

R.G. Oswal Hosiery Industries Vs Union of India (UOI) and Others

Court: Delhi High Court

Date of Decision: March 19, 2010

Acts Referred: Trade and Merchandise Marks Act, 1958 â€” Section 107, 25(2), 46, 48, 49

Trade and Merchandise Marks Rules, 1959 â€” Rule 63(3), 66, 67

Trade Marks Act, 1999 â€” Section 145

Trade Marks Rules, 2002 â€” Rule 63(2), 63(3)

Citation: (2010) 4 ILR Delhi 251 : (2010) 43 PTC 451

Hon'ble Judges: Dr. S. Muralidhar, J

Bench: Single Bench

Advocate: S.K. Bansal, for the Appellant; Atul Nanda and Gaurav Gupta, for R-1/UOI and Ajay Sahni and Siddharth for R-2, for the Respondent

Final Decision: Dismissed

Judgement

@JUDGMENTTAG-ORDER

S. Muralidhar, J.

W.P.(C) No. 610 of 2010 & CM No. 1298 of 2010 (for stay)

1. The Petitioner challenges an order dated 11th December 2009 passed by the Intellectual Property Appellate Board (TPAB") allowing the

rectification application filed by the Respondent No. 2 in respect of the registration granted to the Petitioner for trade mark DOLLOR and the label

DOLLOR under Nos. 249986 and 291763 respectively in Class 25.

2. The Petitioner states that it is a partnership firm conducting business under the name and style of M/s. R.G. Oswal Hosiery Industries engaged in

the business inter alia of manufacturing and marketing of socks, hosiery articles, knitted articles for wear, readymade garments etc. The Petitioner

claims that it is the proprietor of the trademark/label DOLLOR which it bonafidely and honestly adopted in the year 1966 in relation to its goods

and business. The Petitioner claims to be continuously and uninterruptedly using the said trademark and label since the date of adoption.

3. The Petitioner applied for registration of the word mark DOLLOR under No. 249986 in class 25 on 18th June 1968. It applied for registration

of the label DOLLOR No. 291763 in Class 25 on 31st September 1973.

4. In para 13 of the writ petition, it has been stated that the Petitioner has been keeping the registration renewed from time to time either by itself or

through its licensee/agent M/s. Kedia Knitwear, Delhi, the sole proprietrix of which is Smt. Durga Devi Kedia. A licence user agreement dated 1st

May 1989 was entered into between the Petitioner and M/s. Kedia Knitwear for a period of 21 years.

5. Pursuant to an order dated 1st February 2010 passed by this Court, the Petitioner has filed an affidavit dated 8th March 2010 of Mr. Chaman

Lai Jain, one of the partners of the Petitioner. It is stated therein that the initial registration of the trade mark DOLLOR under No. 249986 in class

25 which had been filed on 18th June 1968 was effective till 18th June 1975. The Petitioner filed an application for renewal for the period of 18th

June 1975 to 18th June 1982 and then again for further periods from 18th June 1982 to 18th June 1989 and 18th June 1989 to 18th June 1996.

These renewals were advertised in the Trade Marks Journal.

6. As far as the period after 18 June 1996 is concerned, an application was filed by M/s. Kedia Knitwear for renewal of the registration under No.

249986 for the period 18th June 1996 to 18th June 2003 and thereafter again from 18th June 2003 to 18th June 2010.

7. It is stated that in the meanwhile, the aforementioned trade mark No. 249986 in Class 25 was wrongly shown to have been removed from the

Register and was notified in the Trademark Journal of 1st May 1990 and that "the mistake crept in the Register was duly rectified after issuing the

renewal certificate of the Petitioner's aforementioned trademark in Class 25. It is not clear that as to how this mistake crept in and how it was

subsequently rectified.

8. Therefore as regards Trademark Application No. 249986 granted in favour of the Petitioner, the renewal applications for the two periods

between 18th June 1996 to 18th June 2003 and 18th June 2003 to 18th June 2010 were filed, not by the Petitioner but by M/s. Kedia Knitwear.

9. As regards the registration of the trademark DOLLOR (label) under No. 291763 in Class 25 the initial registration was effective till 31st

October 1980. Applications for renewal for the period 31st October 1980 to 31st October 1987 and 31st October 1987 to 31st October 1994

were filed by the Petitioner. The said renewals were granted. For the period 31st October 1994 to 31st October 2001, the application for renewal

was filed by M/s. Kedia Knitwear. Thereafter, for the periods 31st October 2001 to 31st October 2008 and 31st October 2008 to 31st October

2014, the applications for renewal were filed by the Petitioner. The renewals have been granted.

