

**IN THE SUPREME COURT
OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA**

Case No. SC Appeal No. 136/11

HC (Civil) 06/2006(3)

Stassen Exports Ltd.

No. 833, Sirimavo Bandaranaike Mawatha,

Colombo 14

Appellant-Petitioner- Plaintiff

-Vs-

1. Kithsiri Jayasinghe

Registrar of patents & Trademark

267, Union Place

Colombo 02

2. M.S. Hebtulabhoy & Co Ltd.

257,

Grandpass Road

Colombo 14

Respondent- Respondent- Defendant

And

Stassen Exports Ltd.

No. 833,

Sirimavo Bandaranaike Mawatha

Colombo 14

Appellant/Petitioner/ Plaintiff

Vs

1. Director General of Intellectual Property of
Sri Lanka
National Intellectual Property Office in Sri
Lanka
400, D.R. Wijewardene Mawatha
Colombo 10.

1st Respondent-Respondent-Defendant

2. Suad Ahamed Mohamed Saleh Baeshan
3. Khalid Ahmed Abu Baker Abdullah Baeshan
4. Osama Ahmad Abu Baker Abdulla Baeshen
5. Sumaya Ahmad Abu Baker Abdullah Baeshen
6. Sahar Ahmad Abu Baker Abdullah Baeshen
7. Mohamed Abdul Kader Baeshen
8. Ahmed Abdul Kader Baeshen

All partners of Ahamed Saleh Baeshen and
company, a limited liability Partnership,
existing under the law of the Kingdom of Saudi

Arabia of

P.O. Box 18

Al Dahab Street

Jeddha 21411

Saudi Arabia

**Substituted 2 to 8- Respondents-
Respondents-Defendants**

AND NOW

Stassen Exports Ltd.

No. 833,

Sirimavo Bandaranaike Mawatha,

Colombo 14

Appellant-Petitioner-Plaintiff-Appellant

1. Director General of Intellectual Property
of Sri Lanka National Intellectual Property
Office in Sri Lanka

400, D. R. Wijewardene Mawatha

Colombo 10.

**1ST Respondent-Respondent-Defendant-
Respondent**

2. Suad Ahamed Mohamed Saleh Baeshan

3. Khalid Ahmed Abu Baker Abdullah Baeshan

4. Osama Ahmad Abu Baker Abdulla Baeshen

5. Sumaya Ahmad Abu Baker Abdullah Baeshen

6. Sahar Ahmad Abu Baker Abdullah Baeshen

7. Mohamed Abdul Kader Baeshen

8. Ahmed Abdul Kader Baeshen

All partners of Ahamed Mohamed Saleh

Baeshen and Company, a limited liability
Partnership existing under the law of the
Kingdom of Saudi Arabia of
P.O. Box 18
Al Dahab Street,
Jeddah 21411,
Saudi Arabia.

**Substituted-2 to 8- Respondents-Respondent-
Defendants**

Before: L. T. B. Dehideniya, J
P. Padman Surasena. J
E. A. G. R. Amarasekara, J

Counsel: Faiz Musthapha, PC for Appellant-Petitioner-Plaintiff- Appellant
Hiran de Alwis with C. Jayamaha and Ms. Medani Naroda for 2nd to 8th
Substituted- Respondents-Respondents-Defendants- Respondents.
Ms. Viveka Siriwardena, D S G with Navodi de Zoysa, S C for 1st Respondent-
Respondent-Defendant-Respondent.

Argued on: 22.07.2020

Decided on: 11.01.2023

E. A. G. R. Amarasekara, J

This appeal arises from the judgment of the Commercial High Court of Colombo, dated 10.06.2010. By the said judgment, the learned Commercial High Court Judge rejected the

