

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**LETTERS PATENT APPEAL NO. 1679 of 1999**

With
SPECIAL CIVIL APPLICATION NO. 8327 of 1997
TO
SPECIAL CIVIL APPLICATION NO. 8328 of 1997

FOR APPROVAL AND SIGNATURE:**HONOURABLE MR.JUSTICE JAYANT PATEL****and****HONOURABLE MR.JUSTICE MOHINDER PAL**

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- 1 Whether Reporters of Local Papers may be allowed to see the judgment ?
- 2 To be referred to the Reporter or not ?
- 3 Whether their Lordships wish to see the fair copy of the judgment ?
- 4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?
- 5 Whether it is to be circulated to the civil judge ?

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CADILA HEALTHCARE LTD....Appellant(s)**Versus****UNION OF INDIA & 2....Respondent(s)**

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Appearance:

MR HARSHIL SHAH, ADVOCATE for the Appellant(s) No. 1
 MR RR SHAH, ADVOCATE for the Appellant(s) No. 1
 SINGHI & CO, ADVOCATE for the Appellant(s) No. 1
 MR YJ TRIVEDI, ADVOCATE for the Respondent(s) No. 3
 RULE SERVED for the Respondent(s) No. 2
 SERVED BY RPAD - (N) for the Respondent(s) No. 1

CORAM: **HONOURABLE MR.JUSTICE JAYANT PATEL**
and
HONOURABLE MR.JUSTICE MOHINDER PAL

Date : 30/11/2012

ORAL JUDGEMENT

(PER : HONOURABLE MR.JUSTICE JAYANT PATEL)

- 1.The present appeal is directed against the judgment and order passed by the learned Single Judge in Special Civil Application No.8361/97 whereby the learned Single Judge did not interfere with the decision taken by the Registrar of Trade Marks under the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as "the Act").
- 2.The short facts can be summarised as under.
- 3.On 28.03.1988, the application was made by the appellant-original petitioner for registration of mark CONAZOLE. On 01.10.1995, the application was advertised in trademark journal. On 26.12.1995, opposition was submitted by respondent no.3. On 06.11.1996, the copy of the opposition was sent to the appellant-original petitioner by Trade Mark Registry. On 13.12.1996, counter statement was filed by the appellant-original petitioner. On 07.01.1997, the copy the of the counter statement was sent to the respondent no.3 by Trade Mark Registry. On 10.01.1997, counter statement was received by the respondent no.3. On 11.03.1997, respondent no.3

was required to file evidence under the Trade and Merchandise Marks Rules, 1959 (hereinafter referred to as "the Rules"). On 21.03.1997, i.e., after the expiry of the period of two months, the application was filed for extension of time by respondent before the Trade Mark Registry. On 29.03.1997, the petitioner sent a letter to the Trade Mark Registrar requesting him to treat the opposition as abandoned by invoking the provisions of Rule 53 (2) of the Rules. On 30.04.1997, evidence under Rule 53(1) was forwarded to the Trade Mark Registry by the respondent no.3. On 07.05.1997, the time was extended for filing evidence by respondent no.3 and on 09.05.1997, the Trade Mark Registry acknowledged the receipt of the evidence on record. On 29.05.1997, the original petitioner filed application seeking direction of the Registrar to treat the opposition of abandonment under Rule 53(2) of the Rules. The said interlocutory application was heard by the Registrar and vide order dated 08.10.1997, the Registrar dismissed the interlocutory application. Being aggrieved by the decision of the learned Registrar, the petitioner preferred Special Civil Application No.8361/97 and the learned Single Judge vide the impugned order dismissed the petition. Under the circumstances, the present appeal before this Court.

4. In Special Civil Applications No.8327/97 and

8328/97, similar questions arise for consideration, but as the LPA was pending before the Division Bench of this Court, the learned Single Judge has directed for hearing of the main Special Civil Applications with the present appeal. Hence, those Special Civil Applications are listed for simultaneous hearing with the main Letters Patent Appeal.

