

MANU/DE/4819/2009

Equivalent Citation: 2009(41)PTC385(Del)

IN THE HIGH COURT OF DELHI

W.P. (C) No. 2157/2008

Decided On: 15.07.2009

Appellants: **Classic Equipments (P) Ltd.**
Vs.

Respondent: **Johnson Enterprises and Ors.**

Hon'ble Judges/Coram:

G.S. Sistani, J.

Counsel:

For Appellant/Petitioner/Plaintiff: Prathiba M. Singh, Adv.

For Respondents/Defendant: Amit S. Chadha, Sr. Adv., S.K. Bansal and Ajay Amitabh Suman, Adv.

Subject: Intellectual Property Rights

Disposition:

Petition dismissed

Case Note:

Intellectual Property Rights - Registration of assignment of trademark - Section 45 of Trade Marks Act, 1999 - Section 44 of Trade and Merchandise Marks Act, 1958 - Registrar allowed request of first Respondent for recordal of subsequent proprietor made on Form TM 24 by virtue of assignment of registered mark - However Appeal against said order was dismissed by Board - Hence, this Petition - Whether there was any infirmity in order passed by Board - Held, no proceedings were initiated by Assignor before any Competent Court of jurisdiction for determination of its rights or with respect to validity or cancellation of assignment Deed - Thus no rights could have been determined by Competent Court and there was no occasion for Registrar to refuse to register assignment until rights of parties had been determined by Competent Court - Further except letter of cancellation, Petitioner/assignor did not place any material on record before Registrar till assignment Deed was registered or any material to show that any steps had been taken or were in process of being taken in Court of Law - In case of dispute between assignor and assignee Registrar might refuse to register assignment until rights of parties had been determined by Competent Court - Although no time limit had been fixed, yet Registrar could await for decision if some dispute was pending adjudication in Competent Court - Therefore it could not be said that mere revocation of an assignment Deed was dispute with regard to validity of an assignment - Taking into consideration that there was no legal infirmity in Deed of assignment, Petitioner had not approached Civil Court for cancellation of assignment Deed and in absence of any material on record to show that any dispute was pending between assignor or assignee with respect to assignment deed, Court found no infirmity in order passed by Board - Petition dismissed.

Ratio Decidendi

"Registration of assignment of trademark shall not be refused in absence of any material to show that any dispute was pending between parties with respect to assignment deed."

JUDGMENT

G.S. Sistani, J.

1. The present petition has been filed for issuance of a writ of certiorari or any other appropriate writ, order or direction quashing/setting aside the order dated 22.2.2008 passed by the Intellectual Property Appellate Board (hereinafter, referred to as 'Board') and the order dated 13.12.2002 passed by the Deputy Registrar of Trade-marks.

2. The brief facts which have given rise to the controversy between the Petitioner and Respondent No. 1 are as under:

(A) The Petitioner herein is a private limited company belonging to the family headed by Shri Muni Lal Jain. Respondent No. 1 is a partnership firm belonging to the family headed by Sh. V.K. Jain. Family disputes among the four families comprising the Johnson group were sought to be resolved and a Memorandum of Partition (for short MoP) was entered into on 12.03.1999 amongst the four brothers. It is the case of the Petitioner that the four brothers referred the question of finalization and settlement of all family matters to two arbitrators vide the letter of appointment dated 13.05.2001.

The Petitioner herein assigned to the first Respondent all its rights in the trade mark JOHNSON vide an Assignment Deed Dated 1.4.1999. The grievance of the Petitioner is that the first Respondent in breach of the understanding and obligations comprised in the memorandum of partition (MoP) filed the application for recordal alongwith deed of assignment with the Trade Marks Registry without disclosing the memorandum of partition. Petitioner thereupon served upon the first Respondent a letter of revocation dated 15.05.2000. The further grievance of the Petitioner is that despite the revocation of the deed of assignment, the Registrar proceeded to take on record the deed of assignment vide his first order dated 19.07.2000. A review petition was filed by the Petitioner for recall of the said order on the ground that the order had been passed in violation of the principles of natural justice. Review applications were allowed and hearing on form TM-24 was fixed.

