setting aside the impugned order dated 21.9.2007 passed by the Respondent No. 2 and the matter is remanded back to the Registrar for deciding the same on merits in accordance with law. Since the appeal is allowed, the miscellaneous petition for stay does not survive. The parties will bear their respective costs of appeal.