IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

R/SPECIAL CIVIL APPLICATION NO. 16276 of 2015

With
R/SPECIAL CIVIL APPLICATION NO. 16262 of 2015

FOR APPROVAL AND SIGNATURE:

HONOURABLE MR. JUSTICE BHARGAV D. KARIA

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1	Whether Reporters of Local Papers may be allowed to see the judgment ?	NO
2	To be referred to the Reporter or not ?	NO
3	Whether their Lordships wish to see the fair copy of the judgment ?	NO
4	Whether this case involves a substantial question of law as to the interpretation of the Constitution of India or any order made thereunder ?	NO

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PARESH CHANDRAKANT JARIWALA
Versus
REGIONAL DIRECTOR & 1 other(s)

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Appearance:
MS SHRUNJAL SHAH FOR MR B S SOPARKAR(6851) for the Petitioner(s) No. 1
KSHITIJ M AMIN(7572) for the Respondent(s) No. 1
MR SHALIN MEHTA, SENIOR ADVOCATE FOR MR AKSHAY A VAKIL(5473) for the Respondent(s) No. 2

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CORAM: **HONOURABLE MR. JUSTICE BHARGAV D. KARIA**

Date : 27/09/2019

ORAL JUDGMENT

1. Rule returnable forthwith. Learned advocate Mr. Akshay Vakil waives service of notice of rule for respondent no.2

and learned Standing Counsel Mr. Kshitij Amin waives service of notice of rule on behalf of respondent no.1.

2. Since both these petitions are arising from the common issue, the same were heard analogously and are being disposed of by this common order. For the sake of convenience, Special Civil Application No.16276/2015 is treated as the lead matter.

3. By this petition under Article 226 of the Constitution of India, the petitioner has prayed for quashing and setting aside the order dated 25th May, 2015 passed by respondent no.1 Regional Director, Ministry of Corporate Affairs rejecting the application filed by the petitioner under section 16 of the Companies Act, 2013 (for short "Act-2013") for rectification of name of respondent no.2 company M/s. Golden Falcon Trendz Private Limited.

4. Short facts of the case are that the petitioner is the proprietor of of M/s Golden Falcon and was engaged in the business of embroidery machines since 2003. In the year 2007, the petitioner incorporated a private limited company in the name of M/s. Golden Falcon India Private Limited which was incorporated on 10th April, 2007 under the provisions of the Companies Act, 1956 (for short "the Act-1956").

4.1) It is the case of the petitioner that an application dated 29th September, 2006 was filed for the registration of

Trademark “FALCON INDIA” with the office of Controller General of Patents Design and Trademarks and the same is having status as “Rectification Filed”. The petitioner has the same rights as a registered Trademark owner to oppose and defend the name/label for which application for registration of trademark was made.

4.2) Respondent No.2 company “M/s. Golden Falcon Trendz Private Limited” was incorporated on 10th June, 2011 with the Registrar of Companies (for short “ROC”), Dadra and Nagar Haveli, Gujarat. The ROC allowed the name of respondent no.2 company to be registered in Gujarat even though there was a trademark existing in the name of the company of the petitioner. The name of respondent no.2 company is exactly in resemblance with the registered trademark of the petitioner and even the main object of the company is exactly the same as that of the company of the petitioner. The petitioner therefore, filed an application dated 2nd June, 2014 under section 16 of the Companies Act-2013 (for short‘Act-2013’) for rectification of the name of the respondent no.2 company as it was infringing upon the trademark of the petitioner company in view of protection provided as per section 16 of the Act-2013 to a registered trademark owner, if such an application is made within three years of incorporation or registration of the company.

4.3) Respondent no.1 Regional Director, North-Western Region, Ahmedabad however, rejected the application filed by the petitioner by the impugned order on the

ground that registered trademark of the petitioner is "Falcon India" with device of flying bird whereas name of the respondent no.2 company is "Golden Falcon Trendz Private Limited" and therefore, there is no resemblance in the name.

5. Learned advocate Ms. Shrunjal Shah appearing for learned advocate Mr. B.S. Soparkar for the petitioner submitted that the petitioner has filed application under section 16 of Act-2013 within the prescribed time period of limitation and in view of provision of section 20 of the Act-1956, the ROC could not have granted registration of the name of respondent no.2 company as it is in direct contravention of sub-section (2) of section 20 of the Act-1956 which provides that the name by which a company in existence has been previously registered or a registered trade mark or a trade mark which is subject of an application for registration of any other person under the Trademarks Act, 1999, cannot be identical with or too nearly resembles, and is deemed to be undesirable for registration of such company as per sub-section(1) of section 20 of the Act-1956.

5.1) It was submitted that in the impugned order, respondent no.1 was not correct while observing that the petitioner holds the trademark on the basis of status of trademark as on 14th May, 2015 and not at the time of registration of respondent no.2 company in the year 2011. It was also pointed out that respondent no.2 company is otherwise not doing any business since the year 2013

which is as per the information gathered from the Director's Report filed it before the ROC.