Finally vide orders dated 13.02.2002, the Registrar allowed the request for recordal of subsequent proprietor made on Form TM 24 dated 17.06.1999 by virtue of assignment of the registered mark Nos. 195359 and 319955. Aggrieved by the said orders, the Petitioner filed an appeal before the High Court of Delhi and in terms of Section 100 of the Trade Marks Act, 1999. The said appeal was transferred to the Board. The board upon hearing the parties dismissed the appeal.

3. Against the order dated 22.2.2008 passed by the Board, the Petitioner has approached this Court by filing the present petition. The Petitioner has assailed the order of the Board on the ground that the Board has erred in holding that there were no disputes with regard to the validity of the assignment in terms of Section 44 of the Trade and Merchandise Marks Act, 1958 (corresponding to Section 45 of the Trade Marks Act, 1999) and accordingly there was no question of the proviso to the said Section being applicable in the present case. Learned Counsel for the Petitioner further submits that exercise of jurisdiction of the learned Registrar of Trade-marks as well as the Board is quasi judicial in nature and not a mechanical exercise without application of mind and without following the principles of law. It is strongly urged before this Court that the Board has failed to appreciate that once the assignment had been revoked and notice of revocation had been given to the Registrar, assignment could not have been recorded to the detriment of the Petitioner. Learned Counsel for the Petitioner submits that the Board has failed to appreciate that the assignment deed dated 1.4.1999 entered into between the Petitioner and Respondent No. 1 suffers from various legal infirmities, making the document void ab initio and unenforceable in law. Furthermore, there is a deliberate breach on the part of Respondent No. 1 of the terms of the Memorandum of the Partition dated 12.3.1999 which according to the Petitioner forms the basis of the deed of assignment dated 1.4.1999 entered into between the Petitioner and Respondent No. 1. The acts of breach pertain to non-payment of the consideration of Rs. 2.0 lacs as provided in the Memorandum of Partition and interference with the rights of M/s. Blumac Electrical India. It is also contended that the deed of assignment sought to assign goods in excess of those actually entered in the register or envisaged in the Memorandum of Partition.

4. It has also been submitted that the Board has failed to take note of the fact that the Memorandum of Partition provided for the partition of the family property including the trade-mark rights and thus the Registrar ought to have held that the deed of assignment was a corollary to the Memorandum of Partition. Learned Counsel has also strongly urged before this Court that the finding - the Memorandum of Partition was only draft Memorandum and thus cannot have an overriding effect over and above the assignment - was beyond the jurisdiction of the learned Registrar. In support of the contention that the procedure for registration of assignment by no means can be regarded as purely an administrative proceedings and that the Registrar while discharging his duties in such cases performs quasi judicial functions whereby he decides prima facie rights of the parties and that the procedure for registration of assignment is not a mere formality in view of the proviso to Section 45(1). Learned Counsel has relied upon (i) Radha Kishan Khandelwal v. Assistant Registrar of Trade Marks and Ors. MANU/DE/0059/1969 : AIR 1969 Delhi 324 (para 26) (ii) Cott Beverage Inc. v. Silvassa Bottling Company 2004 (29) PTC 679 (para 19) (iii) Report of Joint Committee Published in Part-II, Section 2 of the Gazette of India, Extraordinary dated the 26th March, 1958. (Page 744/26).