10. Respondent No. 2 claims to be using trademark/label DOLLAR since 1972. It was granted registrations under Nos. 410586 and 480223 in

class 25. The Petitioner claiming itself to be the registered owner of the trademark DOLLOR along with Smt. Durga Devi Kedia sole proprietor of

M/s. Kedia Knitwear, filed Suit No. 2032 of 2000 against Respondent No. 2 herein alleging infringement of its registered trademark. The

Petitioner's case was that it has been continuously using the registered trademark DOLLOR either by itself or through its licensee, M/s. Kedia

Knitwear. Respondent No. 2 resisted the suit stating that although the Petitioner herein had obtained registration of the trademark DOLLOR, it

never used DOLLOR in respect of the goods in question. The user licence agreement dated 1st May 1989 between the Petitioner and M/s. Kedia

Knitwear was termed as a false and a fabricated document.

11.1 Respondent No. 2, on 23rd November 2001 filed a petition under Sections 46/56/107 of the Trade & Merchandise Marks Act, 1958 ("TM

Act, 1958") for removal of the marks registered in Ms. 249986 and 291763 in Class 25 in the name of the Petitioner. The grounds urged, inter

alia, were as under:

(a) The Petitioner had not used the said trademarks bonafide in relation to the goods claimed for a period of more than 5 years prior to the filing of

the rectification application.

(b) The trademark under No. 249986 having lapsed for non- renewal and having been removed from the Trademark Journal No. 982 dated 1st

May 1990 could not be renewed under the TM Act, 1958.

(c) The Petitioner herein had never filed an application for renewal of the registered trademark No. 249986 and the renewal filed by M/s. Kedia

Knitwear was void ab initio.

(d) To the knowledge of the Petitioner, M/s. Kedia Knitwear was claiming itself to be the proprietor of mark in the public notices. On account of

the conflicting proprietary claims in respect of the Petitioner on one hand and M/s. Kedia Knitwear on the other, the continuation of its entry in the

Register of Trade Marks was bad in law.

(e) The renewal of the marks No. 249986 and 291763 in class 25 was illegal and ultra vires the TM Act, 1958 as neither the renewal fee nor

renewal was filed in time. Further the application for renewal was not filed by the registered proprietor of the trademark and it was accordingly

liable to be struck off of the Register.

(f) Even as regards registration No. 291763 M/s. Kedia Knitwear was claiming itself to be the proprietor of the said trademark in the public

notices and, therefore, there were a conflicting claims as regards the ownership of the said marks.

11.2 The Petitioner filed a reply to the said application. It is denied that the registration was bad on the ground that the Petitioner herein did not file

the application for renewal. It was asserted that the application for renewal of the Mark No. 249986 was ""filed by a competent and authorised

person"". It was maintained that M/s. Kedia Knitwear was a licensee of the Petitioner and that in the public notices Kedia Knitwear had made ""no

claim in instant proprietary rights and consequentially there was no conflict of rights.

12. A rejoinder was also filed by the Respondent No. 2 to the above reply of the Petitioner in the rectification application.

13. The IPAB agreed with the contention of the Respondent No. 2 that an application for renewal of a registered trademark could only be made

by the registered proprietor of the said mark and not by the licensee of the registered proprietor. Inasmuch as the application for renewal in

respect of the registered Mark No. 249986 for the period 18th June 1996 to 18th June 2003 and thereafter from 18th June 2003 to 18th June

2010 was filed by M/s. Kedia Knitwear and not the Petitioner, no such renewal could have been granted. The renewal of Registration No.

291763 for renewal for the period 31st October 1994 to 31st October 2001 was in the application has been filed by M/s. Kedia Knitwear. It was

held that an application for renewal made by a licensee of a registered proprietor could not be entertained and the renewal of registration in such

circumstances ought to be declared as not valid.

14. This Court has heard the submissions of Mr. S.K. Bansal, learned Counsel appearing for the Petitioner and Mr. Ajay Sahni, learned Counsel

for Respondent No. 2.

