

SUPREME COURT OF INDIA

Jagatjit Industries Limited.

Vs.

The Intellectual Property Appellate Board & Ors.

C.A.No.430 of 2016

(Kurain Joseph and R.F.Nariman, JJ.)

20.01.2016

JUDGMENT

R.F.Nariman, J.

(Arising out of S.L.P. (Civil) No.14444 of 2009)

1. Leave granted.

2. The respondent No.4 is a corporation incorporated under the laws of the United States of America. It is an ultimate subsidiary of Pernord Ricard S.A., which is engaged in the business of manufacturing and marketing a variety of alcoholic beverages worldwide. It claims that it has coined and adopted the trademark 'BLENDERS PRIDE' through its licensee M/s Seagram Company Limited in the year 1973. According to respondent No.4, on account of extensive sales and marketing worldwide, the trademark 'BLENDERS PRIDE' has come to acquire a tremendous reputation in various countries including India. In order to secure its proprietary rights in the said trademark, respondent No.4 had applied for and was granted registration of the said trademark in more than 50 countries and has been selling 'BLENDERS PRIDE' whisky in India through its licensee Seagram India Private Limited since 1995. It has also applied for registration of the trademark 'BLENDERS PRIDE' under two applications in class 33 which are pending registration. The appellant's application for registration of an identical trademark 'BLENDERS PRIDE' was advertised in the Trademarks Journal Mega-I. This journal was published on 7th October, 2003. Respondent No.4 had filed Form TM-44 seeking extension of one month's time for filing its notice of opposition against the appellant's application on 6.1.2004, i.e. within the statutory period of three months. On 19.1.2004, respondent No.4 had filed its notice of opposition before the Trade Marks Registry, New Delhi and the same was numbered as DEL-160325. On 16.2.2004, the Trade Marks Registry issued a notice to the appellant inviting its counter statement to the said notice of opposition, and had stated that if the counter statement was not filed within time, the trademark application would be deemed to be abandoned. However, when the matter stood thus, respondent No.4 came to know on 20.1.2005 that a trademark registration certificate bearing No.618414 had been issued to the appellant on 13.1.2004

itself. Immediately, however, through its attorneys, respondent No.4 informed the Trade Marks Registry about the pending opposition proceedings which were yet to be disposed of.

3. Since no communication was received from the Registry, respondent No.4 filed a writ petition before the Delhi High Court being Writ Petition Nos. 2712 and 2713 of 2005. Meanwhile, on 16.2.2005, a show cause notice was issued by the Registrar under Section 57(4) of the Trade Marks Act, 1999 to the appellant, in which it was said that the registration certificate had been issued wrongly, and since the said trademark was wrongly on the register of trademarks, it was proposed to rectify the register under Section 57(4) as per representation made by the attorneys of respondent No.4.

4. Meanwhile, the writ petition filed by respondent No.4 to remove the trademark from the register came up for hearing and was disposed of by an order dated 2.3.2005 with the observation that the Registrar shall proceed to decide the issues arising out of the show cause notice as expeditiously as possible and in accordance with law.

5. Thereafter, on 14.3.2005, a detailed reply was filed by the appellant herein before the Registrar, in which it took the plea that the show cause notice itself was not maintainable as it was issued by the Registrar of Bombay and not New Delhi. Further, it was stated that the opposition filed by respondent No.4 on 19.1.2004 was clearly beyond time as it was not filed within three months from the relevant date, which is 6.1.2004, and it was thereafter pleaded that the show cause notice be withdrawn.

6. Meanwhile, on 14.1.2005, a suit for infringement of its trademark had been filed by the appellant herein in the District Court of Jalandhar inter alia against the licensee of respondent No.4, namely, Seagram Distilleries Private Limited. On 21.4.2005, Seagram India Private Limited filed a written statement in which it took up a plea that the plaintiff's registration is under challenge and since rectification proceedings are sub-judice before the Registrar of Trademarks, the suit is liable to be stayed till final disposal of the said rectification proceedings. It further went on to plead that the registration obtained by the plaintiff (i.e. the appellant herein) is void ab initio and confers no right on the plaintiff and, therefore, questioned the very maintainability of the suit for infringement.

7. While matters stood thus, after considering the reply of the appellant, the Registrar, on 26.5.2005, referred to the show cause notice dated 16.2.2005 and the reply of the appellant thereof and stated that the impugned mark was registered by inadvertence/error and that it was proposed to rectify the register under Section 57(4) of the Trade Marks Act, 1999 by removing the mark referred to. By the self same letter the appellant was directed to return the registration certificate wrongly issued forthwith, and further directed not to use the said certificate of registration in respect of the above-mentioned trademark in any manner for any purpose and in any proceedings.

8. A Writ Petition bearing Nos.10080-81 of 2005 was filed by the appellant against the aforesaid order, and an interim order of stay was obtained against the said order on

31.5.2005. Ultimately, on 13.9.2005, the Delhi High Court directed the Registrar to dispose of the proceedings before it on or before 16.11.2005.