5. Learned Counsel for the Petitioner has further submitted that the Registrar has to exercise his discretion judicially in furtherance to the cause of the legislative provisions under the discretionary power. And keeping in view the provisions of Section 45(1) of the Trade Marks Act, and the proviso thereto, it is the duty of the Registrar to adjudge that there should be a real and bona fide dispute between the parties barring any artificial or raising of frivolous issues by one party against the other, only to stall registration of a bona fide subsequent claim by abusing the process of law. The Registrar cannot decide complicated questions of fact and law and he must wait for the decision of the competent Civil Court. Accordingly, the Registrar only has to ascertain on a prima facie consideration whether there was any dispute at all and has relied upon (i) Forward Auto

manupatra Industries v. Brakes International PTC Suppl. (1) 858 (para 15, 16), (ii) K.L. Rajakrishnan v. Parthas Textiles, Kottayam 1997 PTC (17) 205 (para 29) (iii) Kohimoor Paints Faridabad (P) Ltd. v. Paramveer Singh and Anr. 1996 PTC (16) 69 (para 6), (iv) Devendra Kumar and Anr. v. Vitthal Prasad and Ors. 2006 (32) PTC 835 (para 5).

6. Learned Counsel for the Petitioner has also laid stress on the definition of the word 'dispute' which according to her envisages a controversy, a contest by opposing argument and expression of opposing view of claims. Learned Counsel contends that dispute would mean a conflict or contest and would arise whenever there are conflicting claims and in support of this pleas she relies on Brakes International v. Tilak Raj Baqqa and Anr. 1997 PTC (17) 591 (para 21-24).

7. Learned Counsel has laboured hard in drawing the attention of the Court on the assignment deed dated 1.4.1999 to show that the assignment deed has origin in the Memorandum of Partition entered into by the four brothers of Jain family. She submits that as per Clause 1.1 of the Addendum to the Memorandum of Partition the Petitioner had assigned the mark 'JOHNSON' bearing registration No. 197997 B in class 9, 319955 in class 11, and 195359 in class 21, and also various pending applications at that time pertaining to the mark 'JOHNSON' in various classes, namely, 398343 in class 7, 319954, 398341 and 390169 in class 9, 398342 in class 11, and 319953 in class 21 for wider specification of goods in the respective classes, in favour of Respondent No. 1. The Clause 1.1 of Addendum to Memorandum of Partition reads as under:

1.1 In reference to Para 3.3 of Memorandum of Partition it is further clarified that the Trade Mark registration will be assigned by Classic Equipments (P) Ltd. to the Head receiving Trade Mark and Trading items in Group-A, as under:

(a) Trade Mark No. 195359 (in Class-21)--This trade mark registration will be assigned to Group-A in favour of respective Head.

(b) Trade Mark No. 319953 (in Class 21)--This Trade mark covers the same items as covered in above Registration No. 195359 (in Class -21). This Trade Mark will be assigned to the Head receiving enamel Wares and Non-Stick wares in Group-A, to cover the items of enamel wares and non stick wares subject to a declaration by the Head receiving Enamel wares, that he will in no circumstances claim any item for registration except enamel wares and non-stick wares.

(c) Trade Mark No. 197997B (in Class-9)--This trade mark registration will be assigned to Group-A in favour of respective Head.

(d) Trade Mark No. 319955 (in Class-11)--This trade mark registration will be assigned to Group-A in favour of respective Head.

(e) Trade Mark No. 197998B (in Class-11)--This trade mark will be a retained by Classic Equipments (P) Ltd. to cover the item of instant geysers.

8. It is contended by counsel for the Petitioner that the very fact that this Assignment Deed, dated 01.04.1999, entered into between the Petitioner and Respondent No. 1 owed its origin to the Memorandum of Partition entered into by the four brothers and/or that the latter was the basis/foundation of the former, is clearly and precisely set out in the recital of the said Assignment Deed which amongst other things, inter alia contained in the following:

WHEREAS the said Assignor has agreed that the said Assignee to transfer to him the exclusive use and benefits of the said trade marks as a result of family settlement....
(emphasis added)

9. It is urged before this Court that it is well settled that if a transaction is contained in more than one document, which are executed contemporaneously between the same parties, then they must be interpreted together with a view to find out the manifest intention of the parties and they have the same legal effect for all purposes as if they are one document.

