
(2005) 03 IPAB CK 0002

In the Intellectual Property Appellate Board

Case No : TRA/58-2003/TM/CH (OP No. 135/2003)

Three-N-Products (P) Ltd

APPELLANT

Vs

Jocil Ltd. And Ors

RESPONDENT

Date of Decision : 11-03-2005

Acts Referred:

Trade And Merchandise Marks Rules, 1959 — Rule 66, 67, 69

Trade And Merchandise Marks Act, 1958 — Section 2(1)(q), 25, 25(2), 25(4), 44, 46, 56, 108

Trade Marks Act, 1999 — Section 100

Citation : (2006) 32 PTC 402 (IPAB)

Hon'ble Judges : S. Jagadeesan, J;Raghubir Singh, J

Bench : Division Bench

Advocate : M.K. Rao, Aruna Ganesh, S.C. Chadha, Satish Parasaran, W.S. Kane, R.??Krishnamurthy

Final Decision : Dismissed

Judgement

S. Jagadeesan, J

1. The petitioner has filed this petition under Section 108 read with Section 46 and 56 of the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as the Act) in OP No. 135/2003, on the file of the High Court of Judicature at Madras, which was transferred to this Appellate Board pursuant to Section 100 of the Trade Marks Act, 1999 and numbered as TRA/58/2003/TM/CH.

2 . The petitioner is seeking the cancellation of the registration of the trade mark 'AYUSH' under registration No. 472037 B dated 11.5.1987 on the Register of Trade Marks, Chennai, standing in the name of the first respondent.

3 . The petitioner is the registered proprietor of the trade mark 'AYUR' on various applications in respect of the goods falling in different classes of

the fourth Schedule of the Act. A number of applications for registration under different classes are also pending for registration. The grievance of the petitioner is that the first respondent registered the mark 'AYUSH' under No. 472037 B in class 3 on 11.5.1987 for soaps and detergents. The certificate was issued on 12.8.1994. The registration being valid for 7 years, the first renewal ought to have been made by 11.5.1994 and the second renewal was due on 11.5.2001. However, the first respondent did not renew the said mark. While so, the first respondent by a Deed of Assignment dated 15.5.2002, assigned to the second respondent, the rights in respect of the impugned trade mark in class 3. By reason of non renewal, the impugned mark has ceased to exist on the records of the Registrar of Trade Marks and as such, there is no valid assignment in respect of the existing property. Based on the assignment deed dated 15.5.2002, the second respondent in an attempt to legalise the registration of the impugned mark, filed Forms TM 12 and TM 13 for renewal and restoration of the mark. The second respondent has also paid a sum of Rs.5,300/- towards the registration and the third respondent, without considering the tenacity of the application made by the second respondent and without application of mind allowed the renewal of the impugned mark and made the registration alive. The second respondent has managed to register the impugned mark by suppressing the relevant particulars and thereby committed a fraud. The petitioner filed a suit O.S. No. 2/2003 for infringement against the respondents on the file of the District Court and obtained an order of injunction. Hence, the petitioner is an aggrieved person. An assignment in favour of the second respondent was at a time when the registration had expired and the first respondent was not a registered proprietor. Consequently, the assignment in favour of the second respondent is illegal and the second respondent cannot claim any right whatsoever under the Deed of Assignment.

4 . The first respondent filed the counter denying all the material averments in the petition and also contended that the petitioner has no locus standi to question the validity of the Assignment or to resist the recordal of the same. The petition is also barred by limitation since the registration of the mark is dated 11.5.1987. Consequently, the latches on the part of the petitioner make the application liable to be dismissed. On merits, the first respondent pleaded that they proceeded to file the application for renewal through their Trade Mark agent and they received a letter dated 14.3.1995, from its