9. The Registrar, by his order dated 14.11.2005, recalled the show cause notice issued, stating that he had no jurisdiction to proceed in the matter inasmuch as, under Section 125 of the Act, the proceedings could only legally continue before the Appellate Board and not before him.

10. In an appeal filed before the Appellate Board, the Appellate Board, by its judgment dated 6.10.2006, reversed the Registrar's order, and held that the notice of opposition had been taken on record and numbered, which clearly showed that Form TM-44 filed by respondent No.4 for extension of time had been accepted by the Registrar. It is only after such acceptance that a show cause notice had been issued to the appellant herein calling upon them to file their counter-statement. This being so, the registration of the trademark on 13.1.2004, that is even before the expiry of the extended one month, would obviously be contrary to Section 23 of the Act and would therefore be invalid in law. Significantly, the Appellate Board held that when the show cause notice was issued on 16.2.2005, Seagram had not yet filed its counter-statement as it was not even served with the suit papers, and that, since the suit had not been filed against respondent no.4, but had only been filed against Seagram, Section 125 would have no application and that therefore the Registrar's order dated 14.11.2005 would therefore have to be set aside. The Registrar was, therefore, directed to expeditiously decide the opposition proceedings under Section 21 of the Act.

11. Against the order passed by the Appellate Board, the appellant herein filed a Writ Petition in the Delhi High Court being Writ Petition (Civil) No.16242/2006. The learned Single Judge, by his judgment dated 9.5.2008, set aside the aforesaid Appellate Board order and sustained the order dated 14.11.2004 passed by the Registrar. According to the learned Single Judge, Section 125 of the Act would apply and would therefore bar proceedings before the Registrar. The learned Single Judge, therefore, following the judgment of this Court in *Whirlpool Corporation v. Registrar of Trade Marks, Mumbai and others*¹, held that the Section would apply as the defendant in the infringement suit had filed a written statement questioning the validity of the trademark, and that this being so, the non obstante clause in Section 25(1) would bar proceedings under Section 57 of the Act before the Registrar.

12. In an appeal before the Division Bench, the Division Bench set aside the learned Single Judge, holding that Section 23(1) of the Act had been violated, and that Section 125 would not apply on the facts of this case as it is the duty of the Registrar to maintain the purity of the register, as has been held in *Hardie Trading Ltd. and another v. Addisons Paint & Chemicals Ltd.*². It was further held that the power of the Registrar to correct his own mistakes under Section 57(4) of the Act is wholly independent of the right of a party to make or not to make an application for rectification of the register, referred to in Section 125. If Section 125 were to be applied, the effect would be that an error committed by the Registrar may remain on the register if the defendant, after raising a plea of invalidity in a suit for infringement, chooses not to proceed with the filing of a rectification before the Appellate

Board. In such event, the purity of the register would not be maintained, a result which could not have been envisaged if Section 125 is to be correctly interpreted. The Division Bench finally held that the grant of registration on 13.1.2004 was itself invalid being contrary to Section 23(1) of the Act. Ultimately, the appeal was allowed in the following terms:

“Section 23(1) of the Act clearly mandates that only after the statutory period for filing opposition has expired, a registration certificate could be granted. The Appellant had filed an application for extension of time in filing opposition to the registration of trade mark of the 4th Respondent and the notice of opposition was taken on record by the Registrar. The above fact is evident from the show cause dated 16th February, 2004 and the interim order of 26th May, 2005. In the absence of an order rejecting such application, it cannot be held that time for filing opposition had expired. The entire issue was considered by the Appellate Board which is a tribunal as per Section 2(ze) of the Act. The tribunal had ultimately come to the conclusion that the registration was in contravention of the provisions of the Act and directed the Registrar to decide the application of the 4th Respondent on merits. After taking into consideration the above facts and contentions of the parties we hold that no injustice has been done by the Appellate Board in directing de novo hearing of the case. Consequently the appeal is allowed and the order of the learned single Judge is set aside. No order as to costs.” [at para 22 and 23]

13. Smt. Prathiba Singh, learned senior advocate appearing on behalf of the appellant herein, essentially argued that though the application for extension of time by one month had been filed before the period of three months ended, yet as the Registrar had not passed any order condoning the delay, it is obvious that the period for filing the opposition had ended on 6.1.2004. She also argued that Section 21 of the Act speaks of the Registrar “allowing” the application made to him in the prescribed manner, and that therefore the expression “allows” in Section 21(1) would make it clear that there has to be an order in writing by the Registrar, and no implied order granting extension is therefore contemplated by the Section. Therefore, the registration certificate issued on 13.1.2004 was in accordance with law. Further, as the show cause notice dated 16.2.2005 had been issued from Bombay, it was clearly without jurisdiction. Therefore, in view of a written statement having been filed in the infringement suit filed by the appellant’s licensee taking up the plea of invalidity of registration, Section 125 applied on all fours, and the judgment of this Court in Whirlpool Corporation (supra) would apply to render rectification proceedings before the Registrar non est. She also argued that the fact that Austin Nichols is not a defendant in the infringement suit would also make no difference inasmuch as its licensee Seagram is a defendant and has taken a plea as to invalidity of the registered trademark. Seagram is merely enforcing Austin Nichols’ rights and the authorized signatory of both parties happens to be the same. Thus, it would make no difference that the defendant in the infringement suit is not Austin Nichols. She also argued that the suo motu powers of the Registrar under Section 57(4) of the Act are taken away by Section 125(1) of the Act inasmuch as the non obstante clause covers the whole of Section 57. Where the legislature intends to specify only a sub-section, it has made it clear in express language to that effect. For that purpose, she referred to Section 107(1) of the Trade and Merchandise Marks Act, 1958 which refers to the whole of Section 46, the whole of Section