10. Per contra, it is submitted by learned senior counsel for the Respondent that this Court while exercising jurisdiction under Articles 226 and 227 of the Constitution of India would not reverse a concurrent finding of fact which even a Civil Court in second appeal would not do.

11. Learned senior counsel for the Respondent submits that the role of the Registrar under Section 45 of the Trade Marks Act, 1999 is limited. He cannot go behind the terms of the assignment and he is only required to satisfy himself that in fact upon true constructions of the assignment deed there is in fact an assignment. In support of this submission counsel has placed reliance on (1928 (1) Chancery Division). Learned Counsel submits that it is only in case of dispute about the validity of the assignment between the parties, namely, the assignor and the assignee, the Registrar may refuse to register the assignment until the rights of the parties have been determined by a competent court. However, Learned Counsel does not dispute that the power of the Registrar under Section 45 of the Trade Marks Act, is quasi judicial in nature whereby he decides prima facie rights of the parties, namely, the assignor and the assignee, for which counsel relies upon

12. Learned Counsel for the Respondent has strongly urged before this Court that the deed of assignment can be compared to any other contract and the Registrar under Section 45 has to prima facie satisfy himself as to the validity/formation of the contract and questions with regard to the working of the contract are irrelevant for according satisfaction by the Registrar. Learned Counsel also submits that the dispute about the validity of the assignment can be raised only on the following principal grounds:

- (A) If one or more essential ingredients of a contract are absent.
- (B) That the assignment is invalid because of the provisions contained in Chapter V. i.e. Section 37 to 45 of the Trade Marks Act.
- (C) Violates Section 40 which prohibits creation of multiple exclusive rights as a result of assignment.
- (D) Violates Section 41 which prohibits an assignment which would result in creation of exclusive proprietary rights in different person in different parts of India for the same Trademark.

13. Learned senior counsel for Respondent No. 1 further submits that in the present case there is no dispute with regard to the validity of the contract of assignment nor violation of Sections 40 and 41 of the Trade-Mark Act have been pleaded or raised by the Petitioner. During the course of hearing Learned Counsel for the Petitioner in support of her plea with regard to pendency of the disputes which were raised has submitted that a suit filed by the Respondent against M/s. Blumac Electrical India is pending for revocation of assignment and another suit filed by M/s. Blumac Electrical India, is also pending. To contradict this plea of the Petitioner, Learned Counsel for the Respondent submits that none of the disputes sought to be raised are a subject matter in any of the proceedings which are pending nor the validity of the assignment Deed has been challenged. It is Submitted that the suit filed by the Respondent against M/s. Blumac Electrical India was not between the assignor and the assignee. With regard to the suit filed by the Respondent against the M/s. Blumac Electrical India, plaint was returned on 25.9.2000 for lack of jurisdiction. As far as the revocation of assignment is concerned, it is strongly pleaded that any subsequent revocation of an assignment cannot be a dispute with regard to the validity of the assignment. It has been strongly urged by Mr. A.S. Chadha, Senior Advocate that the assignment is a permanent transfer and after executing a deed of assignment an assignor, ceases to have any right, title or interest in the property assigned and in case of dispute, the assignor must approach the Civil Court to get the assignment cancelled under Section 31 of the Specific Relief Act. Learned Counsel submits that the assignment has been defined by the Supreme Court in MANU/SC/0195/1989 : AIR 1989 SC 1141 paragraph 10. Learned Counsel further relies on MANU/DE/0002/1992 : AIR 1992 Delhi 4, more particularly paragraphs 6 and 7, in support of his argument that on assignment of the trademark the assignee becomes the proprietor of the mark from the date of the execution of the assignment deed. Thus, an application to the Registrar to register the assignee as the registered proprietor is only an act in furtherance of the assignment. Registration of the name of the assignee as the registered assignee does not confer title on him, it is merely evidence of his title. It is further submitted that an assignment is irrevocable.

