

Visa International Ltd vs Visa International Service ... on 2 August, 2024

IN THE HIGH COURT AT CALCUTTA
ORIGINAL SIDE
[COMMERCIAL DIVISION]

Present:

The Hon'ble Justice Krishna Rao

IPDTMA No. 82 of 2023
With
IA No. GA-COM 1 of 2024

Visa International Ltd.

Versus

Visa International Service Association & Anr.

&

IPDTMA No. 83 of 2023
With
IA No. GA-COM 1 of 2024

Visa International Ltd.

Versus

Visa International Service Association & Anr.

&

IPDTMA No. 1 of 2024

Garden Silk Mills Private Limited

2

Versus

Rajesh Mallick & Ors.

Mr. Debnath Ghosh
Mr. Biswaroop Mukherjee
Ms. Vaibhavi Pandey
Mr. Rahul Poddar

... For the appellant in IPDTMA 82
of 2023 & IPDTMA 83 of 2023.

Mr. Debnath Ghosh
Mr. Biswaroop Mukherjee
Ms. Vaibhavi Pandey
Mr. Rahul Poddar

... For the appellant in
IPDTMA 1 of 2024.

Mr. Ranjan Bachawat, Sr. Adv.
Mr. Soumya Ray Chowdhury
Ms. Pubali Sinha Chowdhury
Mr. Sagnik Bose
Ms. Mini Agarwal

... For the respondent no. 1 in
IPDTMA 82 of 2023 & IPDTMA 83 of 2023.

Mr. Sunil Singhania

... For the respondent no. 2 in
IPDTMA 82 of 2023

Mr. N.L. Singhania
Mr. Dibashis Basu
Mr. Arun Bandyopadhyay

... For the respondent no. 2 in
IPDTMA 83 of 2023

3

Mr. Shuvasish Sengupta
Mr. Souvik Ghosh

... For the respondent nos. 1 & 4 in
IPDTMA 1 of 2024

Mr. Ranjan Kr. Sinha
Mrs. Sanjukta Gupta

... For the respondent no. 5 in
IPDTMA 1 of 2024

Hearing Concluded On : 19.07.2024

Judgment on : 02.08.2024

Krishna Rao, J.:

1. In all the three appeals, a similar question is raised by the Learned Counsel for the appellants whether the Associate Manager of Trademark is empowered to pass the impugned order, accordingly, all the three appeals have been taken up together for hearing.

2. IPDTMA 82 of 2023 is an appeal under Section 91 of the Trade Marks Act, 1999 against the order dated 16th September, 2023, passed by Shraman Chattopadhyay, Associate Manager of Trade Marks in an opposition filed under No. 236324 against the application No. 1363190 in Classes 06 and 35.

3. IPDTMA 83 of 2023 is an appeal under Section 91 of the Trade Marks Act, 1999 against the order dated 16th September, 2023, passed by Shraman Chattopadhyay, Associate Manager of Trade Marks in an opposition filed under No. 236325 against the application No. 1363190 in Classes 06 and 35.

4. IPDTMA 1 of 2024 is an appeal under Section 91 of the Trade Marks Act, 1999 against the order dated 6th October, 2023, passed by Saurabh Dubey, Associate Manager of Trade Marks in an opposition filed under No. 727989 against the application No. 1536319 for registration of the mark "HANDLOOM GARDEN" (Device) in Class 35.

5. Though the appellants have filed their respective appeals challenging the order passed by Associate Manger of Trade Marks on merits but the Learned Counsel for the appellants has argued the matter only on the ground that the Associate Managers of Trade Marks who have passed the impugned orders are neither authorized under law nor competent to pass such order.

6. Mr. Debnath Ghosh, Learned Advocate representing the appellants has handed over a copy of the order No. CGPDTM - 11036 (13)/1/2021- CGTMR/109 dated 13th April, 2022 wherein Shri Shraman Chattopadhyay was appointed as Hearing Officer in Trade Marks Registry, purely on contract basis upto the period of 31st March, 2023. In Clause (ix), it is mentioned that "no further continuation beyond the period of 31st March, 2023 can be claimed".

By referring the said order, Learned Counsel for the appellants submits that the contractual period of Mr. Shraman Chattopadhyay was only upto on 31st March, 2023 but the impugned order was passed on 16th September, 2023 i.e. beyond the period of his appointment and thus the order cannot sustain and liable to be set aside as the said Associate Manager of Trade Marks was not having any jurisdiction to pass such order.

