

IN THE HIGH COURT OF JUDICATURE AT MADRAS

M. P. No. \_\_\_\_\_ OF 2014

IN

W.P. No.1256 OF 2011

**SHAMNAD BASHEER**

“Nishad”, Kulathupuzha,  
Quilon District, Kerala 691 310.

... **PETITIONER / PETITIONER**

vs.

1. **UNION OF INDIA**

Rep. by its Secretary, Department of  
Industrial Policy & Promotion,  
Ministry of Industry & Commerce,  
Government of India,  
Udyog Bhavan, New Delhi 110 011.

2. **INTELLECTUAL PROPERTY  
APPELLATE BOARD**

Rep. by its Registrar  
Annex – I, Guna Complex, II Floor,  
443 Anna Salai,  
Teynampet, Chennai 600 018.

3. **INTELLECTUAL PROPERTY RIGHTS  
BAR ASSOCIATION**

Rep. by President, K. Rajasekaran  
III Floor, YMCA Building,  
223 NSC Bose Road,  
Chennai 600 001.

... **RESPONDENTS / RESPONDENTS**

**AFFIDAVIT OF SHAMNAD BASHEER**

I, Shamnad Basheer, aged about 38 years, s/o of M. M. Basheer, residing at  
“Nishad”, Kulathupuzha, Quilon District, Kerala 691 310, temporarily come  
to Kolkatta, do hereby sincerely state and solemnly affirm as follows:

1. I am the Petitioner in the above Writ Petition No.1256 of 2011  
challenging the constitutional validity of Chapter XI of the Trade  
Marks Act, 1999 and Chapter XIX of the Patents Act, 1970.
2. In the main Writ Petition, the procedure and practice relating to  
appointment of the Chairperson and Members of the IPAB have already

been challenged as not being in conformance with mandatory Constitutional requirements as held in various decisions of the Hon'ble Supreme Court of India as also various High Courts.

3. It is submitted that the decision in *Union of India v. R. Gandhi*, (2010) 11 SCC 1, more generally referred to as the *NCLT Case* holds the field on the law relating to tribunals (though the specific facts therein relate to the NCLT under the Companies Act, 1956), and the prescriptions laid down by the Hon'ble Supreme Court in that decision are the minimum mandatory requirements to be followed in the establishment, composition and appointments to tribunals, including the IPAB to which this Writ Petition relates.
4. It is submitted that the establishment, composition and appointments to the IPAB fall foul of the law laid down in the *NCLT Case*. It is submitted that this Miscellaneous Petition is filed because the Respondents are now attempting to appoint an IPAB Vice Chairman in violation of the law declared in the *NCLT Case*.
5. The Supreme Court in the *NCLT Case* (para. 120) held that the Selection Committee for the selection and appointment of Members of a tribunal should be on the following lines:
  - (a) Chief Justice of India or his nominee — Chairperson (with a casting vote);
  - (b) A Senior Judge of the Supreme Court or Chief Justice of High Court — Member;

- (c) Secretary in the Ministry of Finance and Company Affairs — Member; *and*
- (d) Secretary in the Ministry of Law and Justice — Member.

6. Therefore, the Selection Committee must be headed by the Chief Justice or designate, with a casting vote, along with another Judge as a Member, hence making it abundantly clear that the Selection Committee should be dominated by persons of highest judicial experience and legal training, and that bureaucrats should be in the minority. Even assuming, only for the sake of argument, that the Secretary, Ministry of Finance & Company Affairs may have been named in the cited para in context to Company Law, it is submitted that it may be read as referring to a Secretary from a department relevant to Intellectual Property Law (eg. the Department of Industrial Policy and Promotion (DIPP) under the Ministry of Commerce which regulates all matters pertaining to patent and trademark law including overseeing the work of the Indian Patent and Trademark Office or the Human Resource Development Ministry which has established IP Chairs at various universities under the IP Education, Research and Public Outreach programme). The rest of the personages are irreplaceable, and the principles on which the Selection Committee is constituted, and the manner in which they approach their duty, must necessarily be consistent with the law laid down in the *NCLT Case*.
7. In response to an application under the RTI Act, it is learnt that the post of Vice Chairman of the IPAB recently fell vacant on 21.06.2014, and that a Search-cum-Selection\_Committee has been appointed by the

Minister for Commerce and Industry to find a suitable candidate to appoint as IPAB Vice Chairman. This process is likely to be completed shortly and hence the urgency of moving this interim application.