14. Counsel for the Respondent further submits that in the present case, the Petitioner/Classic has never invoked the jurisdiction of any Civil Court to seek cancellation of the assignment deed. The assignment deed is dated 01.04.1999. The letter alleging breach and as such giving a purported cause of action to Classic to seek cancellation is dated 15.05.2000. Assuming though not admitting that to be the latest date when the facts entitling the Plaintiff to have the instrument cancelled first became known to Classic under Article 59 of Limitation Act - the 3 years have long expired.

15. While responding to the argument raised by the counsel for the Petitioner that the Respondent has made a breach of the terms of the assignment, as the Respondent has interfered with the rights of the M/s. Blumac Electrical India, Learned Counsel for the Respondent submitted that the suit filed by M/s. Blumac Electrical India dated 11.7.2006 is an afterthought and was not pending at the time when the order dated 13.12.2002 was passed by the Registrar. M/s. Blumac Electrical India has in fact neither filed any objections for opposing the registration of the assignment and even otherwise the M/s. Blumac Electrical India is a mere licensee and has not claimed to be the proprietor of the mark. It is also contended by counsel for the Respondent that all the family disputes were referred to an arbitrator and admittedly an award dated 13.5.2001 was made and no dispute with regard to assignment of trademark was raised before the Arbitrator. It is also contended that submission of the Petitioner is incorrect that the Memorandum of partition and assignment were contemporaneously executed in view of the fact that the Memorandum of Partition was executed on 12.3.1999 and the deed of assignment was executed on 1.4.1999. Learned Counsel has also filed the both sides of the stamp paper to show that the stamp papers for the deed of assignment were purchased by the Petitioner on 23.3.1999.

16. As far as the plea raised by counsel for the Petitioner with regard to non-payment of Rs. 2.0 lacs, counsel for Respondent No. 1 submits that Petitioner has concealed the Annexure to the MoP which shows that Rs. 2.0 lacs were duly adjusted from the account of Respondent No. 1 on 12.3.1999 itself.

manupatra 17. I have heard Learned Counsel for the parties, who have taken me through the records of this case.

18. Counsel for both the parties have submitted that while registering an assignment, the Registrar performs quasi judicial functions, whereby he decides prima facie rights of the parties. In view of this stand taken by counsel for the parties, it is not necessary for me to discuss the various judgments relied upon by both the counsel, in support of this submission.

19. It is no longer res integra that the powers of the High Court: under Articles 226 and 227 of the Constitution of India, are very wide, however, the same are to be exercised not as a Court of Appeal, and the High Court should be slow to interfere unless there is grave miscarriage of justice.

20. In the case of *Shamshad Ahmad v. Tilak Raj Bajaj* MANU/SC/3997/2008 : (2008) 9 SCC 1, the Apex Court has re-visited the law with regard to the power of the High Court under Articles 226 and 227 of the Constitution of India and while taking into consideration various judgments has held that no doubt the power of the High Court under Articles 226 and 227 are very wide and extensive over all Courts and Tribunals, the same are to be exercised not as a Court of Appeal and can neither review or re-appraise the evidence, but ordinarily should interfere where there is grave miscarriage of justice or flagrant violation of law:

38. Though powers of a High Court under Articles 226 and 227 are very wide and extensive over all courts and tribunals throughout the territories in relation to which it exercises jurisdiction, such powers must be exercised within the limits of law. The power is supervisory in nature. The High Court does not act as a court of appeal or a court of error. It can neither review nor reappreciate, nor reweigh the evidence upon which determination of a subordinate court or inferior tribunal purports to be based or to correct errors of fact or even of law and to substitute its own decision for that of the inferior court or tribunal. The powers are required to be exercised most sparingly and only in appropriate cases in order to keep the subordinate courts and inferior tribunals within the limits of law.

39. In *Chandavarkar Sita Ratna Rao v. Ashalata S. Guram* MANU/SC/0531/1986 : (1986) 4 SCC 447 this Court stated: (SCC p. 458, para 16)

16. ...unless there was any grave miscarriage of justice or flagrant violation of law calling for intervention it was not for the High Court under Articles 226 and 227 of the Constitution to interfere. If there is evidence on record on which a finding can be arrived at and if the court has not misdirected itself either on law or on fact, then in exercise of the power under Article 226 or Article 227 of the Constitution, the High Court should refrain from interfering with such findings made by the appropriate authorities.