application filed by the Appellant-Petitioner-Plaintiff-Appellant (hereinafter referred to as the Appellant or Petitioner) challenging the decision of the original 1st Respondent-Respondent-Defendant, the predecessor of the present 1st Respondent-Respondent-Defendant, namely the Registrar of Patent and Trademarks (hereinafter sometimes referred to as the Registrar) to register the trademarks bearing no. 47711, 47712, 47713, 47714, 47715, 47716, 47717 and 49305 in the name of the 2nd Respondent-Respondent-Defendant, M. S. Hebtulabhoy & Co. Ltd.(hereinafter referred to as the 2nd Respondent). Originally the action was filed in the District Court of Colombo on 01.03.1991 under and in terms of the Code of Intellectual Property Act No.52 of 1979 and was given the case No. 3263/Spl. Pending the determination in the District Court of Colombo, said Code of Intellectual Property Act was repealed and replaced by the Intellectual Property Act No.36 of 2003 and in terms of the provisions of the said Act, the action filed by the Appellant in the District Court was deemed to be instituted and continued under the said new Act and was transferred to the Commercial High Court of Colombo established under the High Court of the Provinces (Special Provisions) Act No.10 of 1996 and was assigned the No.06/2006(3). The learned High Court Judge delivered the impugned judgment after hearing the parties. The Appellant being aggrieved by the Judgment of the Commercial High Court, instituted a special leave to appeal application in this Court and leave was granted only on the following questions of law referred to in paragraph 17 a, b and d of the petition dated 20.07.2010.

“a) Did the Commercial High Court of Colombo err by failing to consider and/or appreciate that the Registrar of Patents and Trademarks had failed to provide a fair hearing to the Petitioner (Appellant) and had thereby violated the principles of natural justice?

b) Did the Commercial High Court of Colombo err by failing to consider and/or appreciate that the Registrar of patents and Trademarks had, even after the Petitioner (Appellant)

had brought it to his notice that he had failed to communicate the grant of extensions of time to file the Petitioner's (Appellant's) Notices of Opposition, wrongfully, arbitrarily, unfairly, and unreasonably refused to afford the Petitioner (Appellant) the due opportunity to its said Notices of Opposition?

d) Did the Commercial High Court of Colombo err by failing to appreciate that the Registrar of Patents and Trademarks had acted in contravention of the provisions contained in Subsections (10), (11) and (14) of Section 107 of the Code of Intellectual Property Act No. 52 of 1979, in not permitting the Petitioner (Appellant) extensions of time to file its Notices of Opposition, and had thereby abused the powers and discretion vested in him by law and/or contrary to the scope and ambit of the said provisions?"

It is pertinent to note that when the Appellant filed the original action in the District Court, it has named itself as the Appellant/Petitioner/Plaintiff and termed its application as Petition of appeal/Petition/Plaint. Further, in the caption it has invoked the jurisdiction of the court in terms of the provisions of the Code of Intellectual Property Act No.52 of 1979 without referring to any specific section or sections. This indicates that the Appellant was not definite about under which provision of the Code of Intellectual Property Act No.52 of 1979, it wanted to invoke the jurisdiction of the District Court and whether its application was an appeal, plaint or an application by way of a petition. The main allegation in the petition/plaint filed in the District Court appears to be based on the fact that the extension of time to file Notice of Opposition was not communicated to the Appellant by the Registrar and thus, the decision to register the said marks were taken without giving an opportunity to place its objections which amounts to breach of the rules of natural justice. Anyway, the said Petition/Plaint filed in the District Court cannot be considered as an application to declare the nullity of registration or for the removal of the mark in terms of section 130 and 132 of the said Code, since there is;

- No prayer for a declaration for nullity of registration and there is no specific or clear reference to section 99 or 100 or grounds mentioned in those sections to indicate that the registration was a nullity on those grounds,
- No allegation based on failure to use the registered marks or on transformation of the mark into generic name.

Further, one may question whether the petition filed before the District Court was an appeal filed in terms of section 182 of the said Code since the power given to the District Court in appeal was to have and exercise the same discretionary powers conferred upon the Registrar and as such, whether the District Court has powers to inquire into the conduct of the Registrar in extending the time given to file Notice of Opposition or communicating the dates as alleged in the petition/plaint in an appeal filed in terms of section 182 is arguable, since one cannot expect the Registrar himself has such discretionary powers to supervise his own conduct. However, as per the averments in paragraph 28 and the prayers of the petition/plaint filed in the District Court, it appears that the application falls under the scope of section 172 (2) of the said Code which gives the power to review any decision of the Registrar and rectify the register.