56, and only Section 47 sub-section (4). She has also argued that in point of fact, though styled as a proceeding under Section 57(4), being at the behest of Austin Nichols, in reality it was not such a proceeding. She referred copiously to the Registrar's order dated 14.11.2005 as well as to the judgment of the Single Judge dated 9.5.2008, and said that since the show cause notice itself was without jurisdiction, these orders were correct and ought to be reinstated.

14. Shri Sudhir Chandra, learned senior counsel appearing on behalf of respondent No.4, supported the judgment of the Division Bench of the Delhi High Court. He argued before us that when the Registrar issued the letter dated 16.2.2004 under Section 21(2) of the Act and called for a counter-statement under the said Section from the appellant herein to the notice of opposition filed by respondent No.4, it was clear that the extension of time applied for within time had been allowed. He referred in particular to Section 131 of the Act and stated that the Registrar should be satisfied that there is sufficient cause for extending time and if he is so satisfied, he will not be required to hear the parties before disposing of an application for extension of time. Further, no appeal shall lie from such an order. He also argued that as respondent No.4 was not a party to the suit for infringement, Section 125 would have no application to the facts of this case. He further argued that suo motu powers of the Registrar under Section 57(4) of the Act were not taken away by Section 125 of the Act, stressing that Section 125 of the Act concerned itself with "an application for rectification of the register." He referred us to the definition of "Tribunal" under Section 2(ze) and stated that where a proceeding is pending before the Registrar, it would necessarily be a "Tribunal" for all purposes under the Act. He argued that the judgment in Hardie's case (supra) was correctly referred to and relied upon by the Delhi High Court and that the purity of the register would have to be maintained by the Registrar as an independent duty cast upon him under the Act. According to him, the judgment in Whirlpool's case actually supported his client's case, and in any case, on the facts therein, it was clear that Section 125 would have applied, unlike in the facts of the present case.

15. We have heard learned counsel for the parties. Before embarking upon a discussion on the merits of the case, it is necessary to set out the various statutory provisions contained in the Trade Marks Act, 1999:-

“Section 2 - Definitions and interpretation

(1) In this Act, unless the context otherwise requires,--

(ze) "tribunal" means the Registrar or, as the case may be, the Appellate Board, before which the proceeding concerned is pending;

Section 21 - Opposition to registration

(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 or 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 resides 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.

(7) The Registrar may, on request, permit correction of any error in, or any amendment of, a notice of opposition or a counter-statement on such terms as he thinks just.

Section 23 – Registration

(1) Subject to the provisions of section 19, when an application for registration of a trade mark in Part A or Part B of the register has been accepted and either--

(a) the application has not been opposed and the time for notice of opposition has expired; or

(b) the application has been opposed and the opposition has been decided in favour of the applicant, the Registrar shall, unless the Central Government otherwise directs, register the said trade mark in Part A or Part B of the register, as the case may be, and the trade mark when registered shall be registered as of the date of the making of the said application and the date shall, subject to the provisions of section 131, be deemed to be the date of registration.

(2) On the registration of a trade mark, the Registrar shall issue to the applicant a certificate in the prescribed form of the registration thereof, sealed with the seal of the Trade Marks Registry.

(3) Where registration of a trade mark is not completed within twelve months from the date of the application by reason of default on the part of the applicant, the Registrar may, after giving notice to the applicant in the prescribed manner, treat the application as abandoned unless it is completed within the time specified in that behalf in the notice.

(4) The Registrar may amend the register or a certificate of registration for the purpose of correcting a clerical error or an obvious mistake.

57. Power to cancel or vary registration and to rectify the register.—

(2) Any person aggrieved by the absence or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to the Appellate Board or to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as it may think fit.

(3) The tribunal may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the register.

(4) The tribunal, of its own motion, may, after giving notice in the prescribed manner to the parties concerned and after giving them an opportunity of being heard, make any order referred to in sub-section (1) or sub-section (2).

(5) Any order of the Appellate Board rectifying the register shall direct that notice of the rectification shall be served upon the Registrar in the prescribed manner who shall upon receipt of such notice rectify the register accordingly.

Section 124 - Stay of proceedings where the validity of registration of the trade marks is questioned, etc.