40. Even prior to *Chandavarkar* MANU/SC/0531/1986 : (1986) 4SCC 447 in *Bathutmal Raichand Oswal v. Laxmibai R. Tarta* MANU/SC/0504/1975 : (1975) 1 SCC 858 dealing with the supervisory power of a High Court under Article 227 of the Constitution, *Bhagwati, J.* (as His Lordship then was) stated: (*Bathutmal Raichand Oswal* case 2 SCC 864-65, para 7)

7. ...If an error of fact, even though apparent on the face of the record, cannot be corrected by means of a writ of certiorari it should follow a fortiori that it is not subject to correction by the High Court in the exercise of its jurisdiction under Article 227. The power of superintendence under Article 227 cannot be invoked to correct an error of fact which only a superior court can do in exercise of its statutory power as a court of appeal. The High Court cannot in guise of exercising its jurisdiction under Article 227 convert itself into a court of appeal when the Legislature has not conferred a right of appeal and made the decision of the subordinate court or tribunal final on facts. (emphasis supplied)

41. In *State of Maharashtra v. Milind* (2001) 1 SCC 4 : 2001 SCC (L and S) 117 this Court observed: (SCC p. 29, para 33)

33....The power of the High Court under Article 227 of the Constitution of India, while exercising the power of judicial review against an order of inferior tribunal being supervisory and not appellate, the High Court would be justified in interfering with the conclusion of the tribunal only when it records a finding that the inferior tribunal's conclusion is based upon, exclusion of some admissible evidence or consideration of some inadmissible evidence or the inferior tribunal has no jurisdiction at all or that the finding is such, which no reasonable man could arrive at, on the materials on record.

42. In *State v. Navjot Sandhu* MANU/SC/0396/2003 : (2003) 6 SCC 641 : 2003 SCC (Cri) 1545 this Court reiterated: (SCC pp. 656-57, para 28)

28. Thus, the law is that Article 227 of the Constitution of India gives the High Court the power of superintendence over all courts and tribunals through-out the territories in relation to which it exercises jurisdiction. This jurisdiction cannot be limited or fettered by any Act of the State Legislature. The supervisory jurisdiction extends to keeping the subordinate tribunals within the limits of their authority and to seeing that they obey the law. The powers under Article 227 are wide and can be used to meet the ends of justice. They can be used to interfere even with an interlocutory order. However, the power under Article 227 is a discretionary power and it is difficult to attribute to an order of the High Court, such a source of power, when the High Court itself does not in terms purport to exercise any such discretionary power. It is settled law that this power of judicial superintendence, under Article 227, must be exercised sparingly and only to keep subordinate courts and tribunals within the bounds of their authority and not to correct mere errors. Further, where the statute bans the exercise of revisional powers it would require very exceptional circumstances to warrant interference under Article 227 of the Constitution of India since the power of superintendence was not meant to circumvent statutory law. It is settled law that the jurisdiction under Article 227 could not be exercised 'as the cloak of an appeal in disguise'. (emphasis supplied)

21. The entire controversy between the parties revolves around Section 45 of the Trade Marks Act, 1999, which is reproduced below:

45. Registration of assignments and transmissions.--(1) Where a person becomes entitled by assignment or transmission to a registered trade mark, he shall apply in the prescribed manner to the Registrar to register his title, and the Registrar shall, on receipt of the application and on proof of title to his satisfaction, register him as the proprietor of the trade mark in respect of the goods or services in respect of which the assignment or transmission has effect, and shall cause particulars of the assignment or transmission, to be entered on the register:

Provided that where the validity of an assignment or transmission is in dispute between the parties, the Registrar may refuse to register the assignment or transmission until the rights of the parties have been determined by a competent court.