8. The RTI response states that the said Selection Committee is comprised as follows:
  - (a) The Chairman of the Selection Committee is Amitabh Kant, Secretary, Department of Industrial Policy & Promotion (DIPP).
  - (b) Shockingly, Mr. Justice K. N. Basha (retired Judge, Madras High Court) who is the current Chairman of IPAB is designated only as Member of the Selection Committee.
  - (c) The other 2 members of the Selection Committee are P. K. Malhotra, Secretary, Department of Legal Affairs; and Dr. P. S. Ahuja, Director General, Council for Scientific and Industrial Research.
9. Therefore the only person on the Selection Committee with necessary judicial experience and legal training is Mr. Justice K. N. Basha (retired Judge, Madras High Court) who is made subordinate to a bureaucrat, and further, the Selection Committee is comprised of a majority of bureaucrats who have no legal training and have absolutely no knowledge of the highly specialised work of the Vice Chairman IPAB.
10. It is submitted that in view of the law declared by the Hon'ble Supreme Court of India in the *NCLT Case*, the aforesaid Search-cum-Selection Committee constituted to fill the post of Vice Chairman IPAB lacks

due competence under law, and hence this Hon'ble Court ought to immediately set aside this committee and order it to be reconstituted in accordance with the law laid down by the Hon'ble Supreme Court in the *NCLT Case*.

11. A second and equally serious violation of the law declared in the *NCLT Case* is the statutory scheme for selection of IPAB tribunal Members.

12. With respect to the nature of persons who may be considered for appointment as Members in tribunals, the Hon'ble Supreme Court has prescribed the following:

(a) for Judicial Members (*NCLT Case*, para. 120)

(i) Only High Court Judges, or District Judges who have served for at least 5 years, or a lawyer with 10 years practice can be considered for appointment as a Judicial Member.

(ii) Persons who have held a Group A or equivalent post under the Central or State Government with experience in the Indian Company Law Service (Legal Branch) and the Indian Legal Service (Grade I) cannot be considered for appointment as Judicial Members.

(b) for Technical Members:

(i) The Hon'ble Supreme Court did not consider Technical Members as necessary on all tribunals. Specifically (*NCLT Case*, para.106(c)), it was held that tribunals should normally have only Judicial Members, and that

indiscriminate appointment of Technical Members will dilute and adversely affect judicial independence. It was held that Technical Members are to be appointed only where inquiry and decisions into technical or special aspects, and where presence of technical members, will be useful and necessary.

- (ii) A “Technical Member” presupposes an experience in the field to which the Tribunal relates. Officers who might have incidentally dealt with some aspect of the subject cannot be considered as “experts” qualified to be appointed as Technical Members (*NCLT Case*, para. 120).
- (iii) Expertise in the Indian Legal Service will at best enable consideration for appointment as Technical Members (*NCLT Case*, para. 120).
- (iv) Only officers who are holding the ranks of Secretaries or Additional Secretaries alone can be considered for appointment as Technical Members. (*NCLT Case*, para. 120).

13. It may be noted that in the *NCLT Case*, the Union of India conceded that the Tribunal Chairman would be only a retired or serving High Court Judge (*NCLT Case*, para.15) and hence the above stipulations (*NCLT Case*, para.120) relate only to Judicial Members and Technical Members. It is submitted that appointment to the post of IPAB Chairman is an important issue to be considered in this Writ Petition as further submitted below.