7. Mr. Ghosh relied upon the order No. CGPDTM-17031(11)/4/2021- CGTMR/29 dated 9th June, 2023 and submitted that by the said order, altogether six officials of the Trade Marks Registry have been assigned several powers and duties including hearing of show cause matters and authorized to dispose of trademark applications, conducting hearing and adjudicate other matters and pass speaking orders. He submits that in the said order, Associate Manager of the Trade Marks Registry have not been assigned any power or duties to conduct hearings and adjudicate matters and passed speaking orders.

8. Mr. Ghosh also handed over the organizational structure of the Trade Marks Registry and submitted that in the said organizational structure also there is no mention of the Post of Associate Manager of Trade Marks Registry.

9. Mr. Ghosh has also handed over the notification dated 17th February, 2011 wherein in exercise of powers conferred by the proviso to Article 309 of the Constitution of India, the Trade Marks Registry has notified Recruitment Rules of several posts which shows the hierarchy of each post and in the said Recruitment Rules, there is no post of Associate Manager, Trade Marks is available.

10. Learned Counsel for the appellants relied upon the judgment in the case of Hindustan Zinc Limited (HZL) -vs- Ajmer Vidyut Vitaran Nigam Limited reported in (2019) 17 SCC 82 and submitted that it is settled law that if there is an inherent lack of jurisdiction, the plea can be taken up at any stage and also in collateral proceedings.

11. Learned Counsel for the appellants relied upon the judgment in the case of Rajasthan State Industrial Development and Investment Corporation -vs- Subhash Sindhi Cooperative Housing Society, Jaipur & Ors. reported in (2013) 5 SCC 427 and submitted that the word "void" is used in the sense of incapable of ratification. A thing which is found non est and not required to be set aside, though it is sometimes convenient to do so. There would be no need for an order to quash it. It would be automatically null and void without more ado. The continuation orders would be nullities too, because no one can continue a nullity.

12. Learned Counsel for the appellants relied upon the judgment in the case of Noor Mohammad -vs- Khurram Pasha reported in (2022) 9 SCC 23 and submitted that it is well known principle that if a statute prescribes a method or modality for exercise of power, by necessary implication, the other method of performance are not acceptable.

13. Learned Counsel for the appellants relied upon the judgment in the case of Intellectual Property Attorneys Association -vs- Union of India reported in 2014 SCC OnLine Del 1912 and submitted that on reading of the scheme of registration in the Trade Marks Act, the power vested in the Registrar of Trade Marks is quasi judicial powers.

14. Per contra, Mr. Ranjan Bachawat, Learned Senior Advocate representing the respondent no.1 submits that the appellants have filed the present appeal under Section 91 of the Trade Marks Act, 1999 and if the appellant is of the view that the Officer who has passed the order is not competent to pass such order, in that event, the appeal preferred by the appellant is not maintainable.

15. Mr. Bachawat submitted that by way of a public notice, Hearing Officers have been appointed purely on contractual basis for the purpose to hear the contested matters (pending under opposition proceeding) relating to trade mark applications and dispose of the opposition by passing reasoned decision/order as per provisions of the law. He submits that pursuant to public notice, a walk-in-interview was conducted and by an office order dated 27th May, 2022 and by a due process of law, Mr. Shraman Chattopadhyay was appointed as Hearing Officer.

16. Mr. Bachawat has placed an officer order No. CG/Office Order/2022- 23/139 dated 28th November, 2022 wherein in pursuance of powers conferred upon the Controller General of Patents, Designs and Trade Marks by sub-section (2) of Section 3 of Trade Marks Act, 1999, directed that the various functions of Registrar shall be delegated through the e-module of the TMR System upon the directions of the Registrar by the System Administrator.

17. Mr. Bachawat also handed over the officer order No. CGPDTM-17031 (11)/1/2021-CGOFFICE/439 dated 24th May, 2023 wherein the Head Offices of Trade Marks Registry, Ahmedabad, Chennai, Delhi, Kolkata and Mumbai are authorized to allocate/assign works to contractual manpower deployed at their locations through QCI. In addition, Head Office, TMR Mumbai is also authorized to allocate/assign the work to the contractual manpower deployed through QCI at PIS/RGNIIPM, Nagpur which is declared as outstation unit of TMR Mumbai.