(1) Where in any suit for infringement of a trade mark-

(a) the defendant pleads that registration of the plaintiff's trade mark is invalid; or

(b) the defendant raises a defence under clause (e) of sub-section (2) of section 30 and the plaintiff pleads the invalidity of registration of the defendant's trade mark, the court trying the suit (hereinafter referred to as the court), shall,--

(i) if any proceedings for rectification of the register in relation to the plaintiff's or defendant's trade mark are pending before the Registrar or the Appellate Board, stay the suit pending the final disposal of such proceedings;

(ii) if no such proceedings are pending and the court is satisfied that the plea regarding the invalidity of the registration of the plaintiff's or defendant's trade mark is prima facie tenable, raise an issue regarding the same and adjourn the case for a period of three months from the date of the framing of the issue in order to enable the party concerned to apply to the Appellate Board for rectification of the register.

(2) If the party concerned proves to the court that he has made any such application as is referred to in clause (b) (ii) of sub-section (1) within the time specified therein or within such extended time as the court may for sufficient cause allow, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings.

(3) If no such application as aforesaid has been made within the time so specified or within such extended time as the court may allow, the issue as to the validity of the registration of the trade mark concerned shall be deemed to have been abandoned and the court shall proceed with the suit in regard to the other issues in the case.

(4) The final order made in any rectification proceedings referred to in sub-section (1) or sub-section (2) shall be binding upon the parties and the court shall dispose of the suit conformably to such order in so far as it relates to the issue as to the validity of the registration of the trade mark.

(5) The stay of a suit for the infringement of a trade mark under this section shall not preclude the court from making any interlocutory order (including any order granting an injunction directing account to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit.

Section 125 - Application for rectification of register to be made to Appellate Board in certain cases

(1) Where in a suit for infringement of a registered trade mark the validity of the registration of the plaintiff's trade mark is questioned by the defendant or where in any such suit the defendant raises a defence under clause (e) of sub-section (2) of section 30 and the plaintiff questions the validity of the registration of the defendant's trade mark, the issue as to the validity of the registration of the trade mark concerned shall be determined only on an application for the rectification of the register and, notwithstanding anything contained in section 47 or section 57, such application shall be made to the Appellate Board and not to the Registrar.

(2) Subject to the provisions of sub-section (1), where an application for rectification of the register is made to the Registrar under section 47 or section 57, the Registrar

may, if he thinks fit, refer the application at any stage of the proceedings to the Appellate Board.

Section 131 - 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 this 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 inform 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.”

16. The first important thing to note in this case is that respondent No.4 sought an extension of one month's time for filing its notice of opposition within the three month period granted to it under Section 21(2) and did this in the prescribed statutory Form TM-44 stating that the reason for extension would be that they have to seek legal advice before filing the notice of opposition. The other important fact to notice is that the notice of opposition dated 19.1.2004 was made within the extended period of one month, and was expressly taken on record by the Registrar, as is reflected in the Registrar's letter dated 16.2.2004. Since this letter is of crucial importance in deciding this case, it is set out in full:-

“REGD. POST A.D.

No. TOP/

Date: 16- Feb-2004

From: The Registrar of Trade Marks

To,

M/s.The ACME Co.
Delhi-110001

Subject: Opposition No. 160325 to Application No. 618414 in Class 33 in the name of Jagatjit Industries Limited

Shriman/ Mahoday/ Madam,

In pursuance of section 21(2) of Trade & Merchandise Marks Act, 1999, I am directed by the Registrar of Trade Marks to enclose herewith a copy of the Notice of opposition filed to the application noted as above.

In this connection I am to invite your attention to Section 21(2) of the Act and also to Rule 48 of the Trade and Merchandise Marks Rule, 2002 point out that a counterstatement of the grounds, on which you/ the applicant rely for your/ their application should be filed at this office in triplicate on form TM- 6 within two months from the receipt by you of the copy of the notice of opposition. The counterstatement should also set out what facts if any, alleged in the notice of opposition are admitted by you/ the applicants.

I am further directed to inform you that if such a counterstatement is not received in this Registry within the aforesaid time you that applicants will be deemed to have abandoned your/ their application (vide section 21(2) of the Trade and Merchandise Marks Act, 1999).

Yours faithfully,

6227
MARKS

ASSISTANT EXAMINER OF TRADE

5.11.04
2004

Dated: 16-Feb-

No. TOP/

Copy forwarded for information to REMFRY & SGAR

Sd/-

ASSISTANT EXAMINER OF TRADE MARKS

Dated: 16-Feb.2004.”

17. A perusal of this letter shows that the notice of opposition was taken on record. This could not have been done unless time had been extended by one month, as the said notice of opposition was filed only on 19.1.2004, i.e. within the 30 days period after three months were over on 6.1.2004. Though Section 131 of the Act refers to the Registrar’s satisfaction and refers to conditions which he may think fit to impose, it is clear that he need not pass a separate order in every case if he wishes to extend the time. The decision of the Madras High Court being *M/s Allied Blenders and Distillers Private Limited, Mumbai v. Intellectual Property Appellate Board, Chennai & Ors³*, was referred to, in particular paragraph 27 thereof, to show that Section 131 cannot apply to the facts of this case because the said sub-section will not apply where time to do a thing is expressly provided in this Act. It is true that time to file a notice of opposition is to be done within the time that is expressly provided in Section 21(1) and that Section 131 of the Act would not therefore apply. However, Section 131 is a pointer to the fact that the extension of time by the Registrar is a ministerial act for which no hearing is required.