5.2) Learned advocate for the petitioner in support of her submissions placed reliance upon the following decisions of this Court:

i) **Pino Bisazza Glass Pvt. Ltd v. Bisazza India Ltd. and another** reported in (2003) 1 GLR 528 to point out that when the Registrar had granted registration and when the question was of giving direction to the company to change the name, it could also be said that the direction to the company under section 22 of the Act was in the nature of quasi judicial power, and the authority taking decision must record the reasons so that all concerned could come to know that on what ground the order was passed. It was submitted that in the facts of the case, respondent no.1 has not recorded any reason to reject the application filed by the petitioner for rectification of the name of respondent no.2 company.

ii) The other decision relied by the learned advocate for the petitioner is in case of **Newage Fire Fighting Company Limited v. Newage Fire Protection Engineers Private Limited & others** reported in 2014 (1) GLH 629, wherein this Court held that respondent no.1-Regional Director was required to consider the objections raised by the petitioner within the prescribed period of limitation.

5.3) Reliance was also placed on the letter dated 16th May, 2017 issued by the Government of India, Ministry of Corporate Affairs addressed to all the Regional Director with regard to clarification regarding applicability of section 16(1)((a) of the Act-2013 with reference to cases under corresponding provisions of Act-1956 wherein it was clarified that any application which was rejected by the Regional Director under section 22(1)(ii)(b) of the Act-1956 on the ground that such applications were made after requisite period of twelve months specified therein, cannot apply afresh under section 16(1)(a) of the Act-2013 as the extinguished limitation cannot be considered to be revived even if no limitation period has been prescribed/laid down in the said section.

6. Learned counsel Mr. Kshitij Amin appearing for respondent no.1 on the other hand vehemently opposed the petition relying upon the averments made in the affidavit in reply filed on behalf of respondent no.1 and submitted that respondent no.1 has passed the impugned order on the basis that as per the report dated 26th November, 2014, name of the respondent no.2 company was found available and therefore, it was allowed by the ROC and the ROC has not contravened the guidelines for approval of the name issued by the Ministry of Corporate Affairs. It was further submitted that in the impugned order, it is made clear that the registered trademark of the petitioner namely 'Falcon India' with device of flying bird is not the same as the name of respondent no.2 company and therefore, there was no

breach of the registered trademark of the petitioner.

6.1) With regard to the contention of the petitioner of applicability of section 20 of the Act-1956, it was submitted that under the provisions of section 16 of the Act-2013, the petitioner could not have applied for rectification of the name of respondent no.2 company. It was submitted that from the status dated 14th May, 2005 with regard to the application made by the petitioner for registration of trademark on the website of trademark registry, it is revealed that the status of the trademark of the petitioner is shown as "Rectification File" and respondent no.2 company has also applied for a trademark as "Golden Falcon Trendz" on 21st December, 2012 and status is shown as opposed. It was therefore, submitted that the petitioner cannot apply for rectification of name under section 16 of the Act-2013 in such circumstances.

7. Learned Senior Advocate Mr. Shalin Mehta assisted by learned advocate Mr. Akshay Vakil appearing for respondent no.2 vehemently opposed this petition by referring to the averments made in the affidavit in reply filed on behalf of respondent no.2 and submitted that the respondent no.2 is a registered proprietor of trademark "Golden Falcon Trendz" which is issued by the trademark Registry on 7th September, 2015 whereas the petitioner is not the registered proprietor of the trade mark "Golden Falcon" and therefore, the petition is not maintainable.

7.1) Learned Senior Advocate further submitted that the trademark "FALCON INDIA" and trademark "GOLDEN FALCON TRENDZ" are different and only common word is 'FALCON' which is name of a bird and not a coined word over which any person may claim his right to exclusion of others. It was submitted that the words "FALCON INDIA" has no resemblance or similarity to the name of respondent no.2 company.

7.2) It was further submitted that the petitioner has given all the rights in the brand name "Golden Falcon" by virtue of agreement dated 1st July, 2006 with Chirag Embroideries Private Ltd and therefore, the petitioner cannot raise dispute on the basis of rights in the trademark "Golden Falcon". It was therefore, submitted that ROC has rightly permitted the respondent no.2 company to be registered under the provisions of the Act-1956.

7.3) It was submitted that if the petitioner is aggrieved, the petitioner is required to file suit for infringement of registered trademark and the petitioner cannot plead infringement before the High Court as the District Court is the correct forum for complaining of infringement of registered trademark.

7.4) It was also submitted that the petitioner cannot have any protection either under section 16 of the Act-2013 or under section 20 or 22 of the Act-1956 as the petitioner

has no right to apply for rectification of the name of respondent no.2 company by invoking the provisions of section 16 of the Act-2013. In such circumstances, it was prayed that the petition is required to be dismissed.

