

## RG Oswal Hosiery Industries Vs Union of India and Others

**Court:** Delhi High Court

**Date of Decision:** Feb. 16, 2012

**Acts Referred:** Trade and Merchandise Marks Act, 1958 â€” Section 107, 123, 25(2), 46, 48  
Trade and Merchandise Marks Rules, 1959 â€” Rule 66  
Trade Marks Act, 1999 â€” Section 145

**Citation:** AIR 2012 Delhi 142 : (2012) 50 PTC 21

**Hon'ble Judges:** Rajiv Sahai Endlaw, J; A.K. Sikri, J

**Bench:** Division Bench

**Advocate:** S.K. Bansal, Mr. Santosh Kumar, Mr. Anand Vikas Mishra, Pankaj Kumar, Akshay Srivastava and Mr. Vikas Khara, for the Appellant; Ruchir Mishra with Mr. Aashish Gupta for R-1, Mr. Sanjeev Sachdeva, with Mr. Ajay and Mr. Abhimanyu Chopra for R-2, for the Respondent

**Final Decision:** Dismissed

### Judgement

A.K. Sikri, Acting Chief Justice

1. This Intra-Court appeal impugns the order dated 19.03.2010 of the learned Single Judge dismissing W.P.(C) No. 610/2010 preferred by the

appellant. The said writ petition was preferred impugning the order dated 11.12.2009 of the Intellectual Property Appellate Board (IPAB)

allowing the rectification application filed by the respondent No. 2 Mr. Dindayal Gupta trading as M/s Bhawani Textile in respect of registration

granted in Class 25 to the appellant on 18.06.1968 and 31.09.1973 respectively for trademark and the label ""DOLLOR"" under Nos. 249986 and

291763 respectively. The appellant claims to be the proprietor of the trademark/label ""DOLLOR"" adopted by it in the year 1966. It was further

the case of the appellant that the said registrations were renewed from time to time.

2. The respondent No. 2 in or about the year 2001, applied u/s 107, 46 and 56 of the Trade and Merchandise Marks Act, 1958 for cancellation

of the aforesaid registered trademarks on the ground that the respondent No. 2 was carrying on the business as manufacturer and merchant of

hosiery item under the trademark ""DOLLAR"" since the year 1972; that the said trademark was also registered in its favour since the year 1972;

that the appellant herein had however filed a suit against the respondent No. 2 for infringement of trademark and passing off etc. and in which suit

the appellant had claimed the registrations in its favour to be valid and subsisting; however the appellant had abandoned its trademark in the year

1972 and had never used the trademark ""DOLLOR"" in respect of goods for which it was registered; that though the appellant claimed an

Assignment Deed dated 01.05.1989 with respect to its trademark ""DOLLOR"" with M/s Kedia Knitwears but the said Assignment Deed was a

false and fabricated document; that since the appellant had initiated legal action against the respondent No. 2, the respondent No. 2 was an

aggrieved person competent to apply for rectification. The respondent No. 2 thus sought removal of the entries relating to registered trademarks

Nos. 249986 and 291763 in Class 25 in the name of the appellant.

3. The IPAB vide order dated 11.12.2009 (supra) allowed the rectification application of the respondent No. 2 upholding the contention of the

respondent No. 2 that the appellant had neither renewed the registration in its favour nor paid the prescribed fee and renewal of registration had

been obtained by fraud and thus the registration in favour of the appellant had remained without sufficient cause. The IPAB found that it was not

the appellant but M/s Kedia Knitwears aforesaid who had filed the renewal applications. Relying on Section 25(2) of the Act, it was held that the

registration could be renewed only on the application made by the registered proprietor of the trademark. It was further held that since the renewal

application in the present case had been made not by the appellant but by M/s Kedia Knitwears, such renewal application was not valid and

renewal could not have been granted and in the absence of renewal, the registration ought to have been removed as invalid.

4. The learned Single Judge in the order impugned in this appeal has found / observed / held:

(i) that the initial registration on 18.06.1968 of the trademark ""DOLLOR"" under no. 249986 in Class 25 in favour of the appellant was effective till

18.06.1975; that renewal thereof was applied by the appellant for the periods from 18.06.1975 to 18.06.1982, from 18.06.1982 to 18.06.1989

and from 18.06.1989 to 18.06.1996 and granted; however for the period after 18.06.1996 to 18.06.2003 and again from 18.06.2003 to

18.06.2010, the application for renewal was filed by M/s Kedia Knitwears and granted;

