

Legal Issues in ‘Powers of Registrar in Trade Marks Proceedings’

Issue: Is There a Limitation on the Registrar's Power to Condone Delays in Contentious Proceedings?

Introduction

❖ **What is the purpose of a rule of limitation?**

- Rule of Limitation aids in the dispensation of justice by –
 - a) Evaluation of evidence in a timely manner
 - b) Enforcement of substantive law , and
 - c) Integrity of the justice system – resolution of disputes,

❖ **Does condonation of delay affect the adjudication of the dispute in a contentious proceeding?**

- In a contentious proceeding, there are conflicting claims presented seeking enforcement of rights and delay leads to deterioration of evidence and impede finality of disputes. Trademark oppositions, rectification/cancellation and subsequent enforcement are statutorily time-bound, to allow for the finality of the proceeding and also to ensure that the trademark protection does not expire during contentious proceedings prior to registration.

Relevant Legal Provisions

❖ Section 21, Trade Marks Act, 1999 –

“Opposition to registration.—

*(1) Any person may, **within four months** from the date of the advertisement or re-advertisement of an application for registration, give notice in writing in the prescribed manner and on payment of such fee as may be prescribed, 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...*

*(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.” (Emphasis supplied)*

Relevant Legal Provisions (Contd.)

❖ Section 131, Trade Marks Act, 1999 –

“Extension of time.— (1) If the Registrar is satisfied, ..., 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.” (Emphasis supplied)

❖ Rule 109, Trade Marks Rules, 2017 –

“Extension of time— ...(2)...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 not exceeding one month and communicate 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.” (Emphasis supplied)

Relevant Judicial Decisions

- ❖ ***Gujarat Medicraft Pvt. Ltd. v. Cipla Ltd.* [2006 (32) PTC 510 Reg]**
 - *“50. I would say that the provisions of Section 131 are general, which obviously, deal with the extension of time in general. At the same time Section 21 deals with the opposition proceedings. Both the Sections 21 and 131 are independent and different in nature, purpose and scope from each other. The provisions of each section are carried out under the respective rules thereunder. Further, under the mandate of Section 21 of the Act, the Legislature has fixed the time limits at different stages invariably right from filing an extension to file a notice of opposition to the final hearing the proceedings inter alia, making the simultaneous provisions for one month extension in aggregate to file a notice of opposition, evidence in support of opposition, evidence in support of application and evidence in reply, which is not extendable and even to allow the extension of one month, the request is to be filed before the expiry of statutory period, which is also not extendable; Whereas Section 131 and Rule 105 thereto, being general to powers to extend the time for which the provisions are made expressly in the rules. Thus, Section 131 cannot be invoked for extension of time beyond one month in aggregate contrary to the time expressly prescribed in Rule 50(1) of the Trade Marks Rules, 2002.”*

Relevant Judicial Decisions (Contd.)

- ❖ *Wyeth Holdings Corpn. & Ors. v. Controller General of Patents, Designs and Trade Marks & Ors.* [2007 (34) PTC 1 Guj]
- “27. However, it is clarified that holding Sub-rule (2) of Rule 50 to be 'directory' does not take away the powers of the Assistant Registrar to refuse extension of time in a given case when he finds that there is no substance in the grounds on which the extension of time is sought for. As against that, to hold Sub-rule (2) of Rule 50 as 'mandatory', will devoid the Assistant Registrar of his power to exercise discretion in appropriate cases. This Court is of the opinion that the first option, empowering the Assistant Registrar to exercise the discretion in appropriate cases on the merits of the grounds put forward for extension of time, is the one to be preferred.”
- “28. With these observations, the petition is allowed. Sub-rule (2) of Rule 50 is declared to be 'directory'. It is also held that the Assistant Registrar does have power to grant extension of time in light of the merits contained in the grounds on which the extension is sought for. In the consequence, order impugned dated 29.06.2005 is hereby quashed and set aside. The matter is remitted back to the appropriate authority for its consideration afresh. Rule is made absolute with no order as to costs.” (Emphasis supplied)

Relevant Judicial Decisions (Contd.)

- ❖ ***Jagatjit Industries Ltd. v. Intellectual Property Appellate Board & Ors.* [(2016) 4 SCC 381]**
 - “16. ...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.”

- ❖ ***Adhya Kumar v. Mulligan Concept Teachers Association & Anr.* [OA/14/2018/TM/CHE]**
 - “16. ...Therefore, the Registrar cannot separately adjudicate the point of the extension of time as an interlocutory proceedings after the completion of the evidence between the parties when the matter is ripe for final hearing which is not as per the intent and spirit of section 131 of the Act, However, if the parties file an interlocutory application seeking condonation of delay to place evidence on record by pleading special reasons as sufficient cause and call upon the registrar to adjudicate upon those reasons, the registrar may consider those special reasons as sufficient cause while granting the extension of time at the relevant stage of the proceedings and in the said context appoint a hearing at that stage only if it is opposed by the opposite party and not at the final stages of the proceedings.”

Relevant Judicial Decisions (Contd.)

