
(2012) 08 IPAB CK 0010

In the Intellectual Property Appellate Board

Case No : M.P. No. 150 Of 2012 And OA/52/2006/TM/AMD

Sachdeva And Sons Inds. Pvt. Ltd

APPELLANT

Vs

Assistant Registrar Of Trade Marks And Ors

RESPONDENT

Date of Decision : 10-08-2012

Acts Referred:

Trade Marks Rules, 2002 — Rule 52, 53, 53(2), 54, 56
Code Of Civil Procedure, 1908 — Order 47 Rule 1
Trade And Merchandise Marks Rules, 1959 — Rule 115
Limitation Act, 1963 — Section 12
Income Tax Act, 1961 — Section 2(47), 45(4), 47
Indian Stamp Act, 1899 — Section 35
Trade Marks Act, 1999 — Section 127(c), 128

Citation : (2012) 4 RCR(Civil) 329

Hon'ble Judges : Prabha Sridevan, J;V. Ravi, Technical Member

Bench : Division Bench

Advocate : Gaurav Arora, Kamal Kishore Arora, N.K. Manchanda

Final Decision : Disposed Of

Judgement

Prabha Sridevan, J

1 . The appellant is the review petitioner who had unsuccessfully opposed the registration of the mark ""LAL PARI"" in the name of M/s. Maheshwari

Industries. According to the appellant, it had secured registration of the mark ""PARI"" and also have rights in respect of similar marks like ""JAL PARI

FLYING PARI"" etc. The good are rice of all kinds. The respondents filed their counter statement and claimed that the mark ""LAL PARI"" was

adopted in the year 1981 by M/s. Maheshwari Industries and had since been assigned to M/s. Mahaveer Rice Traders. Pending the proceedings, the

appellants filed an interlocutory petition for taking on record the evidence under Rule 53 or Rule 52 of the Trade Marks Rules, 2002. This was argued

on 26.2.2003 and the orders were reserved. The respondents had filed TM 16 for amendment of the name to BHUPINDER JAIN trading as

Mahaveer Rice Traders. From the records it is seen that the interlocutory petition was disallowed on 16.2.2004 and the matter was ordered to proceed

to final hearing on 6.5.2004. The order dated 16.2.2004 appears to have been sent directly to the opponents on 19.2.2004 and the mistake was realised

by the Registrar and rectified by sending a copy of the order to the Counsel, namely, Arora Registration Service vide office letter dated 28.2.2004.

Therefore the hearing fixed on 6.5.2004 was cancelled and the date of hearing was refixed on 28.6.2004. On 22.6.2004 a review petition was filed

against the order dated 16.2.2004. This review petition came to be dismissed on 23.5.2006. Against that, the present appeal has been filed.

2 . The interlocutory petition for receipt of evidence was filed on 2.3.2002. On 22.1.2002 the Trade Marks Registry had communicated to the Counsel

for the applicant that since the opponent had filed evidence under Rule 53, the applicant must file their evidence under Rule 54 within two months from

the date of receipt of the letter. On 19.2.2002 a letter was sent by the Registrar to the Counsel for the respondent with a copy marked to the Counsel

for the appellant that the evidence filed by the Counsel for the respondent has been taken on record under Rule 54. On 2.3.2002 the interlocutory

petition for receipt of evidence under Rule 53 or Rule 56 had been filed.

3 . The learned Counsel for the appellants submitted that the proceedings are governed by the old Act and this interlocutory petition was filed before

the receipt of the evidence of the respondent herein. The learned Counsel submitted that the TM 16 had been filed in 1999 and yet no opportunity was

given to the appellant to object to the TM 16. The learned Counsel submitted that the order passed in the Interlocutory Petition was sent to the party

and everything else has been sent to the Counsel. The learned Counsel relied on the following decisions:

(i) 2003 (1) DCR 634 - Mopac Plast Pvt. Ltd. and others, Petitioners v. State Bank of India, Respondent

(ii) 1983 AIR (Gujarat) 75 - Jhala Mansangji Kalyansangji and others, Petitioners v. Mahobatsang Madarsang Jhala and another, Respondents

(iii) 1996 PTC 16 - Kohinoor Paints Faridabad (P) Ltd., Petitioner v. Paramveer Singh & Anr., Respondents

(iv) 2009 (40) PTC 559 (IPAB) - Aligarh Lock House, Appellant v. Tilak Raj Hora & Anr., Respondents

