(2020) 06 IPAB CK 0004

In the Intellectual Property Appellate Board

Case No : OA/52/2018/TM/DEL

Pioneer Eletronic Corporation APPELLANT

Vs

Suse Electronics And Ors. RESPONDENT

Date of Decision : 18-06-2020

Acts Referred:

Trade Marks Act, 1999 — Section 21(1), 21(2), 21(4), 131
Trade Marks Rules, 2002 — Rule 50, 50(1), 51, 51(1)

Citation : (2020) 06 IPAB CK 0004

Hon'ble Judges : Manmohan Singh, J;Dr. Onkar Nath Singh, Technical Membe

Bench : Division Bench

Advocate : Dhruv Grover, C.A. Brijesh

Final Decision : Dispose Of

Judgement

Manmohan Singh, J

1. The appellant has filed the present appeal against the Order of the Respondent No. 2, whereby the Respondent No. 2 has vide Order dated 16.10.2015 refused to take on record the 'Evidence in Support of Application' filed by the Appellant. The said Order of the Respondent No. 2 was passed after more than 10 years of filing of Evidence in Support of Application by the Appellant.

2. The impugned order is in complete contravention of The Trade Marks Act and the Rules framed thereunder and is causing grave prejudice to the Appellant.

3. It is submitted on behalf of the appellant that the Appellant, founded in the year 1938, is a well-known manufacturer and seller of products for the car, home and, business markets. In respect of its business, the Appellant has been using the mark 'PIONEER' as a trade mark and trade name since the year 1936. In India, the mark PIONEER has been used since the year 1956. The trade mark PIONEER stands registered in several jurisdictions with earliest registration in India going back to the year 1969 (Registration No. 257658).

4. On 23.07.1998, the Appellant with an intent to protect its valuable rights in its well-known mark PIONEER filed an application for registration of the same in Class 9 under No. 811483.

5. The Notice of Opposition filed-by the Appellant against the Respondent No. 1's application for registration of the mark PIONEER under No. 664813 in Class 9, the Respondent No. 1 filed a Notice of Opposition dated 20.03.2004 objecting to registration of the Appellant's trade mark under Application No. 811483, as follows:

a) On 24.08.2004, the Appellant filed its Counter Statement to the Notice of Opposition denying the vexatious contentions and frivolous averments contained

b) The Respondent No. 1 filed its 'Evidence in Support of Opposition' dated 11.04.2005, which was received. by the Appellant on 13.04.2005.

c) On 07.06.2005, the Appellant's attorneys filed a request on Form TM-56 with prescribed official fee seeking an extension of time of one month till 13.07.2005.

d) Thereafter, vide letter dated 13.07.2005 the Appellant's through their Attorneys requested for a further extension of time till 13.08.2005 under the Respondent No. 2's discretionary powers as provided under Section 131 of the Trade Marks Act, 1999. The occasion to file requests for extension arose as the Appellant, being a multinational organization has offices spread across several countries and the documents/exhibits had to be collated from different sources/ offices.

e) On 11.08.2005, the Appellant filed the affidavit of Mr. Seiichiro Kurihara dated 03.08.2005 and the supporting exhibits being Appellant's 'Evidence in support of Application' under cover of an Interlocutory Petition and the prescribed official fee A copy of the said affidavit along with the Interlocutory Petition (IP) and Exhibits was also forwarded to the Respondent No. 1's attorneys.

f) The Respondent No. 1 through its attorneys addressed a letter dated 11.08.2005 to the Trade Marks Registry objecting to the Appellant's request for grant of time till 13.08.2005 for filing the Evidence in support of Application and requesting for appointment of a hearing.

6. It is submitted that from 28.02.2006 to 18.07.2007 several hearings were appointed in the matter, however, the same were adjourned. The Appellant addressed a letter dated 27.07.2009 to the Respondent No. 2 enquiring into the status of the matter and requesting him to expedite the matter by re-appointing a hearing. A similar letter was addressed by the Respondent No. 1 to the Trade Marks Registry on 29.07.2009.

7. On 01.10.2015, i.e. after more than 10 years of the filing of the Evidence in support of Application by the Appellant along with the Interlocutory Petition, the Trade Marks Registry appointed a hearing in the matter.

8. It is also submitted on behalf of the appellant that the Respondent No. 2, vide

Order dated 16.10.2015 rejected the Interlocutory Petition filed by the Appellant and refused to take the Evidence in Support of Application filed by the Appellant on record.