Whatever the nature of the application is, as per the questions of law allowed by this court, now the matter depends on whether the Registrar violated the rules of natural justice by not permitting a fair hearing by acting in contravention of the provisions contained in Subsections (10), (11) and (14) of Section 107 of the Code of Intellectual Property Act No. 52 of 1979, in not permitting the Appellant extensions of time to file its Notices of Opposition, and had thereby abused the powers and discretion vested in him by law and/or contrary to the scope and ambit of the said provisions or by failing to communicate the grant of extensions of time to file the Appellant's Notices of Opposition, wrongfully, arbitrarily, unfairly, and unreasonably refused to afford the Appellant the due opportunity to its said Notices of Opposition.

However, as per the paragraph 13 of the petition/plaint dated 1st march 1991, tendered to the District Court, the Appellant itself has admitted that there were minutes made giving extension of time but the allegation is that the Registrar failed to reply to its letters and communicate such extension of time to the Appellant. Even in the paragraph 6 of the petition of appeal dated 20.07.2010 tendered to this court, the Appellant has admitted that some of the files that were in the custody of the Registrar contained minutes to the effect that the said extensions were granted. The Appellant has further stated in the same paragraph that it was of the bona fide belief and conviction that the said extensions of time had been duly granted without revealing the time such belief or conviction occurred. If such belief or conviction occurred prior to the expiry of time requested, it should have filed the Notice of Opposition within that time. The allegation in the said paragraph also refers to the failure of the Registrar to communicate the extension of time to the Appellant. As per the affidavit dated 29.10.2008, filed by the present 1st Respondent-Respondent-Defendant (hereinafter referred to as the 1st Respondent) before the Commercial High Court, the 1st Respondent also admits that he granted extensions of time but denies that he has a statutory duty or responsibility to communicate such extensions of time to the Appellant- (vide paragraph 14 and 08 of the said Affidavit). The 3rd question of law [question of law in paragraph 17(d) of the Petition] allowed by this court is based on the premise that the extensions of time were not granted. As it appears that there is no dispute as to the granting of extensions of time now, the matter has to be decided on whether the registrar was duty-bound to communicate the extensions of time and if so, failure to do so had affected the rights of the Appellant denying him a fair hearing. In this regard, it is important to examine some applicable provisions in the Code of Intellectual Property Act no 52 of 1979 which was in force during the relevant time the application for registration of the impugned marks were made and original plaint/petition was filed in the District Court.

Chapter XXI of the said Code of Intellectual Property Act contains provisions relating to the requirements of applications and the procedure for registration of marks. Section 102 to 105 in that chapter relate to requirements of an application to register marks, temporary protection of marks exhibited at an international exhibition and application fees. Section 106 of the Code provides for examination of application as to the form by the Registrar and in terms of the said section once an application for registration is tendered, the Registrar is duty-bound to examine whether the application complies with the provisions of sections 102 and 105 and where applicable with the provisions of sections 103 and 104. Since the matter at hand as set forth by the questions of law mentioned above does not contemplate Section 103 and 104, it is not necessary to examine provisions relating to those sections at this moment. However, if the application tendered does not comply with sections 102 and 105, the registrar shall refuse to register the mark but prior to such refusal he shall notify the applicant of any defect in the application affording the applicant an opportunity to cure such defects- vide proviso to section 106(2). This provision, though not directly related to the matter in issue it shows that there are certain occasions in the registration procedure of a mark where the Registrar is statutorily bound to give notice to a party involved in the process. However, section 107 of the said Code is more relevant to the matter at hand. As per section 107(1), if the application complies with section 102 and 105, the Registrar shall examine the mark in relation to the provisions of section 99 and 100 as to the admissibility of the mark. Section 107(2) states that if the mark is inadmissible under sections 99 or 100 the Registrar shall notify the applicant of the grounds for refusal. Section 107(2) is another instance where the Registrar is statutorily required to notify the relevant person. Sub Sections 107(3) to (6) provides for the applicant to make submissions to Registrar, after such a refusal to register and for hearing and inquiry in that regard and also provides for the acceptance, refusal or conditional acceptance of the application after such inquiry. It