❖ ***Sahil Kohli v. Registrar of Trade Mark & Ors. [OA/6-8/2018/TM/DEL]***

- *“19. It is submitted before us that the Registrar has failed to appreciate that there is no time expressly provided in the Act for filing evidence under Rule 45 of the rules. Though the Central Government has power to make rules under Section 157 of the Act including with respect to submission of evidence and the time there for under sub-section (4) of Section 21, the time prescribed by rules cannot treated as time expressly provided in the Act.”*
- *“49. Upon combined reading of Section 21 read with Section 131 and Rule 45 is made then the following interpretation emerges there from:*
 - 8 *(a) That Section 21(4) of the Trade Marks Act, 1999 provides that any evidence which the opponent or the applicant may rely upon, shall be submitted in a prescribed manner and within prescribed time to the Registrar and the Registrar shall give an opportunity to them to be heard if they so desire...”*

Relevant Judicial Decisions (Contd.)

❖ *Sahil Kohli v. Registrar of Trade Mark & Ors.* [OA/6-8/2018/TM/DEL] [Contd.]

“(b) That as per Section 21(5) of the Trade Marks Act, 1999, the Registrar shall after hearing the parties, if so required and considering the evidence, decide whether and subject to what conditions and limitations, the registration is to be permitted and may take into account a ground of objection whether relied upon by the opponent or not...”

*“(e) The combined effect of reading of Section 21(4) of the Trade Marks Act, 1999 and Section 131(1) of the Trade Marks Act, 1999 makes it clear that the **Registrar is within its discretion to extend the time period which is not specifically provided under the Act for doing any act.** The filing of the evidence in support of the opposition is such act for which no time limitation has been provided by the Trade Marks Act but by the Rules, for which the Registrar is within its discretion to extend the time period.”* (Emphasis supplied)

Relevant Judicial Decisions (Contd.)

- ❖ ***Sahil Kohli v. Registrar of Trade Mark & Ors.* [OA/6-8/2018/TM/DEL] [Contd.]**
 - “56. *The restrictive interpretation on the assumption that the Registrar has no discretion left for condoning the time period for filing the evidence in support of the opposition and the only consequence left is the operation of Rule 45(2) in the form of abandonment of opposition is clearly making the provisions of Section 131 as otiose and redundant, therefore, it is necessary to adopt the interpretation, wherein the discretion is left with the Registrar to condone the time period for filing the evidence in support of the opposition so as to make the provisions of Section 131 of Trade Marks Act, 1999 workable and continue to apply with respect to those acts for which the time limitation is not provided by the Act for doing any act.*”
- ❖ ***Hastimal Jain v. Registrar of Trade Marks & Anr.* [83 (2000) DLT 249]**
 - “21. *Of course it must immediately be clarified that the Registrar has to exercise his powers judicially and for valid reasons.*”

Relevant Judicial Decisions (Contd.)

- ❖ ***Torrent Pharmaceuticals Limited v. The Registrar of Trade Marks & Ors.* [OA/76/2020/TM/DEL]**
 - “22....the changes which have been brought in Rule 45 of Trade Mark Rules which removes the restrictions on the powers of the Registrar to condone the delay, whereby the Registrar will continue to enjoy the discretion to condone the delay since the restriction earlier before the Amendment to condone the delay only for one month, is done away with, through the amendment.”

- ❖ ***Dharamsi Morarji Chem. Co. Ltd. v. T.J. Fertilizers* [2002 (24) PTC 10 Guj]**
 - “15. ... the embargo is only against the time provided under the Act and not under Rules, meaning thereby that if the Registrar is satisfied in a given case, he may extend the time even if the extension of time was not subject before the expiry of two months period and the same is sought after the expiry of the period of two months.”

Relevant Judicial Decisions (Contd.)

- ❖ ***Kumar Dal Mills v. Bansi Lal Aggarwal* [2006 (33) PTC 405 IPAB]**
 - *“8. Sufficient caution has been exhibited to note that wherever there is lack of bona fides or attempt to hoodwink the Court by the party concerned who has come forward with an application for condonation of delay, in such cases, no indulgence should be shown by condoning the delay applied for. It is also quite clear to the fact that it is not the number of days of delay that matters, but the attitude of the party which caused the delay. In other words, when the Court finds the party who failed to approach the Court within the time stipulated comes forward with an explanation for condoning the delay, the Court, if satisfied with the delay occasioned not due to the deliberate conduct of the party, but, due to any other reason, then by sufficiently compensates the prejudice caused to the other side monetarily, the condonation of delay can be favourably ordered.”*

Conclusion

- ❖ To reiterate, Section 131 expressly limits the Registrar’s powers to condone delay where time is provided expressly in the Act. However, the rules of interpretation adopted by various courts show that the Trade Mark Rules, 2017 (enforced under Section 157 of the 1999 Act) does not fall under the meaning of “Act” under the parent statute.
- ❖ The statutory limitation is only to the extent that there is no outer time limit provided under the 1999 Act.
- ❖ Further, Section 131 (2) also provides that there is no necessity for the Registrar to conduct a hearing before a grant is provided.
- ❖ The 2017 Rules, function to the extent that they are ‘harmoniously constructed’ to the parent provision – so as to guide in the dispensation of justice.
- ❖ There is no uniformity in the various judgements we have analysed and the jurisprudence is still evolving. However, the phrase “sufficient cause” is to be interpreted as an exception to the rule.

THANK YOU!

Questions?

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