18. Smt. Prathiba Singh also argued that the expression “allows” in Section 21(1) would further show that there has to be an order in writing granting an extension of time and no

such order has been produced in the present case. She also cited *M. Mazharuddin Ali v. Govt. of A.P.*, at paragraphs 7 and 11, to show that in the context of relaxation of Rules made under Article 309, a specific relaxation by a written order is necessary or else there can be said to be no relaxation of such Rules in law. We may note that the aforesaid judgment deals with the Governor's executive power under Article 166 of the Constitution. Such power can only be exercised in writing and in the manner prescribed by the said Article. Besides, the Governor's power is an executive power and not a quasi-judicial one, as is the power of the Registrar in the present case. This judgment, therefore, does not further case of the appellant. Also, it is settled law that procedural provisions are to be construed in a manner that advances and does not subvert the cause of justice. This Court in paragraphs 28 and 29 in *Kailash v. Nanhku*⁵, has held as under:-

“All the rules of procedure are the handmaid of justice. The language employed by the draftsman of processual law may be liberal or stringent, but the fact remains that the object of prescribing procedure is to advance the cause of justice. In an adversarial system, no party should ordinarily be denied the opportunity of participating in the process of justice dispensation. Unless compelled by express and specific language of the statute, the provisions of CPC or any other procedural enactment ought not to be construed in a manner which would leave the court helpless to meet extraordinary situations in the ends of justice. The observations made by Krishna Iyer, J. in *Sushil Kumar Sen v. State of Bihar*⁶ are pertinent: (SCC p. 777, paras 5-6)

“The mortality of justice at the hands of law troubles a judge's conscience and points an angry interrogation at the law reformer. The processual law so dominates in certain systems as to overpower substantive rights and substantial justice. The humanist rule that procedure should be the handmaid, not the mistress, of legal justice compels consideration of vesting a residuary power in judges to act *ex debito justitiae* where the tragic sequel otherwise would be wholly inequitable. ... Justice is the goal of jurisprudence — processual, as much as substantive.”

In *State of Punjab v. Shamlal Murari*⁷ the Court approved in no unmistakable terms the approach of moderating into wholesome directions what is regarded as mandatory on the principle that: (SCC p. 720)

“Processual law is not to be a tyrant but a servant, not an obstruction but an aid to justice. Procedural prescriptions are the handmaid and not the mistress, a lubricant, not a resistant in the administration of justice.”

In *Ghanshyam Dass v. Dominion of India*⁸ the Court reiterated the need for interpreting a part of the adjective law dealing with procedure alone in such a manner as to subserve and advance the cause of justice rather than to defeat it as all the laws of procedure are based on this principle.” [at paras 28 and 29]

19. It is thus clear that time has been extended by the Registrar, as is evidenced by the letter dated 16.2.2004. Therefore, it is clear that any registration certificate granted prior to the 30

days extended period from 6.1.2004 would be violative of Section 23(1) of the Act. In this view of the matter, the Appellate Board and the Division Bench are clearly right in declaring that the registration certificate, having been issued on 13.1.2004, would be violative of Section 23(1)(a), and the register would have to be rectified by deleting the said trademark therefrom.

20. We may dispose of an argument made by Smt. Prathiba Singh that the show cause notice dated 16.2.2005 under Section 57(4) of the Act was without jurisdiction as it was issued by the Registrar in Bombay and not by the authorities in Delhi. As the application for registration of the trademark was made in Delhi, and all the subsequent proceedings took place in Delhi, this show cause notice should also have been issued only in Delhi.

21. We may observe that under Section 57(4) of the Act, the suo motu power can only be exercised by the Registrar himself,

being the “Tribunal” referred to in sub-sections (1) and (2) of the said Section. Section 3 of the Trade Marks Act, 1999 is apposite. Section 3 states:

“Section 3 - Appointment of Registrar and other officers

(1) The Central Government may, by notification in the Official Gazette, appoint a person to be known as the Controller-General of Patents, Designs and Trade Marks, who shall be the Registrar of Trade Marks for the purposes of this Act.

(2) The Central Government may appoint such other officers with such designations as it thinks fit for the purpose of discharging, under the superintendence and direction of the Registrar, such functions of the Registrar under this Act as he may from time to time authorize them to discharge.”

22. It is clear therefore that the power to be exercised under Section 57(4) can only be exercised by the Registrar of Trade Marks himself. There is only one such Registrar - and his registered office is in Bombay. The Assistant Registrars in the other parts of the country including Delhi all act under the superintendence and directions of the Registrar, Bombay, as is clear from Section 3(2) of the Act. This point is, therefore, without substance.