15. Mr. Bansal submits that the IPAB fell into error in holding that an application for renewal had to be filed only by the registered proprietor. He

submits that although Section 25(2) of the TM Act, 1958 read with Rules 66 and 67 of the Trade & Merchandise Marks Rule, 1959 (TM Rules,

1959) envisage an application for renewal ""made by the registered proprietor of a trademark"" permit a registered user or a licensee of a trademark

can act on behalf of the registered proprietor. In particular, he refers to Section 48 of the TM Act, 1958 which states that a person other than the

registered proprietor of a trademark may be registered as a registered user. In response to a query whether in terms of Section 49 of the TM Act

1958 M/s. Kedia Knitwear has been a registered user of the marks, in the instant case, Mr. Bansal answered in the negative but added that in view

of the decision of the Supreme court in Cycle Corporation of India Ltd. Vs. T. I. Raleigh Industries Pvt. Ltd. and others, even an unregistered

licencee could act on behalf of the registered proprietor. He also placed reliance on the judgment of the Supreme Court in American Home

Products Corporation Vs. Mac Laboratories Pvt. Ltd. and Another, and the decision of this Court in Thukral Mechanical Works v. Nitin Machine

Tools P. Ltd. 1998 PTC (18). He also referred to Rule 63(2) of the Trade Marks Rules, 2002 ("TM Rules, 2002") which states that an

application for renewal may be filed by an agent of the registered proprietor. Finally, it was submitted that the filing of an application for renewal by

M/s. Kedia Knitwear on one occasion in respect of renewal of Registration No. 291763, and on two occasions in respect of the renewal of

Registration No. 249986 can at the best be considered to be irregularity and not an illegality. For such irregularity, the Petitioner should not be

punished with the extreme punishment of removal of the marks themselves. He submits that this shows that it is not an invariable rule that the

application for renewal had to be filed only by the registered proprietor.

16. Mr. Ajay Sahni, learned Counsel appearing for Respondent No. 2 points out that the documents filed by the Petitioner before the IPAB

themselves falsified the case being set up. Referring to the licence agreement dated 1st May 1989 purportedly entered into between the Petitioner

and M/s. Kedia Knitwear, he states that in terms of Clause 2(b) thereof M/s. Kedia Knitwear could use trademark DOLLOR and DOLLOR

label "only by way of permitted use". Nevertheless, two caution notices were published by Mr. Shravan Kumar Bansal, Advocate on behalf of

M/s. Kedia Knitwear in which it was claimed that "our clients M/s. Kedia Knitwear, 355, Teliwara, Delhi-6 are the Registered Proprietors of the

Trade Mark "DOLLOR" in respect of the goods in Class-25" and further that "the said trademark is registered under No. 291763 in respect of

socks (for wear) and hosiery in Class-25. The said trademark is also registered under No. 291763 in respect of hosiery, knitted articles for wear,

readymade garments..." This was published in the Hosiery Times of 9th October 1992 and again repeated in the 25th October 1992 issue of the

Hosiery Report Weekly.

17. It is pointed out that a perusal of the applications filed for renewal of both registrations 249986 and 291763 in Form 12 showed that M/s.

Kedia Knitwear projected itself as the registered proprietor of the said marks. There was no provision in the TM Act, 1958 or TM Rules, 1959

for a licensee to file such a renewal application. Mr. Sahni, points out that even under Rule 63(3) of the TM Rules 2002 where the application for

renewal is not by the proprietor, an affidavit will have to be shown to demonstrate "continuity of title" from the registered proprietor in whose name

the last renewal was effected ""to the present owner along with the supporting chain of documents."" He submits that since no renewal could have

been granted of the aforesaid registered marks at the instance of M/s. Kedia Knitwear, the IPAB was right in holding that the said marks ought to

be removed since all subsequent renewals could not validate the renewal of the registrations which ought not to have been granted in the first place.

18. In order to appreciate the above submission, a reference may be made first to Section 25(2) of the TM Act, 1958 which requires the

application for renewal of registration to be made ""by the registered proprietor of a trademark."" Consistent with that requirement, Rule 66 of the

TM Rules 1959 requires ""an application for the renewal of registration of the mark to be made on Form TM-12"" which in turn reads ""I (or

We)...hereby leave the prescribed fee ... for renewal of registration of the Trademark No. ... in class..." Against the words (I or we) there is a

footnote which reads ""insert name and address of the registered proprietor."" Therefore, it is plain that at least till the time of coming into force of the

TM Act, 1999 and the TM Rules, 2002 the procedure that had to be followed required the application for renewal to be made only by the

registered proprietor of a trademark.