9. The appellant has stated that it is an overseas company with the offices spread over several countries, therefore, collation of exhibits and finalization of the affidavit consumed a lot of time. Further, the process of inquiry and correspondence and thereafter, notarization and stamping formalities proved to be a time consuming process. It is stated that the delay in filing 'evidence in support of application' was unintentional and will not cause any hardship to the Respondents. It is also submitted by the appellant that none will suffer any loss, damage or prejudice in case the present IP is allowed and affidavit taken on record.

10. The appellant has submitted that the matter is being proceeded ex parte, the Respondent will not have any prejudice if this Appeal is allowed. Further, delay is less than 4 weeks for the reasons explained above and the Appellant had no intention of delaying the proceedings.

11. The Respondent No. 2 took more than 10 years to adjudicate an application seeking condonation of delay of less than 4 weeks, which has prejudicially affected the rights of the Appellant, which is against principles of equity.

12. The mark PIONEER is well-known and every house hold in India would be aware of the same in connection with car stereo, speakers and audio entertainment products. The Respondent No. 1 copied the identical mark for identical goods which tilts the equity in favour of the Appellant.

13. The appellant has also submitted that throughout the extant appeal proceedings, despite due service, the Respondent No. 1 has remained absent. In view thereof, this Board ordered that the extant matter would be proceeded ex-parte. Therefore, Respondent No. 1 is not interested in pursuing the matter and thus no prejudice would be caused to the Respondent No. 1 if the extant appeal is allowed.

14. The Respondent No. 2 did not understand the provisions of Rule 51 of the Trade Marks Rules, 2002. It is submitted that Rule 51 is not to be considered in isolation but is to be read harmoniously with other provisions under the Act and the Rules made thereunder. The restriction prescribed under Rule 51 to grant extension of time for one month in the aggregate is directory and not mandatory. Section 131 clearly confers powers on the Registrar to grant extension of time not being a time specifically provided in the Act. Section 131 of the Act is reproduced hereunder for ease of reference:

"131. Extension of time - (1) If the Registrar is satisfied, on application made to him in the prescribed manner and accompanied by the prescribed fee, that there is sufficient cause for extending the time for doing any act (not being a time expressly provided in this Act), whether the time so specified has expired or not, he may, subject to such conditions as he may think fit to impose, extend the time and inform the parties accordingly."

15. Accordingly, harmonious construction of the provisions of Rule 51 and Section 131 have to be made. A harmonious construction of these Rules and the Act leads to the conclusion that the power of the Registrar under Rule 51 is directory and not mandatory in nature.

16. The Respondent No. 2 did not appreciate the intention of the legislature vis-à-vis Rule-51. A specific time period has been provided under Section 21(1) for filing notice of opposition, i.e. four months. Similarly, specific time period! is provided for filing the Counter Statement under Section 21(2), i.e. two months. In Section 21(4), the legislature has not provided a specific time period to file the Evidence in Support of Application or to seek extension thereof. The intention of the legislature was not to limit the time to file evidence, but to give the Registrar discretionary powers to take on record relevant evidence. It is important to state that wherever the Legislature intended to prescribe a fixed time, which could not be extended, it has specifically so done. The necessary implication of this is that in all other cases the time was not to be fixed but one which would be within the power of the Registrar to extend.

17. The Respondent No. 2 failed to appreciate that Appellant had sought extensions of time by invoking the provisions of Section 131 of the Act and failed to take the same in account. It proceeded on the assumption that as Rule 51 provides for extension of one month, any further extension should not be allowed. The said notion of respondent No. 2 was wrong and incorrect and against the scheme of the Act. The rules of procedure are a hand maiden to the ends of justice and should not be permitted to effect substantial justice. The Trade Mark Rules cannot limit the discretionary powers vested on the Registrar by the Act. It is a settled principle of law that where a Rule, formulated under the Act, is contradictory to the Act itself, the Act shall prevail. The Apex Court and various High Courts have held that the word "shall" ought to be construed not according to the language with which it is clothed but in the context in which it is used and the purpose it seeks to serve. The word ''shall" prima facie means mandatory but the Court may ascertain the real intention of the legislature by carefully attending to the whole scope of the statute. The mere use of the word "shall" in Rule 51 is neither enough to treat the rule as mandatory nor to assume that it overrides the mandate and spirit of Section 131 of the Act.