18. Mr. Bachawat has relied upon an e-mail dated 5th July, 2023 wherein the details of QCI Officials for Module Allotment have been forwarded in which the name of Mr. Shaurabh Dubey is appearing at Serial No. 3. Mr. Bachawat also handed over an e-mail dated 14th June, 2023 wherein Shri Saurabh Dubey is appointed as Associate Manager with effect from 26th June, 2023.

19. Mr. Bachawat has also handed over two office order Nos. 196 and 197 dated 27th May, 2022 wherein consequent to completion of training at RGNIIPM, Nagpur, several contract Hearing Officers have been appointed in which the name of Mr. Shraman Chattopadhyay is appearing at serial no. 26 in order no. 196 dated 27th May, 2022.

20. Mr. Bachawat relied upon the judgment in the case of J.K. Medical System Private Limited & Ors. -vs- Union of India & Ors. reported in Manu/TN/5856/2023 and submitted that Trade Marks Act does not enclose fetters on the power of the Central Government to appoint and authorize officers of any designation to undertake quasi judicial functions.

21. Mr. Bachawat relied upon the judgment in the case of B. Premanand & Ors. -vs- Mohan Koikal & Ors. reported in (2011) 4 SCC 266 and submitted that the literal rule of interpretation really means that there should be no interpretation, in other words, we should read the statute as it is, without distorting or twisting its language.

22. Mr. Bachawat relied upon the judgment in the case of The Registrar Trade Marks & Anr. -vs- Kumar Ranjan Sen & Ors. reported in 1965 SCC OnLine Cal 33 and submitted that superintendence and direction in sub-section (2) of Section 4 obviously refers to administrative superintendence and direction. The Registrar cannot possibly give directions to the Officers as to how and what manner they should decide the particular case. He submits that no insuperable difficulty in giving the Registrar administrative superintendence over Officers who do not occupy the Office of Registrar but are to be deemed to exercise some of his power and thus function as a Registrar of certain purposes.

23. Mr. Bachawat relied upon the judgment in the case of N. Mani -vs- Sangeetha Theatre & Ors. reported in (2004) 12 SCC 278 and submitted that it is well settled that if an authority has a power

under the law merely because while exercising the power the source of power is not specifically refers to or a reference is made to a wrong provision of law, that by itself does not vitiate the exercise of power so long as the power exist and can be traced to a source available in law.

24. Mr. Bachawat relied upon the judgment in the case of State of Punjab & Ors. -vs- Gurdev Singh reported in (1991) 4 SCC 1 and submitted that if an act is void or ultra vires it is enough for the court to declare it so and it collapses automatically, need not to be set aside.

25. Mr. Bachawat relied upon the judgment in the case of Prasun Roy -vs- Calcutta Metropolitan Development Authority & Anr. reported in (1987) 4 SCC 217 and submitted that if the parties to the reference either agree beforehand to the method of appointment, or afterwards acquiesce in the appointment made, with full knowledge of all the circumstances, they would be precluded from objecting to such appointment as invalidating subsequent proceeding. He submits that attending and taking part in the proceedings with full knowledge of the relevant fact will amount to such acquiescence.

26. Heard the Learned Counsel for the respective parties, perused the materials on record and the judgments relied by the parties.

27. Section 3 of the Trade Marks Act, 1999, reads as follows:

"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 authorise them to discharge.

As per Sub-Section 1 of Section 3 the Controller-General of Patents, Designs and Trade Marks is the Registrar of Trade Marks. Sub- Section 2 of Section 3 indicates that the other officers, who are appointed by the Central Government to exercise the function of the Registrar, should undertake such functions only if they are authorized by the Registrar.

28. Section 2(2)(d) of the Trade Marks Act, 1999, reads as follows:

"2(2)(d). to the Registrar shall be construed as including a reference to any officer when discharging the functions of the Registrar in pursuance of sub-section (2) of Section 3."

In the case of J.K. Medical Systems Pvt. Ltd (Supra), the Madras High Court has considered Sub-Section 2 of Section 3 of the Trade Marks Act, 1999 and held that:

(i) The use of the expression "other officers"

indicates that these are officers other than the Registrar/CGPDTM, albeit the word "officers"

indicates that they should be from the cadre of officers.

