2023:MHC:3729

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: **16.08.2023**

CORAM

THE HONOURABLE **MR.JUSTICE SENTHILKUMAR RAMAMOORTHY**

(T)CMA(TM)/11/2023
(OA/33/2011/TM/CH)

M/s.Digital Securities Pvt. Ltd.,
165-166 Backbay Reclamation,
Mumbai 400 020. ... Appellant

-vs-

1.The Registrar of Trademarks
Trademarks Registry,
Chennai.

2.M/s.Kwality Ice Creams,
B-3, Co-operative Industrial Estate,
Balanagar, Hyderabad,
(Andhra Pradesh) ... Respondents

PRAYER: Transfer Civil Miscellaneous Appeal (Trademarks) filed under Sections 91, 92 of the Trademarks Act, 1999, praying to set aside the impugned order dated 28th January 2011 passed by the learned Registrar of Trademarks and to allow the opposition or any such further orders.

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For Appellant : Mr.K.Premchandar
for M/s.Anand and Anand

For Respondent 1 : Mr.R.Subramanian, CGSC

For Respondent 2 : Mr.R.Sathish Kumar

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JUDGMENT

An order dated 28.01.2011 allowing the review application of the second respondent is impugned herein. The second respondent herein applied for the registration of a trademark in the year 1986 under Application No.459260. It is not in dispute that the appellant filed a notice of opposition on 11.03.1996; the second respondent filed a counter statement in response thereto on 01.08.1997; the appellant filed evidence in support of the opposition on 04.02.1999; and the second respondent filed evidence in support of the application on 07.03.2000. In effect, the pleadings and evidence were complete. In the context of the matter having been adjourned on about six occasions previously for different reasons, by order dated 08.07.2004,

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the application for registration of the trademark by the second respondent herein was treated as abandoned for default in prosecution. Upon the second respondent filing a review application, the impugned order was pronounced on 28.01.2011 allowing such review on the ground that there is sufficient reason to allow the review in the interest of justice.

2. Learned counsel for the appellant submits that the first respondent recognized that the first two grounds under Order XLVII Rule 1 CPC, namely, the discovery of new and important matter or evidence or a mistake or error apparent on the face of the record, were inapplicable. As regards third ground under Order XLVII Rule 1 CPC, learned counsel contends that several opportunities were provided to the second respondent by issuing notices of hearing and, therefore, it is completely erroneous to conclude that *audi alteram partem* was not observed. In this regard, learned counsel refers to the list of dates and events in the appeal and points out that the original

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order dated 08.07.2004 was issued after about seven hearings at which the second respondent herein was not ready to prosecute the matter.

3. Learned counsel relies upon Rule 56(3) of the Trademarks Rules 2002 (2002 Rules), which were applicable at the relevant point of time. He also points out that the 2002 Rules envisage the filing of Form TM-7, which is a notice of intention to attend hearings, and Form TM-56, which is an application for extension of time. In this case, he submits that the second respondent did not file either Form TM-7 or Form TM-56. Learned counsel concluded his submissions by contending that the impugned order is liable to be set aside and that if the impugned order is allowed to stand, it would open the floodgates as regards the Trademarks Registry and that no application can be treated as abandoned.

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4. In response, learned counsel for the second respondent submits that the relevant trademark is being used by the second respondent from the year 1954. He places emphasis on the fact that pleadings were complete and the entire evidence was already on record. He adverts to the fact that proceedings are pending in the jurisdictional Civil Court as between the contesting parties to this appeal. In effect, learned counsel submits that the impugned order merely set aside an *ex parte* order by which the applicant lost the substantive right to prosecute the application for registration of the relevant trademark. Therefore, he submits that the impugned order does not call for interference.

5. The facts are largely undisputed, the record shows that the pleadings were complete and parties had placed the relevant evidence on record. The original order does not contain any discussion on the merits of the matter. In relevant part, the said order is as under:

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> *"IT IS HEREBY ORDERED THAT Application No.459260 in class 30 is treated as abandoned for want of prosecution and the Opposition thereto bearing No.MAS-3506 abates;*
>
> *IT IS HEREBY FURTHER ORDERED THAT there shall be no order as to costs."*

6. From the above extract, it is evident that the application was treated as abandoned only for want of prosecution. Rule 56(3) dealt with the abandonment of an application for registration of a trademark. The said Sub-Rule is set out below:

> *"(3). If the applicant is not present at the adjourned date of hearing and has not notified his intention to attend the hearing in Form TM-7, the application may be treated as abandoned."*

7. In contrast to Section 21(2) of the Trade Marks Act, 1999 (the Trade Marks Act) or Rule 45 of the Trademarks Rules, 2017, Rule 56(3) of the 2002 Rules does not incorporate a legal fiction by which the relevant application shall be deemed to be abandoned. Instead,

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the expression "the application may be treated as abandoned" is used which indicates that discretion is vested in the authority to either treat the application as abandoned or provide a further opportunity to the applicant.

8. It should be noticed that the Trade Marks Act does not contain a provision enabling a party to apply to set aside an *ex parte* order. It is also pertinent to notice that Section 127(c) of the Trade Marks Act does not contain the grounds for review. In those circumstances, in the impugned order, reference was made to Order XLVII Rule 1 CPC and reliance was placed on the third ground for review specified therein, namely, "for any other sufficient reason". By taking into account the following: (i) pleadings and evidence being complete; (ii) no adjudication having been made on merits in the original order; (iii) the absence of a provision enabling the setting aside of an *ex parte* order; and (iv) Rule 56(3) of the 2002 Rules merely enabling abandonment at the discretion of the authority but not

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prescribing a deemed abandonment, the reliance on the third ground under Order XLVII Rule 1 CPC is justified in the facts and circumstances.

9. Therefore, the impugned order does not call for interference. Nonetheless, the record shows that the application for registration was filed in the year 1986 and such application could not be proceeded with in view of the present appeal from the year 2011. Therefore, the first respondent is directed to adjudicate the application after providing a reasonable opportunity to the appellant / applicant and the second respondent / opponent within a period of ***three months*** from the date of receipt of a copy of this order.

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Index : Yes / No
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Neutral Citation: Yes/No

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