(v) 2007(1) R.C.R.(Civil) 385 : 2007 (1) PLR 761 - Pawan Kumar, Petitioner v. Raj Kumar and others, Respondents

(vi) 2000 PTC 53 - S.Z. Company, Petitioner v. Modern Bidi Factory, Respondents

(vii) 2010 (44) PTC 289 (IPAB) - Basf Aktiengesellschaft, A German Company, appellants v. Micro Lab Limited & Anr. Respondents

(viii) 2008 (36) PTC 627 (IPAB) - Prabhu Shankar Agarwal & Others, Appellants v. Deputy Registrar of Trade Marks & Others, Respondents

(ix) 2010(7) R.C.R.(Civil) 2223 : 2010 (42) PTC 359(Del) - Patiala Distillers & MFRS. Ltd., Petitioner v. U.O.I. & Another, Respondents

(x) 2009 (41) PTC 559 (IPAB) - Tarlochan Singh, Applicant v. Pern Flour Mills & Ors., Respondents

4. He relied on Section 12 of the Limitation Act regarding exclusion of time.

(i) 1993(3) R.R.R. 382 : 1993 (2) PLR 440 - Jai Singh, Appellant v. Pushpa Devi, Respondent

(ii) 2012 (1) Civil Court Cases 159 (DELHI) - M/s. Jeevan Diesels & Electricals Ltd. v. M/s. Jasbir Singh Chadha (HUF) & Anr.

5. He referred to Section 47 of the Income Tax Act.

(i) 2004 (82) TTJ 847 - Sachdeva & Song (E.O.U.) v. Deputy Commissioner of Income Tax - ITAT Amritsar Bench

(ii) 1976 AIR (SC) 1177 - State of Punjab and another, Appellants v. Shamlal Murari and another, Respondents

6. He referred to Section 35 of the Stamp Act.

(i) 2001 (21) PTC 629 (Del) - Harmohan Singh, Plaintiff v. Gurbax Singh, Defendant

7. He referred to the definition of goodwill in Oxford Dictionary.

(i) 2010 (8) R.C.R. (Civil) 551 - M/s Onam Agarbathi Company, Petitioner v. The Deputy Commissioner of Income Tax, Respondent

(ii) 1977 AIR (SC) 409 - Union of India, Appellant v. Moksh Builders and Financiers Ltd. and others etc., Respondents

(iii) 1989(2) R.R.R. 15 : 1989 AIR (Kerala) 317 - Ouseph Chacko, Appellant v. Raman Nair, Respondent

8 . He submitted that the evidence is crucial and that the cause of justice must be protected. He submitted that there are circumstances where even if

the trial is over, fresh evidence has been directed to be produced since procedure is only a hand maiden to justice. He submitted that there are serious objections to the TM 16 since the whole document alleged to be the assignment deed was not produced. He also raised objections regarding the stamp paper. He submitted that the quantum of consideration for transfer of goodwill must be looked into. Without hearing his objection TM 16 ought not to have been ordered. The TM 16 was a sham transaction. He also submitted that the incorporation of the appellant firm has been recognised in taxation proceedings involving the appellant and therefore the question of the present appellant's locus standi cannot be raised. He submitted that the review was maintainable. He submitted that when the counter statement was served at the correct address, the TM 16 could also have been duly served and that TM 16 ought not to have been considered when the interlocutory petition was listed. He submitted that ordering TM 16 without notice was an error apparent on the face of the record and the review must be allowed.

9. The learned Counsel for the respondent submitted that the appellant has no locus standi. The review petition was time barred. The review petition was not filed by the person who filed the opposition and therefore not maintainable. Section 127(c) of the Trade Marks Act, 1999 (in short 'Act') gives the Registrar the power to review his own ""decision"" but not in Interlocutory Order. The learned Counsel submitted that the appellant had unduly protracted the proceedings and it is therefore that the Registrar had to speed up the hearing of the matter. The learned Counsel submitted that the Registrar had considered the matter from the correct perspective and the appeal was not to be allowed. He relied on-

- (i) AIR 1954 SC 526 - Moran Maz Basselios Catholicos and another, Appellants v. Most Rev. Mar Poulouse Athanasius and others, Respondents,
- (ii) 1995(1) R.R.R. 499 - Smt. Meera Bhanja, Appellant v. Smt. Nirmala Kumari Choudhury, Respondent
- (iii) 1997(4) R.C.R.(Civil) 458 : (1997)8 SCC 715 - Parsion Devi and others, Appellants v. Sumitri Devi and others, Respondents
- (iv) 2002 (24) PTC 468 (Guj) - Dolat Industries, Petitioner v. Krishna Oil Industries, Respondent
- (v) 2005 (31) PTC 699 (IPAB) - Bunge Agribusiness India (P) Ltd., Appellant v. Registrar of Trade Marks, New Delhi & Another, Respondents