(2) Except for the purpose of an application before the Registrar under Sub-section (1) or an appeal from an order thereon, or an application under Section 57 or an appeal from an order thereon, a document or instrument in a respect of which no entry has been made in the register in accordance with Sub-section (1), shall not be admitted in evidence by the Registrar or the Appellate Board or any court in proof of title to the trade mark by assignment or transmission unless the Registrar or the Appellate Board or the court, as the case may be, otherwise directs.

22. Keeping in mind the principles laid down and the restraints of writ jurisdiction, I shall examine the impugned order. A bare reading of Section 45 of the Trade Marks Act would show that it is not for the Registrar to adjudicate upon dispute between the assignor and the assignee. The Registrar is to register the title on receipt of the application and on proof of the title. Proof of the title is the first requirement for registration by the Registrar. Thus, the Registrar must satisfy himself, whether the document suffers from any legal infirmity with regard to its validity or formation, and also whether the assignment is invalid or violates any of the provisions of the Trade Marks Act. The Registrar may also satisfy himself whether the documents have been executed by misrepresentation or fraud. The order dated 22.2.2008 of the IPAB while examining the Deed of Assignment dated 1.4.1999 clearly records "there are no acts specified in the Deed of assignment which are required to be performed before transfer was to be completed. At least no such clauses in the assignment Deed have been brought to our attention by Learned Counsel for the assignor/Appellant". Thus it can be said that there is no error apparent on the face of the Deed of Assignment dated 1.4.1999.

23. The proviso to Section 45(1) of the Trade Marks Act, 1999 further reposes a duty on the Registrar to adjudge that there should be a real and bona fide dispute between the parties, and the event of their being any, the Registrar may, in his discretion, refuse to register the assignment until such time the rights of the parties are determined by a competent Civil Court.

24. It is not in dispute that the Petitioner has signed and executed the assignment deed dated 1.4.1999. In terms of Section 45 of the Trade Marks Act, in case the assignment or transmission is in dispute the Registrar may refuse to register the assignment, until the rights of the parties have been determined by a competent court. In this case the Respondent approached the Registrar for registration of the assignment. However, the Petitioner revoked the assignment deed dated 1.4.1999 on 15.5.2000, a copy of the revocation was duly sent to the Registrar of Trade Marks by registered AD post on 27.6.2000. According to the Petitioner, Respondent deliberately acted in breach and in contravention of the terms of the Memorandum of Partition and terminated the registered user agreement entered into between the Petitioner and Blue Mack Electronics India, and thus the revocation was justified. The Petitioner can surely not be a Judge of its own

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cause. Assuming the Respondent acted in breach and in contravention of the terms of Memorandum of Partition and terminated the Registered User Agreement with Blue Mack, the Petitioner should have approached the competent court of jurisdiction, as the Registrar cannot adjudicate the dispute between the parties, although he must wait until rights of the parties have been determined by a competent court. Counsel for the Petitioner has been unable to show that a single a dispute was pending in any court of law relating to the cancellation or validity of the assignment Deed. In fact Petitioner has been unable to show pendency of any dispute between the Petitioner (assignor) and Respondent No. 1 (assignee).

25. In fact the only two proceedings are stated to be pending being Suit No. 294/2000 dated 5.9.2000 by Respondents against Blue Mac and Suit No. 1399/2006 filed by Blue Mac dated 11.7.2006, (not between the Assignor or assignee).

26. Assignment has been defined in Section 2(a) of the Trade and Merchandise Marks Act, 1958 corresponding to Section 2(b) of the Trade Marks Act, 1999 as under:

2(a) "assignment" means an assignment in writing by act of the parties concerned.

27. The expression "assignment" has been considered by the Supreme Court in Nand Kishore Prasad v. State of Bihar MANU/SC/0138/1978 : AIR 1978 SC 1277, wherein at para 10 it was observed "Assignment", it has been stated in Black's Law Dictionary. Special Deluxe Ed., p. 106, "is a transfer or making over to another of the whole of any property, real or personal, in possession or in action, or of any estate or right therein". It has further been stated as "The transfer by a party of all its rights to some kind of property, usually intangible property such as rights in lease, mortgage, arrangement of sale or partnership".