23. We now come to an important argument raised by both parties: the correct interpretation of Section 125 of the Act. Section 124 of the Act inter alia states that where, in a suit for infringement of a trademark, the defendant pleads that the registration of the plaintiff’s trademark is invalid, then the court trying the suit shall stay the suit pending final disposal of rectification proceedings either before the Registrar or the Appellate Board, as the case may be.

24. The scheme under Section 124 is of great importance in understanding the scope of Section 125. It is clear that where proceedings for rectification of the register are pending before the filing of the suit for infringement in which the defendant pleads that the

registration of the plaintiff's trademark is invalid, such proceedings may be made either before the Registrar or before the Appellate Board, in view of Section 57(1) and (2) of the Act. But, if rectification proceedings are to be instituted after the filing of such suit for infringement in which the defendant takes the plea that registration of the plaintiff's trademark is invalid, then rectification proceedings can only be taken before the Appellate Board and not before the Registrar.

25. It will be noticed that Section 124(1) refers only to the plaintiff and defendant of a suit for infringement, and Section 124(1)(ii) specifically refers to the "party concerned" who will apply to the Appellate Board for rectification of the register. Similarly, Section 125 also refers only to the "plaintiff" and the "defendant" in a suit for infringement of a registered trademark. It is obvious, therefore, that an application for rectification of the register can either be made by the defendant who raises a plea in the suit that the registration of the plaintiff's trademark is invalid, or by the plaintiff who questions the validity of the registration of the defendant's trademark in a situation where the defendant raises a defence under Section 30(2)(e). It is clear therefore that the application for rectification of the register referred to in Section 125(1) could only be an application (given the facts of the present case) by the defendant in the suit for infringement. The defendant being Seagram and not Austin Nichols, it is clear that the Section would have no application. The submission of Smt. Prathiba Singh that Seagram is only the licensee of Austin Nichols and that the authorized signatory of both parties are the same holds no water for the reason that Austin Nichols is not said to violate the registered trademark of the appellant herein. Seagram again happens to be two separate Companies - Seagram Manufacturing Private Limited and Seagram Distillers Private Limited. The plaint allegations are that both the aforesaid companies are engaged in the manufacture and distribution of liquor and sell and export alcoholic beverages under the trademark "BLENDERS PRIDE" which is the registered trademark of the plaintiff. The plaint does not state that the first and second defendant are licensees of the said trademark of the Austin Nichols. In fact, in paragraph 10 of the plaint, there is a specific averment by the plaintiffs that upon necessary inquiries being made, the plaintiffs have learnt that the defendants have not even applied for registration of the trademark 'BLENDERS PRIDE' in their favour. It may also be noticed that the suit is both a suit for infringement as well as passing off, and it is significant that Austin Nichols has not been made a party defendant to the said suit. Also, the very issue as to validity of the registration of the trademark concerned has to be determined in the application for rectification of the register, which would obviously bind only the parties to the suit and nobody else. For these reasons, the application for rectification, not having been made by any of the party defendants in the said suit for infringement and passing off, Section 125(1) would have no application.

26. Secondly, the Division Bench of the High Court is also correct in reasoning that Section 125(1) would only apply to applications for rectification of the register, and not to the exercise of suo motu powers of the Registrar under Section 57(4). The reason is not hard to seek. If the Registrar is barred from undertaking a suo motu exercise under Section 57(4) to maintain the purity of the register, there could conceivably be cases where a defendant, after raising the plea of invalidity in a suit for infringement, chooses not to proceed with the filing of a rectification petition before the Appellate Board. This may happen in a variety of

circumstances: for example, take the case where, after raising the plea of invalidity in a suit for infringement, the matter is compromised and the defendant therefore does not file a rectification petition before the Appellate Board. The Registrar's power to maintain the purity of the register of trademarks would still remain intact even in such cases, as has been held by the judgment in Hardie's case. This Court, in the said judgment, while adverting to the meaning of "person aggrieved", held as follows:-

"The phrase "person aggrieved" is a common enough statutory precondition for a valid complaint or appeal. The phrase has been variously construed depending on the context in which it occurs. Three sections viz. Sections 46, 56 and 69 of the Act contain the phrase. Section 46 deals with the removal of a registered trademark from the register on the ground of non-use. This section presupposes that the registration which was validly made is liable to be taken off by subsequent non-user. Section 56 on the other hand deals with situations where the initial registration should not have been or was incorrectly made. The situations covered by this section include: - (a) the contravention or failure to observe a condition for registration; (b) the absence of an entry; (c) an entry made without sufficient cause; (d) a wrong entry; and (e) any error or defect in the entry. Such type of actions are commenced for the "purity of the register" which it is in public interest to maintain. Applications under Sections 46 and 56 may be made to the Registrar who is competent to grant the relief. "Person's aggrieved" may also apply for cancellation or varying an entry in the register relating to a certification trademark to the Central Government in certain circumstances. Since we are not concerned with a certification trademark, the process for registration of which is entirely different, we may exclude the interpretation of the phrase "person aggrieved" occurring in Section 69 from consideration for the purposes of this judgment.