- (vi) 2004 (29) PTC 641 (IPAB) - Jacques Jaunet S.A., Appellant v. Newman and Others, Respondents
- (vii) 2008 (37) PTC 162 (IPAB) - Krishna Oil Industries, Appellant v. Assistant Registrar of Trade Marks and Another, Respondents
- (viii) 2000 PTC 24 (FB) - Hastimal Jain trading as Oswal Industries, Petitioner v. Registrar of Trade Marks & Another, Respondents
- (ix) 2003 (27) PTC 175 (SC) - Lakha Ram Sharma, Petitioner v. Balar Marketing Pvt. Ltd., Respondent
- (x) 1997 PTC (17) - Savitri Minda, Petitioner v. Minda Industries, Respondents
- (xi) 2005 (30) PTC 321 (IPAB) - Chateau de Cognac S.A., Appellant v. Shaw Wallace and Co. Ltd. & Others, Respondents
- (xii) 2009(40) PTC 111 (Del.) - Vatika Resorts Pvt. Ltd., Plaintiff v. Vatika Grand, Defendant
- (xiii) (1996) 6 SCC 660 - United Bank of India, Appellant v. Naresh Kumar and Others, Respondents

10. Pending the appeal, the respondent has filed an application to amend the cause title in view of the fact that the trade mark has been assigned in

favour of respondent No. 3, Jain Riceland Pvt. Ltd.

11. We will first take up the preliminary objection raised by the respondent regarding the locus standi of the appellant Sachdeva & Sons Industries

Private Limited who filed the appeal. In this regard, the appellant has filed M.P. No. 168 of 2011 along with documents. Annexure ""P1"" along with this

document is a Memorandum of Association of Sachdeva & Sons Industries Private Limited. It shows that there was a deed of co-partner/settlement

dated 22.4.1997 whereby all the parties relating to partnership business under the name and style of Sachdeva & Sons have agreed that for the sake

of smooth working and better and effective management and improvement and advancement of business that they will abide by the Memorandum and

Articles of Association as annexed.

12. The Memorandum of Association shows that the firm Sachdeva & Sons shall be Sachdeva And Sons Industries Private Limited after the

incorporation. They have filed a TM 16 on 22.2.2011 to amend the records in the name of Sachdeva & Sons to Sachdeva & Sons Industries Private

Limited. Annexure 'P3' shows that TM 16 has been allowed. Annexure 'P4' is an order passed by the Income Tax Appellate Tribunal of Amritsar

Bench, Amritsar which has recorded that the partnership firm of Sachdeva & Sons was converted into a private limited company on 5.5.1997 in the

name of Sachdeva & Sons Industries Private Limited. The question before the appellate Tribunal was whether there was any transfer within the

meaning of Section 45(4) read with Section 2(47) of the Income Tax Act by virtue of the incorporation of the firm. The Appellate Tribunal was of the

view that the provisions of Section 45(4) was not applicable and there was no justification for charging tax on capital gains. In view of this we reject

the objection raised by the respondent that the company Sachdeva & Sons Industries Private Limited has no locus standi to file the appeal.

13. The next question is whether the review petition is maintainable. Section 127(c) of the Act provides for review by the Registrar of his own

decision on an application made in a prescribed manner. According to the learned Counsel for the respondent an order was passed in the interlocutory

petition and therefore the registration should not be reviewed. Rule 53, Rule 54, Rule 55 and Rule 56 of the Trade Marks Rules, 2002 - all deal with

Evidence and they give the Registrar the discretion regarding admitting the evidence or granting leave to either parties upon such terms as he thinks.