5. We have heard Mr. Chhatrapati, learned counsel for the appellant in the Letters Patent Appeal as well as for the petitioners in Special Civil Applications No. 8327/97 and 8328/97. We have heard Mr. PP. Banaji, for respondents in the Special Civil Applications No. 8327/97 and 8328/97. Mr. Y. J. Trivedi has filed his appearance for respondent no. 3 in Letters Patent Appeal No. 1679/99. The other respondents are served but none has appeared on their behalf.

6. In the present group of matters, the interpretation called for is of Rule 53(2) of the Rules and further as to whether it could be said that there is abandonment of opposition in the event the evidence in support of the opposition is not filed within a period of two months and the time is extended by the Registrar after expiry of the period of two months.

7. Learned counsel Mr. Chhatrapati for the appellant and the petitioners did contend that sub-rule (2) of Rule 53 enabling the Registrar to extend the

period has role to play if any application is moved within the outer limit of two months as provided in sub-rule (1), but if no application is made, the deeming fiction of abandonment of opposition would apply and the Registrar thereafter will have no power to extend the period for the production of evidence in support of the opposition. He submitted that therefore, it can be said that the Registrar while deciding the interlocutory application, has committed error of jurisdiction and the learned Single Judge ought to have interfered with but since has not interfered with, the present appeal.

8. In the submission of the learned counsel, if the power is read with the Registrar for extension of period after expiry of two month, the deeming fiction as provided by sub-rule(2) may stand nullified or no effect would be available and the Registrar may exercise the power any time even after the expiry of the period and the very intention of the rule making authority would be rendered nugatory. He therefore submitted that it was required for the Registrar to consider the opposition abandoned and should have proceeded further thereafter.

9. Whereas Mr. Banaji, learned counsel appearing in the Special Civil Applications for respondent no.3 submitted that the issue is covered by the decision of the full bench of the Delhi High

Court in the case of Hastimal Jain Trading as Oswal Industries Vs. Registrar of Trade Marks and Anr. reported at 2000 PTC 24 (FB) and in his submission, the power has been properly exercised by the Registrar while deciding the interlocutory application. He also submitted that the outer limit as provided under Rule 53(2) of the Rules is subject to the power of the Registrar for extension more particularly when there is no express time limit provided under section 21(4) of the Act coupled with the availability of the power with the Registrar under section 101 of the Act. He also submitted that if the scheme of the Rules are considered, Rule 106 provides for enabling power with the Registrar to extend the time limit otherwise provided by the Rules. In his submission, if section 101 of the Act and 106 of the Rules are considered, Rule 53(2) could not be termed as mandatory and it could be said as directory. Therefore, he submitted that petitions deserve to be dismissed.

10. Section 21 of the parent Act for ready reference reads as under:

“(1) Any person may within three months from the date of the advertisement or re-advertisement of an application for registration or within such further period, not exceeding one month in the aggregate, as the Registrar, on application made to him in the prescribed manner and on payment of the prescribed fee, allows, give notice in writing in the prescribed manner to the Registrar, of opposition to the

registration.

(2) The Registrar shall serve a copy of the notice on the applicant for registration and, within two months from the receipt by the applicant of such copy of the notice of opposition, the applicant shall send to the Registrar in the prescribed manner a counter-statement of the grounds on which he relies for his application, and if he does not do so he shall be deemed to have abandoned his application.

(3) If the applicant sends such counter-statement the Registrar shall serve a copy thereof on the person giving notice of opposition.

(4) Any evidence upon which the opponent and the applicant may rely shall be submitted in the prescribed manner and within the prescribed time to the Registrar, and the Registrar shall give an opportunity to them to be heard if they so desire.

(5) The Registrar shall, after hearing the parties, if so required, and considering the evidence, decide whether and subject to what conditions of limitations, if any, the registration is to be permitted, and may take into account a ground of objection whether relied upon by the opponent or not.

(6) Where a person giving notice of opposition or an applicant sending a counter-statement after receipt of a copy of such notice neither reside nor carries on business in India, the Registrar may require him to give security for the costs of proceedings before him, and in default of such security being duly given, may treat the opposition or application, as the case may be, as abandoned."