agent informing that the renewal fee had already been deposited with the Trade Marks Registry, Bombay, and that the agent will report as soon as the renewal certificate is received. The first respondent with bonafide believed that all the requisite steps have been taken in order to obtain the renewal of the trade mark and that the subsequent delay in getting the trade mark certificate was only at the Registry. The first respondent with bonafide believed that the certificate will be issued by the Registry though belatedly. Throughout the period between 1995 and 2002, there was no action on the part of the Registry indicating that the renewal application has not been filed. The first respondent did not receive any notice in Form 'O-3' intimating about the impending expiry of the trade mark registration as contemplated under Section 25 of the said Act read with Rule 67 of the Trade and Merchandise Marks Rules, 1959. After the assignment, the second respondent proceeded to file Form TM 24 on 7.6.2002 seeking the recordal of its name as a subsequent proprietor of the trade mark and later filed Form TM 12 and 13 on 22.8.2002 for renewal of the trade mark for a period of 7 years from 11.5.1994 and 11.5.2001 and also for the restoration of the trade mark. The second respondent paid the necessary fees for the same and the impugned mark was renewed and the same was notified in the Journal No. 1286, dated 1.1.2003. Since the adoption of the impugned mark in March, 1987, the first respondent had the bonafide intention of manufacturing and selling toilet soaps with the trade mark 'AYUSH'. The first respondent had also taken several preparatory steps in this direction before it was approached by the second respondent herein in the year 2002 with an offer to acquire to said trade mark, the first respondent with the bonafide intention of using the mark placed an order for the supply of automatic brand stamp die-set of specific design of 100 gms. 'AYUSH' toilet soap. In or about May, 2002, the second respondent approached the first respondent expressing keen interest in acquiring the impugned mark and negotiations were held between both the respondents culminating in the execution of the Assignment Deed dated 15.5.2002, whereby the first respondent absolutely assigned its right in the trade mark along with its goodwill. The second respondent filed the relevant applications with the Trade Marks Registry and obtained the renewal of the mark and the renewal certificate was issued on 15.11.2002. There is no infirmity in the renewal since the mark was not removed from the Register because of non renewal and so long

as the mark is in the Register, it is always open to the registered proprietor to seek the renewal. Subsequent to the assignment, the second respondent

launched its Ayurvedic preparations/ products in a large scale involving promotional expenses. Since May 2002 in a phased manner, the products were advertised in the media. Hence, there is absolutely no merit in the application.

5. The second respondent has also filed counter on the same lines as that of the first respondent. Hence, there is no need to extract in detail. The

second respondent has given the details of the turnover by December, 2002 and also stated that the two marks were registered under application Nos.

1105768 and 1105769 under the name 'ARCH OF AYUSH' (label).

6. We have heard Shri M.K. Rao, the learned counsel for the petitioner and Shri Kane for respondent No. 1 and Shri R. Krishnamurthy, senior

counsel for respondent No. 2.

7. Shri M.K. Rao, the learned counsel for the petitioner contended that the renewal of the impugned mark is bad in law since the application for

renewal was not made by the proprietor of the trade mark. The statute requires Registrar to renew the registration of the trade mark on an application

made by the registered proprietor of a trade mark. Since the renewal application was filed by the second respondent who is not the registered

proprietor, the Registrar ought not to have entertained the application for renewal. Hence, at the threshold the renewal is bad and on this ground, the

entry of renewal made by the Registrar is liable to be removed. He also contended that the assignment in favour of the second respondent is dated

15.5.2002 on which date, admittedly, the impugned mark was not renewed and virtually it is a dead letter. Hence, the assignment of a property which

is not in existence will not confer any right or title on the assignee. Hence, the assignment deed itself is bad. Apart from that, the period of registration

having expired on 11.5.1994 and the mark having not been renewed immediately thereon, the first respondent did not renew the same even when the

second renewal was due, i.e., on 11.5.2001. When the registration was not renewed, even assuming that the mark continued to be in the Register, the

first respondent cannot be considered to be a registered owner after the expiry of the registration period. The first respondent not being the registered

owner and the mark being not a registered one on the date of the assignment, the deed of assignment dated 15.5.2002 will not confer any right on the

second respondent.

8. Though several other points were urged before us with regard to the issue of Form 'O-3' by the Registrar to the registered proprietor indicating the period of expiry of the registration and the application for renewal as well as the removal of the registered mark on the failure of the renewal and the implications of non removal of the non renewed mark, we are not inclined to embark on those details as the rectification applications can be disposed of on the first ground urged by the learned counsel for the petitioner. The other ground being a consequential one, we do not think there is any need for us to go into the same when the first ground is sufficient for the disposal of the petition as it goes to the root of the matter.

9. Shri Kane, the learned counsel for the first respondent contended that TM 24, TM 12 and TM 13 were filed by the Attorney Anand and Anand

Advocates who are holding the Power of Attorney for both the respondents No. 1 and 2. Hence, whatever the steps taken by the Attorneys in respect of renewal of the impugned mark are for and on behalf of the first respondent, who is the registered proprietor. When the agent is acting on behalf of the registered proprietor, the requirement of statute is complied with and hence the renewal is quite valid under the law. He further contended that the renewal is a matter between the proprietor of the mark and the Registrar of Trade Marks. The petitioner has no locus standi to challenge the same.

Consequently, the petition is liable to be dismissed.

10. Shri R. Krishnamurthy, the senior counsel on behalf of the second respondent contended that Section 44 of the said Act deals with the registration of assignments and transmissions. After the assignment, the second respondent had used the impugned mark and invested huge amount both in the manufacturing process as well as in the advertisements and the sales statistics furnished by the second respondent would give a clear picture of the use of the mark. He further contended that the renewal would date back to the date of expiry and as such, once the renewal has been done even though at the time of assignment the first respondent may not be the proprietor, but by virtue of the renewal, he is the proprietor and as such, whatever he did in the interregnum is valid.