According to the respondent this was not ""decision"" and the Rules only provide for the review of the ""decision"". The respondent submits that the

Hon'ble Board must restrict the meaning of ""decision"" on the basis of Rule 56 which provides for hearing and decision. Does the word ""decision

refers to the decision regarding the registration of mark? There is no indication that the words ""review his own decision"" should be restrictively

construed. If the only decision that the Registrar is empowered to make in the course of the proceedings is the final decision, then Section 127(c) of

the Act would have been worded as ""review the decision regarding the registration"" or words to that effect. When Section 128 of the Act speaks of

exercise of discretionary power, every time the Registrar exercises such discretion, he is making a decision. The Assistant Registrar has clearly

understood Section 127(c) of the Act in the proper perspective. The rejection of the review, inter alia, is on the ground that in review the Registrar

cannot sit as an Appellate Tribunal and further the Act only provides for the discretion to allow the review or not. Since the word used is ""may"" the

Registrar has also rejected the review on the ground that the grounds taken in the review application do not fall within the grounds envisaged in Order

47 Rule 1 of CPC. The decision to refuse to take the evidence goes to the root of the matter. Hence the review application filed clearly falls within

Section 127(c) of the Act. The review application cannot be rejected on the ground that it is not maintainable.

14. Next we have to see whether the review is time barred. The order was passed on 16. 2.2004. The review petition was filed on 28.6.2004. Rule

115 of the Trade and Merchandise Marks Rules provides for the review to be filed within one month from the date of decision or in such further

period not exceeding one month thereafter. We find from the record that on 6.5.2004 the Senior Examiner of Trade Marks has written to the Joint

Registrar of Trade Marks that by mistake the order dated 16.2.2004 had been sent directly to the opponents and the mistake was rectified by the

office by sending a copy of the order to the opponent's Advocate vide office letter dated 28. 4.2004. According to the appellant this was received by

them on 3.5.2004 and the application having been filed before 3.7.2004 is not time barred. There appears to have been a notice dated 6.4.2004

adjourning the matter from 26.2.2003 to 6. 5.2004. According to the Counsel for the respondent this was wrongly issued. Therefore clearly there

seems to have been some confusion in the Registry regarding the dates and the Counsel for the appellant has written letters to the Registry enquiring

if any order has been passed on 16.2.2004 and if so whether he would be furnished with a copy of the same. In the present case the copy of the order

having been served on the Counsel for the appellant only on 3.5.2004, the review cannot be held to be time barred.

15. The next question is whether there is an error apparent on the face of the record or whether there is any sufficient reason to entertain the review.

In the present case the appellant had requested the Registry to review the evidence either under Rule 53 or Rule 56. It may be remembered that when

the appellant filed the interlocutory petition in 2002 the provisions of the old Act was applicable. In 2000 PTC 24(FB) (cited supra) the Delhi High

Court has held that Rule 53(2) is merely directory and not mandatory and the Registrar had the power to extend the time for filing the evidence even

when the period mentioned in Rule 53 had expired and even though application for extension of time is way beyond the limit. Of course by the time the

Interlocutory Petition was taken up for hearing the new Act has come into force. From 23.2.2002 till 15.9.2003 no orders had been passed on a mere

application to receive evidence. Thereafter the new Rule had come into force. Further the TM 16 filed by the applicant was also ordered without giving any opportunity to the appellant. Before us the appellants had raised several objections on the TM 16 filed by the respondent. It must be remembered that this was filed way back in 1999. Therefore on the date when the interlocutory petition was taken up the appellant could not have known whether the assignor or the assignee was before the Registrar. The Registrar should have passed orders on the TM 16 before proceeding further in the matter so that the proprietor to the trade mark can be heard and the opponent could also know the identity of the proprietor. This is an error apparent on the face of the record and clearly they have raised sufficient reasons to warrant interference.

16. In 2003 AIR (Raj) 306 - Smt. Chandra Kala and Others, Petitioners v. Kanak Mal and Others, Respondents, the Rajasthan High Court has held that unless the Court passes the order impleading the legal representative they cannot be deemed to have been impleaded merely by filing the application.

17. This applies to the present case. Mere filing of the TM 16 is not sufficient. They should be brought on record. The correctness of the transaction need not be discussed by us since we are remanding the matter to the Registrar for deciding the TM 16 also. All objections raised by the appellant with regard to the genuineness/validity/acceptability of the assignment deed shall be raised by the appellant before the Registrar.

18. In 2012 1 Civil Court Cases 159 (Delhi) (cited supra) the question was whether the notice was sent to the correct address and the necessity of rebuttal evidence.

19. In the present case, the Registrar himself has accepted as seen from the record that the notice was not properly sent.

20. 1993 (2) PLR 440 (cited supra) is on the point that limitation will run only from the date of knowledge of the party.