(ii) the initial registration of the label ""DOLLOR"" under No. 291763 in Class 25 was valid till 31.10.1980; application for renewal for the periods

from 31.10.1980 to 31.10.1987 and from 31.10.1987 to 31.10.1994 were filed by the appellant and granted; however for the period from

31.10.1994 to 31.10.2001 application for renewal was filed by M/s Kedia Knitwears; thereafter for the periods from 31.10.2001 to 31.10.2008

and 31.10.2008 to 31.10.2014, the applications for renewal were filed by the appellant and granted;

(iii) that in the applications aforesaid for renewal filed by M/s Kedia Knitwears, the said M/s Kedia Knitwears had projected itself as the registered

proprietor of the said trademarks;

(iv) that besides Section 25(2) supra, Rule 66 of the Trade and Merchandise Marks Rule, 1959 required an application for renewal of registration

to be made on Form TM-12 and the language whereof also suggested that the application for renewal could be made only by the registered

proprietor of the trademark;

(v) that although Section 48 of the Act recognizes registered user of a trademark, as distinct from the registered proprietor but the same could not

come to the rescue of the appellant since the procedure prescribed u/s 49 for registration as registered user had not been followed by the appellant

qua M/s Kedia Knitwears; thus M/s Kedia Knitwears could not be held to be a registered user in terms of Section 48 of the Act;

(vi) that the factum of M/s Kedia Knitwears in the applications for renewal not disclosing or describing themselves as licensee of the appellant and

rather describing themselves as registered proprietor of the trademarks, belied the case of the appellant of M/s Kedia Knitwears being its licensee

::

(vii) that the appellant could not take any benefit of the renewals at the instance of M/s Kedia Knitwears which was neither the registered

proprietor nor the registered user of the trademark/label;

(viii) that the legislative intent under the new regime brought about by the Trade Marks Act, 1999 and the Trade Marks Rules, 2002 also was that

the application for renewal can be made only by the registered proprietor and not by a licensee of the registered proprietor;

(ix) that the renewal at the instance of M/s Kedia Knitwears was not a mere irregularity, and

(x) that the subsequent renewals at the instance of the appellant itself but on the basis of vitiated renewals at the instance of M/s Media Knitwears,

were also thus bad.

5. The appellant herein, in support of its plea of M/s Kedia Knitwears being its licensee relies upon a Deed of Agreement dated 01.05.1989

between itself and the said M/s Kedia Knitwears. It has been the plea of the respondent No. 2 that the said Deed of Agreement surfaced only

when the renewal at the instance of M/s Kedia Knitwears was challenged as aforesaid and was not filed at the time of renewal or at the time of

filing the suit for infringement and passing off against the respondent No. 2. He further contends that there is no proof / evidence of authenticity of

the said Deed of Agreement.

6. From the narration aforesaid, the question requiring determination is:-

Whether the applications for renewal filed by M/s Kedia Knitwears were proper and in accordance with law, on which the Registrar, Trade

Marks could act and grant renewal?

7. To answer this question, we first refer to the relevant clauses contained in the Deed of Agreement dated 1st May, 1989. This agreement

recognizes the appellant as the registered proprietor of trademarks ""DOLLOR"" (WORD PER SE) and ""DOLLOR LABEL"" in Class 25 of the

Act. On the strength of this registration in favour of the appellant, the appellant appointed M/s Kedia Knitwears ""as user of the said trademarks by

way of permitted use"". This permitted use is subject to certain conditions which are enumerated in para 2 of the Agreement. Conditions (a) & (b)

in certain terms state that M/s Kedia Knitwears is appointed only as user by way of permitted use; the word ""only"" becomes significant. As per sub

para (e) of para 2, M/s Kedia Knitwears was to pay a sum of Rs. 5,000/- to the appellant by way of royalty per annum. Sub para (g) of para 2

imposing the condition that M/s Kedia Knitwears would have no right to acquire the trademarks in any manner whatsoever. The permitted use was

for a period of 21 years from the date of Agreement. Further, it is a non-exclusive use given to M/s Kedia Knitwears. It is not in dispute that it was

only on the strength of aforesaid rights allegedly granted to M/s Kedia Knitwears that M/s Kedia Knitwears made applications for renewal.

8. Keeping in view the nature of this Agreement we deal with issue mentioned above. For this purpose, it would be necessary to look into the

documents which were submitted by M/s Kedia Knitwears with the Registrar of Trade Marks for renewal of licenses. In respect of trademark

DOLLOR"" (WORD PER SE) with Registration No. 249986, an application was moved (at page 50 of the paper book) and it is ""in the name of

M/s Kedia Knitwears"". At the bottom of the application where the signatures are appended, the same are that of the Advocate who moved this

application on behalf of M/s Kedia Knitwears. Along with this application Form TM-12 is annexed which is the prescribed form in which such

applications for renewal are to be made. Here also the name of M/s Kedia Knitwears is mentioned in the following manner:-

We, M/s Kedia Knitwears,

355, Teliwara,

Delhi - 110 006.