In our opinion the phrase "person aggrieved" for the purposes of removal on the ground of non-use under section 46 has a different connotation from the phrase used in section 56 for cancelling or expunging or varying an entry wrongly made or remaining in the Register.

In the latter case the locus standi would be ascertained liberally, since it would not only be against the interest of other persons carrying on the same trade but also in the interest of the public to have such wrongful entry removed. It was in this sense that the House of Lords defined "person aggrieved" in the matter of Powell's Trade Mark 1894 (11) RFC 4:

"... although they were no doubt inserted to prevent officious interference by those who had no interest at all in the Register being correct, and to exclude a mere common informer, it is undoubtedly of public interest that they should not be unduly limited, inasmuch as it is a public mischief that there should remain upon the Register a Mark which ought not to be there, and by which many persons may be affected, who, nevertheless, would not be willing to enter upon the risk and expense of litigation. Wherever it can be shown, as here, that the Applicant is in the same trade

as the person who has registered the Trade Mark, and wherever the Trade Mark, if remaining on the Register, would, or might, limit the legal rights of the Applicant, so that by reason of the existence of the entry on the Register he could not lawfully do that which, but for the existence of the mark upon the Register, he could lawfully do, it appears to me he has a locus standi to be heard as a person aggrieved."

(Emphasis added)" [para 30 - 32]

27. However, Smt. Prathiba Singh has argued, referring to Section 107 of the 1958 Act, that the non obstante clause in Section 125 refers to the whole of Section 57 including the suo motu power of the Registrar contained in Section 57(4), and that therefore even such power cannot be exercised once the ingredients of Section 125(1) are otherwise met. We are afraid that we are not able to agree. Section 47(4) was referred to in Section 107 for the reason that the said sub-section refers to applications made to the High Court or to the Registrar for cancellation of the registration of a trademark as a defensive trademark. The other sub-sections of Section 47 do not refer to any such application but only explain what is meant by defensive trademarks, and it is for that reason that Section 107 refers only to Section 47(4) and not the entirety of Section 47. However, in Section 125(1) of the Trade Marks Act, 1999, the width of the expression "Section 57" is cut down by the expression "and an application for rectification of the register". Such rectification applications are referable only to Sections 57(1) and (2) and not to the suo motu power of the Registrar under Section 57(4). Therefore, apart from the substantive reason given above of maintaining the purity of the register, even on a literal construction of Section 125(1), it is clear that Section 57 (4) would have to be excluded.

28. Whirlpool's case, which is relied upon strongly by the appellant's counsel, has to be understood on its own facts. In paragraphs 6 and 7 of the said judgment this Court set out the facts as follows:

"On 28.2.1997, the appellant filed an application in Form TM-12 for renewal of the Trade Mark "Whirlpool" in Class 7 and the Registrar, by his order dated 29.07.1997, allowed the renewal for three successive periods, namely, 22.2,1977,22.2.1984 and finally 22.2.1991. Thereafter, on 8.08.1997 appellant made an application under Order 6 Rule 17 C.P.C. for amendment of the plaint in Suit No. 1705 of 1994, referred to above, so as to include the ground of infringement of the Trade Mark also in the suit but the application is still pending in the Delhi High Court which has already granted time twice to the defendants, namely, Chinar Trust to file a reply.

In the meantime, Chinar Trust, through its attorneys, wrote on 10.09.1997 to the registrar to take suo motu action Under Section 56(4) for cancellation of the Certificate of Renewal granted to the appellant on 29.07.1997 and the registrar, acting on that request, issued a notice to the appellant on 26th Sept., 1997 requiring it to show cause why the Certificate of Registration be not cancelled. Against this notice, the appellant filed a writ petition in the Bombay High Court which was dismissed on

8.12.1997. It is against this judgment that the present appeal has been filed.” (at paras 6 and 7)

29. Finally, this Court’s decision turned on the facts of that case as set out in paragraph nos. 72 and 73 therein.

“In the instant case, it has already been indicated above that when the Assistant Registrar of Trade Marks dismissed appellant's opposition to the registration of respondent's Trade Mark by its order dated 12.8.1992, it filed an appeal in the Delhi High Court, which was admitted on 01.02.1993 and has since been registered as C.M.(Main) 414 of 1992. Thereafter, on 04.08.1993, the appellant filed a rectification petition Under Sections 45 and 46 of the Act for removing the entry relating to the Trade Mark for which Registration Certificate was granted to the respondents on 30.11.1992. The appellant has also filed a suit for passing-off (Suit No. 1705 of 1994) in the Delhi High Court against the respondents in which an order of temporary injunction has been granted in favour of the appellant which has been upheld by the Division Bench of the High Court as also by this Court. In that suit, an amendment application has also been filed so as to include the ground of infringement of the appellant's Trade Mark but that application has not yet been disposed of. It is, however, obvious that if the application is allowed, the amendments will relate back to the date of the application, if not to the date of plaint.