11. As we have earlier observed, we are confining only with the validity of the renewal. There is no dispute that the registration expired on 11.5.1994

and the second renewal also expired on 11.5.2001. The first respondent did not renew immediately after the expiry of the first registration, i.e.,

11.5.1994. When the second renewal was due on 11.5.2001, then also it was not immediately renewed. The Advocates Anand & Anand, the Power

of Attorney of both the respondents had applied for the renewal in Form 12 on 22.8.2002 which is as follows:

Renewal of Registration of Trade Mark Section 25, Rule 66 and 67.

I/WE Hindustan Lever Limited, Hindustan Lever House, Backbay Reclamation, Mumbai - 400 020 hereby leave the prescribed fee of Rs.300-00/- for

renewal of registration of trade mark number 472037 B in class 3.

The notice of renewal of the registration may be sent to the following address in India:

Anand & Anand Advocates

B-41 Nizamuddin East,

New Delhi 110 013.

Dated this 22nd day of August, 2002.

They also filed TM 13 on the same day which is as follows:

Restoration of trade mark removed from Register for non-payment of renewal fee.

Section 25(4) Rule 69.

We, Hindustan Lever Limited, , Hindustan Lever House, Backbay Reclamation, Mumbai - 400 020 do hereby apply that the trade mark numbered

472037 B in class 3 be restored in the Register and the registration of the said trade mark in class aforesaid be renewed and that the notice of

restoration and renewal be sent to the following address.

Anand & Anand Advocates

B-41 Nizamuddin East,

New Delhi 110 013.

Dated this 22nd day of August, 2002."".

Both Forms TM 12 and 13 were sent by the Advocates with a covering letter which is extracted below:

â??22/ 08/2002

RENEWAL SECTION

To,

The Registrar of Trade Marks

The Trade Mark Registry,

Mumbai.

Re: Renewal/restoration of registration of trade mark No. 472037 B in class 3 in the name of Hindustan Lever Limited.

Dear Sir,

This has reference to the above.

We hereby filing a requests on Form TM-12 and TM-13 along with requisite fee of Rs.500/- for the renewal and restoration of the above mentioned application.

We are also filing the balance fee of Rs.5300/- along with the affidavit.

The Ld. Registrar is requested to allow the TM-12/13 and issue the renewal certificate at the earliest.

Thanking you,

Sd/-

For Anand & Anand."".

12. The covering letter mentions that ""Renewal/restoration of registration of trade mark No. 472037B in class 3 in the name of Hindustan Lever

Limited"". Form TM-12 also mentions that ""I/WE Hindustan Lever Limited, Hindustan Lever House, Backbay Reclamation, Mumbai -400 020 hereby

leave the prescribed fee of Rs.300.00/- for renewal of the registration of the trade mark."" In Form TM-13, it is stated that ""We, Hindustan Lever

Limited, Hindustan Lever House, Backbay Reclamation, Mumbai - 400 020, do hereby apply that the trade mark numbered 472037 B in class 3 be

restored in the Register....."". The three documents referred to above makes it clear that the second respondent claiming the proprietorship has filed

the TM-12 for renewal by paying the necessary fees and also TM-13 for restoration of the trade mark. The claim of ownership of the mark by the

second respondent is clear from the covering letter of their Advocates-cum-Power of Attorneys. It may also be pertinent to have a look at the Form

TM-24 filed on 7.6.2002 wherein the second respondent requested their name to be entered in the Register of Trade Marks as proprietor of the

registered trade mark No. 472037 B in class 3 as from 15.5.2002 as they are entitled to the said mark by virtue of the Deed of Assignment dated

15.5.2002. Hence, Forms TM-12 and 13 are followed by the Form TM-24. The renewal was made on 15.11.2002 in respect of both the periods, i.e.,

for the period of 7 years from 11.5.1994 and for another period of 7 years from 11.5.2001. The covering letter itself makes it clear that Rs.5,300/- was

paid towards the late fee for the renewal of the first registration which expired on 11.5.1994.

13 . Coming to the provisions of the statute, Section 25 deals with the duration, renewal and restoration of registration. Sub-section 2 is as follows:

(2) The Registrar shall, on application made by the registered proprietor of trade mark in the prescribed manner and within the prescribed period and

subject to payment of the prescribed fee, renew the registration of the trade mark for a period of seven years from the date of expiration of the

original registration or of the last renewal of registration, as the case may be (which date is in this section referred to as the expiration of the last

registration)."".