18. It is alleged by the Appellant that the evidence in support of Application was on account of unavoidable circumstances and arose due to the time consumed in collating documents. The Appellant being a multi-national 'corporation, documents had to be collated from its various offices based in different jurisdictions abroad. The Respondent No. 2 failed to appreciate that delay was of only 30 days which was reasonable keeping in mind the voluminous documents that was required to be filed along with the Evidence in support of Application. Such a short delay in filing the Evidence in support of Application should not take

away Appellant's efforts and desire to vigorously protect and defend its valuable intellectual property rights vesting in the trade mark.

19. The Respondent No. 2 failed to take into consideration the decision passed by the Hon'ble High Court of Gujarat in the matter of Wyeth Holding Corp. and Another v. Controller General of Patent, Design and Trade Marks & Others [2007 (34) PTC 1] and the principle laid down therein. The Hon'ble High Court of Gujarat, in the said decision, has held that the time period for submission of 'Evidence in support of Opposition' provided under Rule 50(1) of the Trade Marks Rules, 2002 is 'directory' and not mandatory. If the Respondent No. 2 would have appreciated the said decision and that as per his own analogy the same applies to Rule 51 as well, he would have, rightly exercised his discretionary powers to extend the time to file Evidence, in support of Application. As per the analogy drawn by the Respondent No. 2, duly recorded in the impugned Order, the Respondent No. 2 has extended the interpretation accorded to the provisions of Rule 51(1) to encompass the provisions incorporated under Rule 50(1). In view thereof, the decision passed by the Hon'ble High Court of Gujarat in the matter of Wyeth Holding Corp. and Another v. Controller General of Patent, Design and Trade Marks & Others [2007 (34) PTC 1] would be applicable in the extant case. Now, as per subsequent Judgment rendered by the Hon'ble Supreme Court, High Courts as well as IPAB, the evidence filed by the appellant is liable to be taken on record.

20. The issue whether Rule 50 is directory or mandatory is discussed in the Draft Manual. After analyzing the decision passed by the Hon'ble High Court of Gujarat in Wyeth Holding Corp. and Another v. Controller General of Patent, Design & Trade Marks & Others and Hon'ble High Court of Delhi in the Sunrider Corporation v. Hindustan Lever Limited, it has been observed that "Thus law is still evolving. Till such time it is finally settled, the Registrar will continue to adopt a uniform policy as per above decision of the Gujarat High Court". Whilst the Respondent No. 2 has applied the analogy accorded to the provisions of Rule 50(1) by the High Court of Delhi to encompass provisions of Rule 51, he has omitted to consider the observation in the Draft Manual for Trade Marks Practice and Procedure on the issue of Rule 50 which as per his own analogy would have applied to Rule 51 as well.

21. The Respondent No. 2 also failed to appreciate the law laid down by Hon'ble Supreme Court of India on the question of condonation of delay. It is a settled principle of law that if the refusal to condone delay results in grave miscarriage of justice, it would be a ground to condone delay. The Respondent No. 2 did not appreciate that the Rules of Limitation are not meant to destroy the rights of parties but to ensure that the parties do not resort to dilatory tactics. The case of the appellant is not rebutted by the respondent No. 1.

22. The respondent No. 2 ought to have understood that applicability and consequences of non filing of evidence under Rules 50 and 51 are different. Under Rule-50, if the evidence is not filed or the notice of opposition is not relied

upon, the opposition is deemed to be abandoned. However, under Rule-51, there is not such consequences. The liberal approach is always to be taken when the evidence in support of application is filed. Once the respondent No. 2 has taken 10 years time to decide a small interlocutory petition for extension of time, it would have been appropriate if the evidence in support of application should have been taken on record.

23. In the light of above, the impugned order dated 16.10.2015 is set-aside by allowing the present appeal. The interlocutory petition filed by the appellant is allowed, consequently the evidence is taken on record.

24. The prayer of the appeal is allowed with costs of Rs. 25,000/- is imposed upon the respondent No. 1 who was intentionally delaying the proceedings by raising false pleas. The cost is to be deposited with 'PM Care Funds' within four weeks. The receipt shall be submitted before the respondent No. 2 with a copy to counsel for the appellant.

25. In failure to deposit the costs with 'PM Care Funds' within four weeks, the opposition filed by the respondent No. 2 shall be treated as closed.