In view of the pendency of these proceedings in the High Court and specially in view of Section 107 of the Act, the Registrar could not legally issue any suo motu notice to the appellant Under Section 56(4) of the Act for cancellation of the Certificate of Registration/Renewal already granted. The appeal is consequently allowed and the show- cause notice issued by the Deputy Registrar (respondent No. 2) on 26th of Sept. 1997 Under Section 56(4) of the Act is hereby quashed. The appellants shall be entitled to their costs.” [at paras 72 and 73]

30. While arriving at this conclusion on facts, this Court held:-

“The extent of jurisdiction conferred by Section 56 on the Registrar to rectify the Register, is, however curtailed by Section 107 which provides that an application for rectification shall, in certain situations, be made only to the High Court. These situations are mentioned in Sub-section (1) of Section 107, namely, where in a suit for infringement of the registered Trade Mark, the validity of the registration is questioned by the defendant or the defendant, in that suit, raises the defence contemplated by Section 30(1)(d) in which the acts which do not constitute an infringement, have been specified, and the plaintiff in reply to this defence questions the validity of the defendant's Trade Mark. In these situations, the validity of the registration of the Trade Mark can be determined only by the High Court and not by the Registrar. Section 107 thus impels the proceedings to be instituted only in the High Court. The jurisdiction of the Registrar in those cases which are covered by Section 107 is totally excluded. Significantly, Section 107(2) provides that if an

application for rectification is made to the registrar Under Section 46 or Section 47(4) or Section 56, the Registrar may, if he thinks fit, refer that application, at any stage of the proceeding, to the High Court. Similarly, Under Section 111 of the Act, in a pending suit relating to infringement of a Trade Mark, if it is brought to the notice of the Court that any rectification proceedings relating to plaintiff's or defendant's Trade Mark are pending either before the Registrar or the High Court, the proceedings in the suit shall be stayed pending final decision of the High Court or the Registrar. Even if such proceedings are not pending either before the Registrar or the High Court, the trial court, if prima facie satisfied that the plea regarding invalidity of plaintiff's or defendant's Trade Mark is tenable, may frame an issue and adjourn the case for three months to enable the party concerned to apply to the High Court for rectification of the Register. If within three months, the party concerned does not approach the High Court, the plea regarding invalidity of Trade Mark would be treated as abandoned but if such an application has been given hearing, the suit would be stayed awaiting final decision of the High Court. The finding of the High Court would bind the parties and the issue relating to the invalidity of Trade Mark would be decided in terms of those findings.

In this background, the phrase "before which the proceeding concerned is pending" stands out prominently to convey the idea that if the proceeding is pending before the "Registrar", it becomes the "TRIBUNAL". Similarly, if the proceeding is pending before the "High Court", then the High Court has to be treated as "TRIBUNAL". Thus, the jurisdiction of the Registrar and the High Court, though apparently concurrent in certain matters, is mutually exclusive. That is to say, if a particular proceeding is pending before the registrar, any other proceeding, which may, in any way, relate to the pending proceeding, will have to be initiated before and taken up by the Registrar and the High Court will act as the Appellate Authority of the Registrar Under Section 109: It is obvious that if the proceedings are pending before the High Court, the registrar will keep his hands off and not touch those or any other proceedings which may, in any way, relate to those proceedings, as the High Court, which has to be the High Court having jurisdiction as set out in Section 3, besides being the Appellate Authority of the Registrar has primacy over the Registrar in all matters under the Act. Any other interpretation of the definition of "TRIBUNAL" would not be in consonance with the scheme of the Act or the contextual background set out therein and may lead to conflicting decision on the same question by the Registrar and the High Court besides generating multiplicity of proceedings." [at paras 59 - 62]

30. No argument was made in Whirlpool's case that Section 57(4) would be independent of Section 125(1) for the reasons stated hereinabove. Further, it is clear that one of the parties to the suit for passing off in the said decision applied for rectification, unlike the present factual scenario. For these two reasons also the said judgment would have no application to the facts of the present case. Also, it is not clear from the facts stated in the said judgment as to how Section 107(1) would be attracted. A suit for passing off alone had been filed - an amendment application to add the relief of infringement of trademark was pending. This is

perhaps why this Court referred to the said amendment application and said that if it were to be granted it would relate back to the date of the suit itself. The defendant in the said suit obviously could not have filed a written statement taking up a plea of invalidity of the registered trademark before an amendment application of the plaintiff adding the relief of infringement had been allowed. For this reason also we find that the aforesaid judgment cannot be said to have laid down any principle of law touching upon Sections 125 and 57 of the Act.

31. We are, therefore, of the view that, for the reasons given by us, the Division Bench judgment requires no interference. The appeal is, therefore, dismissed. No costs.

Judgment Referred.

¹(1998) 8 SCC 0001

²(2003) 11 SCC 0092

³AIR 2009 Mad 0196

⁴(2000) 10 SCC 0383

⁵(2005) 4 SCC 0480

⁶(1975) 1 SCC 0774

⁷(1976) 1 SCC 0719; 1976 SCC (L&S) 118

⁸(1984) 3 SCC 0046