28. The distinction between a license and assignment has been stated in Chapter 20 of Law of Trade Marks by passing off by P. Narayana Sixth Edition. The relevant portions of the paragraph 20.02 are extracted hereunder:

20.02 Distinction between licensing and assignment Property in a trade mark consists in the exclusive right to use the mark in relation to some goods, subject of course to the right of honest concurrent user by others Assignment is a permanent transfer of this right to use, while licence is a temporary transfer of this right, either exclusively or non-exclusively "...licence could be revoked, whereas an assignment is irrevocable.

29. Once an Assignment Deed has been executed, the assignor ceases to have any right, title or interest in the property assigned. It is not open to the assignor to cancel the assignment by means of a communication. The Deed of assignment can only be cancelled under the provisions of Specific Relief Act. It was not for the Registrar to give a finding whether the assignment stood revoked, simply on the basis of a letter of the Petitioner that the Respondent had failed to comply with the terms of the partition. Even otherwise as per the case of the Petitioner while contravening the terms of the Memorandum of Partition Respondent No. 1 terminated the registered user agreement entered into between Petitioner and the Blue Mack Electronics India. This would show that Blue Mac Electronics India was the party aggrieved by the action of the Respondent No. 1 and it would be for Blue Mack to initiate suitable action against the Respondent.

30. It is not open for the Registrar to go behind the terms of the assignment and he is only required to satisfy himself about the construction of the assignment Deed and whether there is in fact an assignment. I am supported in this view by the decision in 1928 (1) Chancery Division entitled "In re the Application of Cranbux Limited", in particular the following observations:

Upon the application, in pursuance of Section 33 of the Trade Marks Act, 1905, as amended by Section 11 of the Trade Marks Act, 1919, by a person entitled by assignment to a registered trade mark to register his title, the registrar in the investigation of the title is not entitled to go behind the terms of the agreement, and will adequately discharge his duties if he satisfies himself that, upon the true construction of the assignment, there is an assignment of the trade mark in connection with the goodwill within the territorial limits to which the Act extends, of the business concerned in the goods for which the trade mark is registered.

31. In this case no proceedings were initiated by the Assignor before any competent Court of jurisdiction for determination of its rights, or with respect to the validity or cancellation of the assignment Deed, thus no rights could have been determined by a competent Court and accordingly there was no occasion for the Registrar to refuse to register the assignment until the rights of the parties had been determined by a competent Court disputes with regard to assignment of trademark was raised before the Arbitrator, who was appointed by the parties to resolve the family disputes as well.

32. In order to rely on the proviso II of Section 45(1) of the Trade Marks Act, it is incumbent on the Petitioner to show that prima facie a dispute exists between the assignor and the assignee and secondly the assignor must place on record sufficient material to show that the assignor has taken steps to get the disputes

manupatra resolved through Court or is likely to take steps within a reasonable time to get the disputes adjudicated. In this case except the letter of cancellation, assignor did not place any material on record before the Registrar till the assignment Deed was registered or any material to show that any steps had been taken or were in the process of being taken in the Court of Law. No doubt in case of a dispute between assignor and assignee the Registrar may refuse to register the assignment until rights of the parties have been determined by the Competent Court. Although no time limit has been fixed, yet the Registrar can await for the decision only if some dispute is pending adjudication in a competent Court. Thus, it cannot be said that mere revocation of an assignment Deed is a dispute with regard to the validity of an assignment. Taking into consideration that there is no legal infirmity in the Deed of assignment, the Petitioner has not approached the Civil Court for cancellation of the assignment Deed and in the absence of any material on record to show that any dispute is pending between assignor or assignee with respect to assignment deed, I find no infirmity in the impugned Order. The petition is without any merit and the same is accordingly dismissed.

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