14. The section starts by saying ""The Registrar shall, on application made by the registered proprietor of trade mark in the prescribed manner and

within the prescribed period and subject to"". What is contemplated under this provision is that the Registrar shall renew the registration subject

to other conditions only on application made by the registered proprietor of trade mark. Section 2(1)(q) of the Act defines the proprietor as follows:

registered proprietor"", in relation to a trade mark, means the person for the time being entered in the register as proprietor of the trade mark;

We have to consider as to who is the registered proprietor on the date when Form TM-12 for renewal was filed. Of-course, we have our own doubt

that after the expiry of the period of registration, whether the proprietor on the Register can still call himself as the registered proprietor. When once

the registration comes to an end, the benefits derived out of the registration by the owner will also come to an end. We do not want to entangle

ourselves in this aspect. We assume that so long as the mark is on the Register, the original proprietor in whose name the mark had been registered is

the proprietor. In compliance of Sub-section 2 of Section 25, it is the first respondent who has to apply for renewal. In fact, the learned counsel for the

first respondent did not dispute the same. His argument was that the application for renewal, i.e., Form TM-12 was filed by the Attorney for the applicant and since the Attorney was holding the Power for both the respondents, the Form TM-12 filed by the Attorney is valid on behalf of the first respondent. The Attorney's action must be deemed to have been done on behalf of the first respondent and as such, the requirement of sub-section 2 of Section 25 is duly complied with. We could have accepted the contention of the learned counsel for the first respondent, had the Power of Attorney holder had mentioned the name of the first respondent in the prescribed form. But, Form TM-12 for renewal and Form TM-13 for restoration specifically mention the applicant's name as Hindustan Lever Limited. To add, the covering letter of the Attorneys also refers that M/s. Hindustan Lever Limited as the proprietor of the impugned mark as it is clearly mentioned as follows:

Renewal/restoration of trade mark No. 472037 B in class 3 in the name of Hindustan Lever Limited."".

We do not have any doubt that the Attorney has proceeded for the renewal as well as restoration of the impugned mark on the basis that Hindustan Lever Limited is the owner of the said mark. This will be clear from Form TM-24 filed by the second respondent where they claim that they are entitled to the trade mark by virtue of the Deed of Assignment dated 15.5.2002. Hence, the Attorneys of the respondents has proceeded on the basis of the Assignment Deed dated 15.5.2002 executed by the first respondent with the impression that by virtue of the Assignment Deed, the second respondent has become the owner of the trade mark. In the relevant applications as well as the covering letter, the mentioning of the name of the second respondent by the Attorneys makes it clear that they acted on behalf of the second respondent and not on behalf of the first respondent. In our view, on the date of the assignment, there is no valid registration since admittedly, the mark has not been renewed and consequently the first respondent cannot transfer a non existing right. It may be worthwhile to refer to the judgment of the Delhi High Court in the case of M/s. Thapsons Pvt. Ltd. Vs. M/s. Ashok Food Industries and Anr. - AIR 1992 DELHI 11. At page 13 paragraph No. 10, the learned judge has held as follows:

..... It may be that the trade mark has not yet been removed from the Register of the Registry of Trade Marks for non-payment of the fees but

the legal effect is quite clear that if the trade mark is not got renewed when it becomes due in accordance with the provisions of the Trade Marks

Act, the person in whose name the trade mark stood registered cannot claim that he is the registered trade mark owner. Be that as it may, if the said

owner deposits the fee and the matter remains pending with the Registry of Trade Marks for renewal of trade mark, in that situation it could be said

that the person in whose name trade mark stands registered has not lost its proprietary rights in the said registered trade mark on account of any delay

taking place in the office of the Registry of Trade Marks in renewing the said trade mark.". (Emphasis by us).

15 . The learned counsel for the first respondent contended that when the statute prescribes a procedure to be followed, then it is for the authorities to

follow the same and they cannot deviate. He placed reliance on the judgment of the Supreme Court in Ramchandra Keshav Adke (Dead) by Lrs. Vs.

Govind Joti Chavare and Ors., reported in AIR 1975 SUPREME COURT 915 where the learned judges have held as follows:

Where a power is given to do a certain thing in a certain way, the thing must be done in that way or not at all and other methods of performance are

necessarily forbidden.

If this principle is to be applied, then section 25(2) empowers the Registrar to renew the registration on the application from the registered proprietor.

When the application for renewal is not from the registered proprietor, then the Registrar cannot exercise his power under the said provision.

16. The application for renewal was not made by the registered proprietor of the trade mark and consequently the application filed by the second

respondent ought to have been rejected and the renewal ought not to have been made. When that be so, the impugned renewal made by the third

respondent in the name of the first respondent who never made any application for renewal or for restoration has to be held as illegal and

unsustainable under law. Consequently the renewal ordered by the third respondent is liable to be set aside resulting in the rectification of the Register.

17. Accordingly, the renewal made in respect of the impugned mark is directed to be cancelled. The Rectification Application is ordered. No costs.