The aforesaid section shows that for submission of the opposition, the express time limit has been provided of three months and it has been

further provided that such time may be extended by the Registrar but not exceeding one month in the aggregate. If the said sub-section is read and thereafter, sub-section (4) applicable in the present case is considered for the purpose of evidence in support of the opposition, the Parliament has left it to the rule making authority for prescription of the manner and the period within which the evidence is to be produced in support of the opposition. The pertinent aspect is that neither sub-section (4) provides for any time limit by itself nor it provides for any outer limit for exercise of the power by the Registrar like section 21(1). At this stage, we may also refer to section 101 of the Act which provides for extension of time, may be by way of residuary provision. Section 101 of the Act reads as under -

"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 the 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 notify the parties accordingly.

(2) Nothing in sub-section (1) shall be deemed to require the Registrar to hear the parties before disposing of an application for extension of time, and no appeal shall lie from any order of the Registrar under

this section."

11. The aforesaid section makes it clear that the Registrar if feels satisfied on the application made to him in the prescribed manner accompanied with the prescribed fees that there is sufficient cause for extension of the time for doing any Act, he may extend the time. However, such power should not be in case where the time is expressly provided under the Act. To say in other words, section 101 would apply in a case where the time for doing any act is not expressly provided under the Act. As observed earlier, no time limit has been provided expressly by the Parliament under sub-section(4) for production of evidence in support of the opposition. Therefore, the action of production of evidence as per section 21(4) is subject to available power with the Registrar under section 101 of the Act. If section 101 of the Act is applicable in a case where the evidence is to be produced under section 21(4) , the Registrar will have the jurisdiction to extend the time. The aforesaid appears to be the scheme of the Act.
12. The attempt to contend that rule provides for deeming fiction and therefore, must be given effect, cannot be countenanced for three reasons; one is that rule cannot be allowed to operate either in contravention to or over the parent Act. The second reason is that rule 53(2) itself provides for the enabling power with the

Registrar to extend the time and the third is that similar provision is available under Rule 106 for doing any Act as required under the Rules within the prescribed time limit like section 101 in respect of any act to be undertaken as per the provisions of the main statute, i.e., the Act.

13. The attempt made to contend that the power available in Rule 53(2) with the Registrar for extension of time has to be exercised within a period of two months as provided under sub-rule(1) of Rule 53 cannot be countenanced for the reasons as stated hereinafter. Rule 53 for ready reference reads as under:

"53. EVIDENCE IN SUPPORT OF OPPOSITION. -

(1) Within two months from the service on him of a copy of the counter-statement by the Registrar, the opponent shall either leave with the Registrar such evidence by way of affidavit as he may desire to adduce in support of his opposition or shall intimate to the Registrar and to the applicant in writing that he does not desire to adduce evidence in support of his opposition but intends to rely on the facts stated in the notice of opposition. He shall deliver to the applicant copies of any evidence that he leaves with the Registrar under this sub-rule.

(2) If an opponent takes no action under sub-rule (1) within the time therein prescribed, he shall, unless the Registrar otherwise directs, be deemed to have abandoned his opposition."

Sub-rule(2) applies for the purpose of giving

effect to the deeming fiction for abandonment of the opposition. If one is to contend that the deeming fiction for abandonment of the opposition has operated, the same is subject to the earlier part of sub-rule (2) which provides that unless the Registrar otherwise directs. Meaning thereby, after the expiry of the period of two months, if no evidence is filed, but before the deeming fiction of abandonment of the opposition is pressed in service or has started operating, it is required to be considered as to whether Registrar has directed otherwise or not. Such deeming fiction would naturally be after the expiry of the period of two months and consequently, the question of exercise of the power by the Registrar for extension or otherwise could also be after the expiry of the period of two months. However, it cannot be said that even within a period of two months, the Registrar will have no power to extend, but at the same time, the deeming fiction if is to be considered and its operation is to be considered, it is not possible to hold that the Registry will have no power to extend the period after the expiry of the period of two months.