(ii) The appointment of other officers by the Central Government should be for purposes of discharging the functions of the Registrar under the Trade Marks Act. This is clear from the expression "for the purpose of discharging... such functions of the Registrar under this Act".

(iii) The use of the expression "with such designations as it thinks fit" indicates that there are no fetters or limitations with regard to the designation of the officers appointed by the Central Government for the above purpose. Consequently, the Central Government may appoint officers of any designation to perform the functions of the Registrar. In effect, this means that even officers with the designation of Senior Examiner or Examiner may be appointed for the purpose of discharging the functions of the Registrar.

(iv) sub-section 2 prescribes the requirement that the other officers appointed to discharge the functions of the Registrar are required to function under the superintendence and direction of the Registrar. This leads to the question whether quasi-judicial functions can be exercised by an officer of the Trade Mark Registry under the superintendence and direction of the Registrar/ CGPDTM. The obvious answer is that quasi-judicial functions are required to be performed independently and not subject to the superintendence and direction of any other person, including the Registrar. It could be contended, on such basis, that sub-section 2 of Section 3 is only intended to empower the delegation of administrative powers and not quasi-judicial powers. If the Trade Marks Act had incorporated any other provision relating to delegation of quasi-judicial powers, such interpretation could have been countenanced. In the absence of any other provision enabling delegation of power in the Trade Marks Act, such interpretation would result in the breakdown of the Trade Marks Act especially in view of the fact that the Registrar is defined as the CGPDTM and one individual certainly cannot perform all the quasi-judicial functions under the Trade Marks Act. Therefore, the only reasonable interpretation of the expression "under the superintendence and direction of the Registrar" is that this would apply to all administrative functions undertaken by officers, other than the Registrar, but not to quasi-judicial functions.

(v) The use of the expression "as he may from time to time authorise them to discharge" in sub-section 2 of Section 3 indicates that the other officers, who are appointed by the Central Government to exercise the functions of the Registrar, should undertake such functions only if they are authorized by the Registrar.

The Madras High Court has also considered Sub-Sections 4 and 5 of Section 18 of the Trade Marks Act, 1999 and held that:

"(4) Subject to the provisions of this Act, the Registrar may refuse the application or may accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may think fit.

(5) In the case of a refusal or conditional acceptance of an application, the Registrar shall record in writing the grounds for such refusal or conditional acceptance and the materials used by him in arriving at his decision.

Sub-section 4 prescribes that the Registrar is empowered to refuse, accept absolutely or conditionally any application for registration of a Trade Mark subject to the provisions of the Trade Marks Act. When read with sub-

section 2 of Section 3, as interpreted earlier, this power of the Registrar may be delegated to any officer appointed by the Central Government to exercise the powers of the Registrar, provided the Registrar, in turn, authorizes such officer to exercise such powers. Since sub-section 2 of Section 3 also empowers the Central Government to appoint and authorize an officer of any designation as it thinks fit, the inference that follows is that the Senior Examiner may be appointed and authorized to exercise the functions of the Registrar under Section 18.

Once so authorized, as per sub-section 4 of Section 18, the Senior Examiner may accept the application for advertisement, conditionally or absolutely, or refuse the application. Neither Section 18 nor Section 3 impose any restrictions with regard to the power of refusal by a Senior Examiner, who is appointed by the Central Government to exercise the power of the Registrar and is thereafter authorized by the Registrar to exercise powers under sub-section 4 of Section 18."

29. In the case in hand, the impugned orders passed by Associate Managers. By a Public Notice dated 21st December, 2021, applications were invited from the eligible candidates for hiring as Hearing Officers purely on contract basis. In the said notice, it was also clarified that selected candidates are accepted to hear the contested matters (pending under opposition proceeding) related to Trade Marks applications and dispose the opposition by passing reasoned decision /order as per the provision of law. The candidates who have applied for the said post and who have been selected, the selected candidates were sent for training at RGNIIPM, Nagpur and on completion of training, they were appointed as Hearing Officers on contractual basis. On 13.04.2022, an Offer of Engagement was issued to Shri Shraman Chattopadhyay. In the said Offer of Engagement in clause (ix) it is mentioned that "No further continuation beyond the period of 31/02/2023 can be claimed". On 27th May, 2022, Shri Shraman Chattopadhyay was engaged as Contract Hearing Officer along with others. Mr. Saurabh Dubey was engaged as Associate Manager on contractual basis on 14th June, 2023.