8. Having heard the learned advocates for the respective parties and having gone through the materials on record, it emerges that the respondent no.1 while passing the impugned order has not assigned any reason for rejecting the application filed by the petitioner under section 16 of the Act-2013. Respondent no.1 after recording the facts and submissions made by the parties has arrived at findings as under :

"After careful consideration of submissions made by the Applicant in its application and the written submission made by the Respondent Company and oral submissions and arguments made/ put forth by the representatives of both parties, report submitted by the Registrar of the Companies, Gujarat, Ahmedabad and submission made by Shri Sudhir Phaye Assistant Director, it is has been observed that Shri Paresh Chandrakant Jariwala holds the trade mark 'Falcon India' (device of flying bird) (Label) in his name w.e.f 29-09-2006. However, from a printout taken from the web-site of Trade Mark Authority on 14-05-2015, it has been observed that the status of the said trade mark is "rectification filed". Also from the printout of Trade Mark Authority web-side it has been observed that Ms Golden Falcon Trendz Private Limited has applied for a Trade Mark as Golden Falcon Trendz on 21-12-2012 status of which is on 14-05-2015 shown as opposed.

In view of the above given facts and circumstances I have reached on the conclusion that the registered trade mark (Label) of the applicant is Falcon India with device of flying bird whereas name of respondent Company is Golden Falcon Trendz Private Limit and therefore the respondent has not copied the aforesaid registered trade mark 'Falcon

India' (device of flying bird) (label) in their name M/s Golden Falcon Trendz Private Limited. Hence, the application is hereby rejected. It is made clear that this order shall not come in the way of the either party to seek such relief from any other appropriate forum as may be available to it in accordance with the law."

The application stands disposed off with these orders."

9. In view of the above findings arrived at by respondent no.1, without giving any reason as to why the application is required to be rejected, the impugned order is vitiated. It was incumbent upon the respondent no.1 to record reasons why, how and in what manner he is not accepting the submissions of either party for rejecting the application. It would therefore germane to refer to Section 16 of the Act-2013 which reads thus:

"16. Rectification of name of company.-(1) If, through inadvertence or otherwise, a company on its first registration or on its registration by a new name, is registered by a name which,—

(*a*) in the opinion of the *Central Government* is identical with or too nearly resembles the name by which a company in existence had been previously registered, whether under this Act or any previous company law, it may direct the company to change its name and the company shall change its name or new name, as the case may be, within a period of three months from the issue of such direction, after adopting an ordinary resolution for the purpose;

(b) on an application by a registered proprietor of a trade mark that the name is identical with or too nearly resembles to a registered trade mark of such proprietor under the Trade Marks Act, 1999 (47 of 1999), made to the *[Central Government]* within three years of incorporation or registration or change of name of the company, whether under this Act or any previous company law, in the

opinion of the *[Central Government]*, is identical with or too nearly resembles to an existing trade mark, it may direct the company to change its name and the company shall change its name or new name, as the case may be, within a period of six months from the issue of such direction, after adopting an ordinary resolution for the purpose.

(2) Where a company changes its name or obtains a new name under sub-section (1), it shall within a period of fifteen days from the date of such change, give notice of the change to the Registrar along with the order of the *[Central Government]*, who shall carry out necessary changes in the certificate of incorporation and the memorandum.

(3) If a company makes default in complying with any direction given under sub-section (1), the company shall be punishable with fine of one thousand rupees for every day during which the default continues and every officer who is in default shall be punishable with fine which shall not be less than five thousand rupees but which may extend to one lakh rupees."

10. The above provision of Section 16(1)(b) of the Act-2013 clearly provides that if the name of the company inadvertently or otherwise is registered by a name which on an application by a registered proprietor of a trademark which is identical with or too nearly resembles to registered trademark of such proprietor under the Trade Marks Act, 1999 within three years of the incorporation or registration or change of name of the company, the Regional Director is empowered to direct such company to change its name within a period of six months from the issue of such direction. The petitioner has therefore, rightly preferred the application within three years from the date of incorporation of respondent no.2 company in the year 2011.

11. It is pertinent to note that in the facts of Special Civil Application No.16262/2015, the respondent no.1 by the order dated 20th May,2015 rejected the application filed by the M/s. Golden Falcon India Private Limited under section 16 of the Act-2013 after recording the facts and submissions that earlier application filed by the said company of the petitioner of Special Civil Application No.16276/2015 was rejected by order dated 4th January, 2013 on the grounds of limitation and that the applicant not being the registered proprietor of trademark. Thus in both the matters respondent no.1 has not assigned any reason for rejecting the applications filed by the petitioners.

12. In such circumstances, the impugned orders are required to be quashed and set aside as the same are non speaking orders. Both the matters are required to be remanded back to respondent no.1 to pass fresh denovo order after giving opportunity of hearing to all the concerned parties.

13. In the result the orders dated 29th May, 2015 passed by respondent no.1 in both the petitions are quashed and set aside only on the ground that the same do not record reasons for passing the final order and the matter is remanded back to the respondent no.1 to decide a fresh denovo after giving opportunity of hearing to the petitioner and the respondent no.2 and pass a detailed order after recording the reasons in accordance with law. Such exercise shall be completed within a period of three months

from the date of receipt of writ of this order.

14. It is hereby clarified that this Court has not gone into the merits of the matter and the same shall be decided by the Respondent no.1 in accordance with law. Rule is made absolute to the aforesaid extent with no order as to cost.

(BHARGAV D. KARIA, J)

RAGHUNATH R NAIR .