14. However, Mr.Chhatrapati, learned counsel appearing for the appellant and the petitioner further contended that if such powers are read under sub-rule(2) of Rule 53, after the expiry of the period of two months, it may be for

indefinite period and therefore, the very purpose of rule 53(2) will be frustrated.

15. In our view, the said contention is misconceived inasmuch as after the stage of Rule 53 there is next stage provided in Rule 54. Therefore, before the stage of Rule 54, one may be required to consider as to whether the deeming fiction should apply or not. It is not the case of the appellant-original petitioner that there is abandonment of the opposition and the stage under Rule 54 is over and thereafter the Registrar has exercised the power under Rule 53(2). Under these circumstances, when the stage under Rule 54 has not reached nor is acted upon by any party to the proceedings, it cannot be said that if the power is exercised by the Registrar under Rule 53(2), the same is outside the scope of the power by the Registrar.

16. At this stage, we may also consider Rule 106 which provides for enabling power with the Registrar for extension of time by way of residuary clause. Rule 106 reads as under:

"106. EXTENSION OF TIME. – (1) An application for extension of time under Sec. 101 (not being a time expressly provided in the Act or prescribed by rule 81 or by sub-rule (4) of rule 82 or a time for the extension of which provision is made in the rules) shall be made on Form TM- 56.

(2) Upon an application made under sub-rule

(1) the Registrar, if satisfied that the circumstances are such as to justify the extension of the time applied for, may, subject to the provisions of the rules where a maximum time limit is prescribed and subject to such conditions as he may think fit to impose, extend the time and notify the parties accordingly and the extension may be granted though the time for doing the act or taking the proceeding for which it is applied for has already expired."

17. The aforesaid Rule shows that it takes care of the applicability of section 101 of the Act and sub-rule(2) of Rule 106 provides for the enabling power with the Registrar. The another pertinent aspect is that neither in sub-rule (1) nor in sub-rule (2) of the Rule 53, the outer limit of the power of the Registrar for extension of the time for production of the evidence in support of the opposition has been provided. Therefore, if Rule 106 is taken into consideration, it can also be said that Rule 53 for deeming fiction would not apply in absolute as sought to be canvassed, but would apply subject to the power of the Registrar for extension of time or for direction otherwise.

18. The another pertinent aspect is that either while exercising the power under section 101 of the Act or under Rule 53(2) or under Rule 106 of the Rules, the Registrar is required to be satisfied about the circumstances justifying the extension of the time limit. Therefore, at the time when

the power is to be exercised, the Registrar must be satisfied to exercise the discretion for extension of time. Such power is required to be exercised based on the sound judicial principles and equitable consideration keeping in view the object of the Act. But, thereby it cannot be said that the deeming fiction would apply so as to take away the power of the Registrar under Rule 53(2) just because the period of two months had expired as per the provisions of sub-rule (1) of Rule 53.

19. At this stage we may refer to the decision of the full bench of the Delhi High Court in the case of *Hastimal Jain Trading As Oswal Industries (supra)*, wherein the observations were made by the full bench of the Delhi High Court at paragraph 19 and the answer was given to the question at paragraph 20, which reads as under:

"20. In this view of the matter we answer the questions accordingly :-

(a) Rule 53(2) of the Trade and Merchandise Marks Rules 1959 is merely directory and not mandatory.

(b) & (c) The Registrar has power to extend time for filing evidence even though the period mentioned in Rule 53 or the extended period thereof has expired and even though an application for extension of time is made beyond that period."

20. In view of the aforesaid observations and discussions, we find that the learned Single Judge has not committed any error in not

interfering with the order passed by the Registrar below the interlocutory application in the respective matters. Hence, Letters Patent Appeal is meritless and therefore, dismissed. As same issue is there in the Special Civil Applications, the Special Civil Applications also deserve to be dismissed and hence, they are dismissed.

21. Considering the facts and circumstances of the case, no order as to costs.

(JAYANT PATEL, J.)

(MOHINDER PAL, J.)

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