should be noted that even in section 107(4), Registrar is statutorily directed to inform the date and time of hearing to the applicant once the applicant made such submissions. After examining the application as aforesaid, if the Registrar is of the opinion that the mark is admissible, he has to request the applicant to pay the fee for publication within the prescribed period and if the applicant fails to file the fee within the prescribed period, the Registrar may refuse to register the mark – vide section 107(7) and (8). In this occasion the Code does not require the Registrar to notify the applicant of his refusal. It is understood as the applicant is given a time period by the statute itself to do a certain act and if he fails to do it within the given time, it appears that the intention of the legislature is not to burden the Registrar with the notifying of the outcome of such failure. The Registrar has a discretion to grant reasonable extension of time periods referred to in section 107 including the time period referred to in section 107(7). However, though in certain circumstances the Code requires the Registrar to notify certain decisions made by him to the relevant person, the Code does not statutorily require the Registrar to notify if he grants any reasonable extension of time. It must be understood that a reasonable extension may not be granted arbitrarily but only on an application made requesting such an extension. If such an application is made, it is expected on the part of the applicant who asked for an extension to be vigilant and keep an eye on the progress of his application for the extension. It must be the reason for not requiring the registrar to notify of any extensions made under section 107(14). On the other hand, when an extension of time or date is given whether to notify the relevant party who requested for extension may depend on the practice adopted by relevant institution. For example, if a court grants a date or an extension of time on a request made by a motion it may not notify the relevant party always since the party concerned has access to the registry on his own or through his agent. Thus, when the Appellant challenges the conduct of the Registrar in relation to communication of the extension of time, it must reveal the practice adopted by the Registrar's office in that regard, which it fails to do.

Once the fee for publication is made, the Registrar shall proceed to publish the application setting out the details elaborated in section 107(9) of the Code. It is not among the disputed facts that such publications were done regarding the applications relating to the impugned registrations. This also indicates that the Registrar examined the marks in terms of sections 106 (1) and 107(1) and was of the opinion that marks were admissible under section 99 and 100. As per section 107(10) of the Code, if any person considers that the mark is inadmissible on one or more of the grounds referred to in section 99 or 100, he within three months from the date of publication of the application, using the prescribed form along with the prescribed fees, is required to give the Registrar his Notice of Opposition stating his grounds for opposition. If no Notice of Opposition has been received by the Registrar within the said three months period, Registrar shall register the mark. The Registrar is required to ask for observation from the applicant who tender the application to register, only if he receives a Notice of Opposition in prescribed form along with the fee within the prescribed time- vide section 107(12). Once he receives the observation, the Registrar can consider whether or not the mark may be registered. If he thinks it is necessary, he may hear the parties before making such decision. Once the Registrar decides to register the mark, he must register it in the register maintained in terms of section 109 and issue a certificate to the registered owner of the mark. The Registrar is further requested to publish the registered mark in the Gazette using the prescribed form – vide section 109 and 110 of the Code. It is clear that the Appellant did not file the Notice of Opposition within the three months period given by statute itself in section 107(10). Appellant's position is that it asked for extension of time in relation to each application. The 1st Respondent also admits as explained above that he had granted the extension of time in terms of section 107(14). The Appellant takes up the position that the extension of time in relation to the relevant applications were not communicated to the Appellant by the Registrar and as such it did not have the opportunity to file Notice of Opposition and the Registrar, in breach of the rules of natural justice, has registered

the impugned marks. The Appellant further states that once it came to know about the registration, though requested to allow it to file notice of opposition, it was not allowed. The 1st Respondent states that he acted in terms of the provisions of the Code and he is not required to communicate the extensions of time and therefore the registrations of the marks were done according to law. What I observed above in relation to paying the fee for publication within a prescribed time period and the Registrar's ability to extend time under section 107(14) where need to notify the extension is not statutorily made is also relevant to the prescribed time period given to file Notice of Opposition and extension of time by the Registrar.

As mentioned before, even though on certain occasions the Registrar is obliged to notify the relevant person by the Code itself, no such obligation is made by the Code with regard to extension of time in terms of section 104(14). Any reasonable person, who has asked for extension of time after failing to file the Notice of Opposition within the 3 months period granted by section 107(10) of the Code must be vigilant of his application for extension of time. The Appellant has not shown that there was an impossibility to get to know the outcome of his applications for the extensions of time in relation to several applications relating to the impugned marks from the office of the Registrar. Appellant and/or its agents handling matters relating to Intellectual property matters at the office of the Registrar must have been aware of the practices adopted there in relation to application for extension of time but the Appellant does not reveal the practice adopted in the office of Registrar in relation to requests for extension of time. Further, the Appellant does not say that on the other occasions the Registrar used to communicate the grant of extensions of time. As per the document marked A5 by the Appellant, it appears when an application for extension of time is made, registration is stayed for the time requested for expecting the filing of Notice of Opposition. The said document reveals that on an application made by Messrs. Akbar Brothers Limited in relation to the TM 49305, registration was stayed twice for a total period of 6 months. This indicates that