19. It may be noticed here that although Section 48 of the TM Act, 1958 recognises a registered user of a trademark, as distinct from the

registered proprietor, it does not help the Petitioner in the instant case. Admittedly, the procedure required to be followed u/s 49 for ""registration

as registered user"" was not followed in the instant case. Therefore M/s. Kedia Knitwear was not a ""registered user"" in terms of Section 48 of the

TM Act, 1958. On the other hand, the applications made by M/s. Kedia Knitwear to the trademarks registry for renewal of the aforementioned

marks in Form TM-12 shows that M/s. Kedia Knitwear held itself out to be the registered proprietor of the marks. The application dated 5th

January 1995 for renewal of registration of trademark No. 249986 in class 25 states ""We M/s. Kedia Knitwear, 355, Teliwara, Delhi-6..." and

the application has been filed by S.K. Bansal, Advocate. Likewise, the application in respect of the renewal of Trademark No. 2491763 dated

31st August 1994 in TM-12 reads the same. Therefore when M/s. Kedia Knitwear filed the above applications, the Trademarks Registry perhaps

proceeded on the footing that they were the registered proprietors of the marks. There is no indication anywhere in the said two forms that M/s.

Kedia Knitwear is a licensee of the Petitioner in terms of the licence user agreement dated 1st May 1989 and that in view of such arrangement,

M/s. Kedia Knitwear was authorised to act on behalf of the Petitioner and apply for renewal of registrations.

20. The inescapable conclusion is that M/s. Kedia Knitwear made a false statement before the Trade Marks Registry that it was the registered

proprietor of the marks, when it obviously was not. Therefore, the renewal of the trademarks granted on that basis clearly stood vitiated. Such

renewals simply cannot be permitted in the eye of law.

21. Consequently, the Petitioner cannot take advantage of the observation of the Supreme Court in Cycle Corporation of India Ltd. where in para

12, the Supreme Court held that ""even an unregistered licensee, so long as there is unbroken connection in the course of the trade between the

licensor and the passing of licensee's goods under the trade mark, there would be sufficient connection in the course of the trade between the

proprietor and bonafide user of the trade mark by unregistered user."" If the Petitioner and M/s. Kedia Knitwear had been forthright and disclosed

the true facts about their inter se relationship in terms of the licence agreement dated 1st May 1989, the genuineness of which is doubted by

Respondent No. 2, then it would have become necessary to examine if the Trade Marks Registry was required to enquire into the question

whether such relationship of licensor and licensee permitted a licensee to apply for renewal of registration for and on behalf of a licensor.

However, since no such disclosure was made, the Trade Marks Registry was not under any obligation in law to entertain an application for

renewal filed by M/s. Kedia Knitwear which was not the registered proprietor of the trademarks.

22. Even in terms of the Rules 63(2) and (3) of the TM Rules 2002, an application for renewal has to essentially be made by the registered

proprietor of the trademark. Rule 63(3) requires that if the applicant for renewal is not the registered proprietor then an affidavit will have to be

filed ""along with supporting chain of documents,"" by the subsequent owner ""to show continuity of title from the registered proprietor to the present

owner."" This also does not therefore permit a mere licensee of a registered proprietor to apply for renewal. The word ""agent"" used in Rule 63(2)

has to be understood in terms of Section 145 of the TM Act, 1999 which defines an agent either to be a legal practitioner or a trademarks agent or

a person in the employment of the principal. Here again the question of a licensee of a registered proprietor applying for renewal of registrations

does not arise as a "licensee" is not an "agent".

23. Therefore the legislative intent even under the new regime brought out by the TM Act, 1999 and the TM Rules, 2002 is that an application for

the renewal of the registration of a trademark can be made only by a registered proprietor and not by a licensee of such registered proprietor.

24. This Court is not able to accept the submission of learned Counsel for the Petitioner that what has happened in this case is a mere irregularity.

The renewal of registrations in respect of both marks on the basis of applications of M/s. Kedia Knitwear stood vitiated since M/s. Kedia

Knitwear has made a false submission in the applications that they were not in fact the registered proprietors. By inserting its name in the space in

TM-12 following the letter ""We"" where the name of the registered proprietor had to be inserted, M/s. Kedia knitwear held out that they were in

fact the registered proprietors. The subsequent renewals thereafter, even if made on the basis of applications filed by the Petitioner itself, cannot

cure the illegality of the earlier renewals. Consequently, this Court finds no reason to interfere with the impugned order of the IPAB.

25. The writ and the application are dismissed.