Hereby leave the prescribed fee.....

This application is signed by the proprietor of M/s Kedia Knitwears in the following manner:-

for and on behalf of M/s Kedia Knitwears

(PROPRIETOR)

9. In the identical manner, the applications were made in respect of other trademark namely ""DOLLOR LABEL"".

10. In these applications, it is nowhere mentioned that the appellant was/is the registered proprietor of the aforesaid trademarks. The name of the

appellant is conspicuously missing from all these applications. It is also nowhere mentioned that M/s Kedia Knitwears acted as an agent. The

record also does not disclose that M/s Kedia Knitwears made any disclosure or representation that M/s Kedia Knitwears were the licensed user

of the trademarks and were making the applications for renewal in that capacity or on behalf of the registered proprietor i.e. the appellant.

11. Things get more and more intriguing when we look into and examine certain other documents. At page 73 of the paper book is a copy of the

Trade Mark Caution Notice"" got published in the newspaper by M/s Kedia Knitwears. In this, it is claimed that it is M/s Kedia Knitwears which

is the registered proprietor of the trademarks in question. However, the trademarks are spelled therein with ""A"" instead of ""O"" i.e. as ""DOLLAR"".

It may be a printing mistake but the copy which is placed on record by the appellant is with interpolation by converting ""A"" into ""O"" and thereby

showing it as ""DOLLOR"". Even if we ignore this, the fact remains that as per this Caution Notice also, it is M/s Kedia Knitwears who profess

themselves to be registered proprietor of the trademark. There is another Public Notice on record, wherein also M/s Kedia Knitwears have

claimed themselves to be the registered proprietors of the trademark ""DOLLAR"" changed to ""DOLLOR"". These are also indicative of M/s Kedia

Knitwears at the relevant time, acting not as licencees of or on behalf of appellant, but as registered proprietor of the trademarks aforesaid.

12. Having regard to the aforesaid material which was not placed before the Registrar at the time of renewal, we are of the opinion that the

application for renewal in the manner in which it was moved was clearly inappropriate and not in accordance with law. Even if it were to be held

that M/s Kedia Knitwears had requisite authority to make such an application on behalf of the appellant, it could be made only as an agent, clearly

disclosing that it is the appellant which is the registered proprietor; instead there is a misrepresentation at every stage to the effect that it is M/s

Kedia Knitwears which is the registered proprietor. Though we cannot draw adverse inference, but another strange event has occurred which

needs to be mentioned, i.e. the original records in the Trade Marks Registry are missing.

13. At this stage, we would like to refer to some of the provisions of the 1958 Act as well as the 1999 Act relevant to the issue which we are

dealing at present Section 123 of the 1958 Act permitted certain acts to be performed by the agent of the proprietor of the registered trademark.

It reads as under:-

123. Agents.- Where, by or under this Act, any act, other than the making of an affidavit, is required to be done before the Registrar by any

person, the act may, subject to the rules made in this behalf, be done, instead of by that person himself, by a person duly authorized in the

prescribed manner, who is -

(a) a legal practitioner, or

(b) a person registered in the prescribed manner as a trade marks agent, or

(c) a person in the sole and regular employment of the principal.

Corresponding Section in the 1999 Act is Section 145 which is identically worded.

14. As per the aforesaid provision Registrar can permit an agent to act on behalf of the registered proprietor only when such person is ""duly

authorized in the prescribed manner"".

15. As already mentioned above, no such authority from the appellant to M/s Kedia Knitwears was filed before the Registrar or even now. The

entire case rests upon the Agreement dated 1st May, 1989 as per which M/s Kedia Knitwears was appointed as ""permitted user"" but no such

authority is specifically given. Even otherwise, under the aforesaid provision a person who can act as an agent is the person who is either a legal

practitioner, or a person registered in the prescribed manner as the trademark agent, or a person in sole and regular employment of the proprietor.

Therefore we are of the opinion that M/s Kedia Knitwears could not have acted as an agent in the given facts.

16. The Intellectual Property Appellate Board as well as Learned Single Judge have highlighted these facts as well. We are in agreement with their

observations. Once we answer this particular question against the appellant, the result would be that this appeal has to fail. We thus dismiss the

appeal with costs quantified at Rs. 25,000/-