30. The Controller General of Patents, Designs and Trade Marks by an office order dated 28th November, 2022 under sub-section (2) of Section 3 of the Trade Marks Act, 1999 delegated the various functions of Registrar through e-module of the Trade Marks Registry System upon the directions of the Registrar by the System Administrator. On 24th May, 2023, the Head Offices of the Trade Marks Registry are authorized to allocate/assign works to contractual manpower deployed at

their locations through Quality Council of India (QCI).

31. By an order dated 14th June, 2023, Mr. Saurabh Dubey has been engaged as Associate Manager on contractual basis.

32. In the case of Intellectual Property Attorneys Association -vs- Union of India & Ors. reported in 2014 SCC OnLine Del 1912, the Division Bench of the Delhi High Court held that the power vested in the Registrar of the Trade Marks under the Trade Marks Act is a quashi judicial power.

33. The expression "other officers" in sub-section (2) of Section 3 of the Trade Marks Act indicates that the officers other than the Registrar/Controller General of Patents and Designs and Trade Marks, the word "officers" indicates that they should be from the cadre of officers. The appointment of other officers by the Central Government should be for the purpose of discharging the functions of Registrar under the Trade Marks Act, 1999, this is clear from the expression for the purpose of discharging, under the superintendence and direction of Registrar under this Act.

34. The use of expression with such designation as it thinks fit indicates that there are no fetters or limitation with regard to designations of the officers appointed by the Central Government for the said purpose. The Central Government may appoint officers of any designation to perform the functions of the Registrar. Sub-Section (2) of Section 3 prescribes the requirement that the other officers appointed to discharge the functions of the Registrar are required to function under the superintendence and direction of the Registrar. The quashi judicial functions are required to be performed independently and not subject to the superintendence or direction of any other person including the Registrar. Sub-Section (2) of Section 3 is only intended to empower the delegation of administrative power and not quashi judicial power.

35. In the present case, admittedly, the Registrar, Trade Marks has not passed the order. In IPDTMA No. 82 of 2023 and IPDTMA No. 83 of 2023, the impugned order is passed by Shri Shraman Chattopadhyay, who is the Associate Manager of the Trade Marks, who has been engaged purely on contract basis and as per his Offer of Engagement dated 13th April, 2022, it is mentioned that "no further continuation beyond the period of 31st May, 2023 can be claimed". But the impugned orders in IPDTMA No. 82 of 2023 and IPDTMA No. 82 of 2023 are passed on 16th September, 2023, and the respondents have not produced any order to establish that his engagement was extended beyond 31st May, 2023 and he was the Associate Manger on 16th September, 2023. In IPDTMA No. 1 of 2024, the impugned order was passed by one Shri Saurabh Dubey on 6th October, 2023 as Associate Manager.

36. The Learned Counsel for the appellants has produced the Recruitment Rules of the Trade Marks and geographical indication Registry (Registrars and Examiners), Recruitment Rules, 2011 wherein no Post of Associate Manager is available.

37. The Registrar dealing with an application under the Trade Marks Act is a quashi judicial and delegation of power under sub-section (2) of Section 3 is an administrative power and as such the Associate Managers appointed under sub-section 2 of Section 3 are not empowered to pass quashi

judicial orders. In addition to this, on 16th September, 2023, Mr. Shraman Chattopadhyay was even not holding the Post of Associate Manger in terms of the offer of engagement dated 13th April, 2022.

38. In view of the above, the impugned orders passed by Mr. Shraman Chattopadhyay dated 16th September, 2023 and the order passed by Saurabh Dubey dated 6th October, 2023 are set aside and quashed.

39. As this Court has not gone into the merit of the matter and this Court has only decided the said issue whether the Associate Manager are entitled to pass quashi judicial order or not and as such, accordingly, the matters are remanded to the Registrar, Trade Marks to decide the matter afresh by a competent officer after giving an opportunity of hearing to all the parties.

40. The Registrar or any competent officer is directed to dispose of the matter within a period of six months from the date of receipt of this order.

41. IPDTMA No. 82 of 2023, IPDTMA No. 83 of 2023 and IPDTMA No. 1 of 2024 are allowed. Accordingly, GA-COM 1 of 2024 of IPDTMA No. 82 of 2023 and GA-COM 1 of 2024 of IPDTMA No. 83 of 2023 stands disposed of.

(Krishna Rao, J.)