there appears to be a practice staying the registration of marks once an extension of time is asked for by an intended opponent. Whatever it is, the Appellant has only asked for extensions for three months period in relation to each application and it appears that it has not asked for further extensions. Any reasonable, vigilant person who has asked for extension of time for 3 months and who has not received any communication from the Registrar, would come to one of the following inferences and acts accordingly to save his rights by the expiration of the requested 3 months period;

- That his application for extension is rejected by not giving the extension. If he thinks it is arbitrary and contrary to law, he would have naturally taken steps to challenge such constructive refusal before the proper forum to get such extension.
- That his application for extension of time is not yet considered. Therefore, he would have tendered the Notices of Opposition within the time period he had asked for as an extension, to be considered by the Registrar once his application for extension of time is granted.
- That since the requested extension has not thus far granted, and as a result he cannot file the Notice of Opposition till it is granted, ask for further extension on that ground.

The Appellant has not acted in such a manner but has waited till the Registrar registered the marks which took place after sometime from the final date of the extension it had asked for. As per its Petition dated 20.07.2010 filed in this court, marks bearing No. 47711,47712,47713,47714,47715,47716,47717 and 49305 were gazetted on 18.12.1987, 01.01.1988, 14.01.1988 and 24.06.1988. The three months periods allowed by section 107(10) had to be over by 18.03.1988, 01.04.1988, 14.04.1988 and 24.09.1988. The extensions asked for by the appellant had to be over by 18.06.1988, 01.07.1988, 14.07.1988 and 24.12.1988. There was no valid application to extend time furthermore. A valid application has to be made prior to the expiry of three months contemplated in section 107(10) or before the expiry of any extended time granted by the Registrar under

section 107(14) as the Registrar has no option other than registering the marks unless he receives Notice of Opposition within the prescribed period- vide 107(11). The Appellant should not be allowed to say that it should have been given further time as per the letter marked A4 written on 28.03.1990 which has been written after many months from the expiry of the 3 months extensions it had asked for. The letter marked A5 clearly shows that the marks were registered many months after the expiry of 3 months extensions asked for by the Appellant. As mentioned before, there were no valid applications to extend time that will cover the dates on which the marks were registered. If the Appellant was reasonable and vigilant it would have asked for further extensions prior to the expiry of the 3 months extensions it had asked for or tender the Notices of Opposition prior to the expiry of the said requested 3 months periods. As per section 107(11) of the Code, the Registrar has no other option than registering the mark if there is no Notice of Opposition filed within the prescribed time or within any extended time.

I observe that the Appellant has brought this court's attention to the fact that the 2nd Defendant had agreed to enter the judgment in favour of the Appellant before the Commercial High Court Judge. However, it has not revealed the order dated 17.09.2007 made by the learned Commercial High Court Judge in that regard. In that order, learned High Court Judge has stated that the 2nd Defendant had no status to do so as the 2nd Defendant had assigned all its rights by that time.

Even though, the Appellant attempts to blame the Registrar for not affording a fair hearing, it must be noted the Registrar is not bound to hold an inquiry even if a party files its Notice of Opposition- vide section 107(13). He has to hold an inquiry only if he thinks it is necessary to hold an inquiry after calling for observations from the applicant after serving the Notice of Opposition on the applicant. To give a fair hearing there must be a Notice of Opposition first. As explained above, if there were no Notices of Opposition on time, it was the fault of the Appellant as the Appellant did not act vigilantly to assert his

rights, if any. Therefore, the questions of law mentioned above, in respect of which this court has granted leave, have to be answered in the negative and against the Appellant. Thus, this appeal is dismissed with costs.

.....
Judge Of the Supreme Court

L. T. B. Dehideniya, J.
I agree.

.....
Judge of the Supreme Court

P. Padman Surasena, J.
I agree.

.....
Judge of the Supreme Court