21. In the present case, it is the date on which the order copy was received by the Counsel for the appellant.

22. In 2009 (41) PTC 559 (IPAB) (cited supra) and 2010 (42) PTC 359 (Del.) (cited supra) - The Hon'ble Delhi High Court and IPAB have in the interests of justice granted indulgence and latitude with regard to the reception

of evidence. The same is the case of 2008 (36) PTC 627 (IPAB)(cited supra) where the IPAB has held that Courts have leaned in favour of affording opportunity to a party for giving evidence.

23.2010 (44) PTC 289 (IPAB) (cited supra) also holds that evidence should never be shut down.

24. In 2011 AIR SC (Civil) 1000 - K.K. Veluswamy, Appellant v. N. Palaniswamy, Respondent the Hon'ble Supreme Court has held that Courts can permit fresh evidence if evidence is relevant.

25. In 2005 (30) PTC 321 (IPAB) (cited supra) the IPAB has held that ""substitution of parties should have been allowed"". But even in that case the Board has held that allowing an application without hearing the opponent on merits is unsustainable.

26. In 1997 PTC (17) (cited supra) the Court held that as a result of the proposed amendment there is no alteration in the basic character of the suit and no prejudice is going to be caused to the defendant.

27 . This is not relevant. The question is not whether the amendment should be allowed but whether the appellant ought not to have been heard before the amendment was allowed.

28. In AIR 1954 SC 526 (cited supra) the Supreme Court held that ""any other sufficient reason"" in Order 47 Rule 1 is a reason analogous to those specified in the Rule.

29. In AIR 1995 SC 455 (cited supra) the Hon'ble Suprem Court held that the review Court shall not act as an Appellate Court. An error apparent means an error which must strike one on mere looking at the record and would not require any long drawn process of reasoning.

30. (1997) 8 SCC 715 (cited supra) also speaks about the scope of review.

31. In 2004 (29) PTC 641 (cited supra) it was held that there should be some valid ground for reviewing the earlier order.

32.2009 (40) PTC 111 (Del.) (cited supra) - The Hon'ble Delhi High Court has held that if the proposed amendment is necessary for determining the real matter that must be considered.

3 3 . In the present case it is not the nature of the amendment in question, the appellant is a ""person aggrieved"" when he has no opportunity to counter the TM 16 that is filed.

34. (1996) 6 SCC 660 (cited supra) has held that substantive rights shall not be defeated on technical grounds.

35 . It is clear from the order and the review that the appellant had not had the opportunity to be heard with regard to TM 16 dated 4.11.1999. In fact

what was listed was only an interlocutory petition dated 7.3.2002. The record contains the date of hearing. We find that on 19.3.2002 it is endorsed as

follows:

Opponents IP dated 7.3.2002 may be taken on record and intimation (fwded) may be sent to the applicant for their comments

36 . The next endorsement is not clear. It is perhaps 17.1.2003 and the next is 11.2.2003 which is as follows:

Mr...Manchanda, Advocate for the applicant requests to adjourn the hearing on 26.2.2003 (TM 56 is allowed). Hearing adjourned finally to

26.2.2003 at 2.30 P.M.

37. Then on 26.2.2003, ""Mr. Manchanda, Advocate appeared for the applicants. None appeared for the opponents nor filed request for

adjournment...."" Then the next endorsement is 6.5.2004.

38. It is evident that on 26.2.2003 the Counsel for the applicant argued the matter. On 14.5.2003 the Counsel for the respondent has written a letter

which is to the effect that the Interlocutory petition was argued ex parte-

Please be noted that on the basis of Assignment Deed dated 27th October, 1999, the applicant filed one TM-16 for amendment of name of the

applicant as BHUPINDER JAIN trading as MAHAVEER RICE TRADERS.....Kindly do the needful.

39. Therefore the grievance of the appellant that he did not know that TM 16 would be taken up for hearing on 26.2.2003 appears to be justified. In

the result, the appeal OA/52/2006/ TM/AMD is allowed. The matter is sent back to the Registrar who shall take up TM 16 and the Interlocutory

Petition and after affording opportunity to both the parties pass orders with regard to the same. As regards the present application filed by the

respondent to bring on record Jain Riceland Private Limited we are of the opinion that appropriate applications may be filed in that regard before the

Registry since the assignment in favour of the assignor of the Jain Riceland Private Limited which is an earlier TM 16 of the year 1999 has not been

disposed of in accordance with law. The present application to bring on record

Jain Riceland Private Limited is not maintainable. However it is open to the respondent to move appropriate application after the TM 16 of the year 1999 is disposed of. The Registrar of Trade Marks shall dispose of the matter within three months. M.P. No. 150/2012 is closed.