14. With respect to the qualifications of Members to be appointed to the tribunal, the Hon'ble Supreme Court has therefore made it clear that tribunals must be dominated by Judicial Members. Candidates for appointment as Judicial Members must have established and proven legal experience measuring up to the standards of a Judge, and mere legal knowledge is insufficient. Hence bureaucrats are excluded from consideration for appointment as Judicial Member in tribunals, and may be appointed only as Technical Members, and only if there is technical inquiry to be carried out and only if such bureaucrats hold the ranks of Secretaries or Additional Secretaries or higher.
  
15. It is submitted that the statutory scheme for appointment of Members to IPAB does not satisfy the above mandatory requirements. The establishment, composition and appointments to the IPAB are dealt with in Chapter XI (ss.83 - 100) of the Trademarks Act, 1999 and Chapter XIX (ss.116 – 117-H) of the Patents Act, 1970. These provisions are described in detail in the main Writ Petition and hence are only summarised as relevant herein below:
  - (a) Under these provisions, the IPAB is to consist of 1 (one) Chairman, 1 (one) Vice Chairman and an unspecified number of Members – both Judicial and Technical (s.84(1) Trademarks Act).
  - (b) The IPAB is to sit in Benches and a Bench of the IPAB is to consist of 1 (one) Judicial Member and 1 (one) Technical Member (s.84(2) Trademarks Act).

- (c) The qualifications for appointment as Chairman, Vice Chairman and Members are stipulated in s.85 Trademarks Act.
- (i) Chairman: A retired High Court Judge (as is presently the case) or a Vice Chairman who has held the post for 2 years (as has been the case in the past) may be appointed (s.85(1) Trademarks Act).
- (ii) Vice Chairman: Any Member – Technical or Judicial – of IPAB for a period of 2 years; *or* Grade I or higher post in the Indian Legal Service for a period of not less than 5 years (s.85(2) Trademarks Act).
- (iii) Judicial Members: Grade I post in the Indian Legal Service for 3 years or a civil judicial office for 10 years (s.85(3) Trademarks Act); *and*
- (iv) Technical Members: exercised functions of ‘tribunal’ for 10 years; or held the post of Joint Registrar of Trademarks for 5 years; or advocate with proven specialised experience in trademark law for 10 years; or held the post of Controller for 5 years; or exercised the functions of Controller for 5 years; or functioned as Patent Agent for 10 years with science / professional degree (s.85(4) Trademarks Act r/w s.116(2) Patents Act).

16. Therefore, as may be seen from the above summary, a person who is a Technical Member with absolutely no legal training of any kind (eg. person who has exercised function of Controller for 5 years) and has

functioned as technical member for two years may be appointed as IPAB Vice Chairman. It is pertinent to note that, in the absence of Chairman, such Vice Chairman will exercise the Chairman's functions. More egregiously, after a period of 2 years of being appointed, a Vice Chairman can even be elevated to the post of Chairman IPAB.

17. In this context it is relevant to note that a Technical Member may be appointed either under s.85(4) of the Trade Marks Act, 1999 or s.116(2) of the Patents Act, 1970. However, once so appointed, there is no distinction made with respect to selection for the post of IPAB Vice Chairman or thereafter IPAB Chairman. In other words, under the statutory scheme any Technical Member (howsoever appointed) qualifies to be appointed to the top posts of Vice Chairman and Chairman.
  
18. It is submitted that the so called 'qualifications' stipulated in s.85(4)(a) of the Trade Marks Act, 1999 and s.116(2)(a) of the Patents Act, 1970 are illusory:
  - (a) s.85(4)(a) Trade Marks Act: the prescribed qualification is 10 years exercised function as 'tribunal'; *or* 5 years as 'Joint Registrar'.
    - (i) 'Tribunal' is defined in s.2(ze) Trade Marks Act as the 'Registrar' or the 'Appellate Board', as the case may be.
    - (ii) Registrar is defined in s.2(y) Trade Marks Act as the person appointed to that post under s.3 Trade Marks Act.

- (iii) s.3(1) Trade Marks Act does not prescribe any qualifications for a person to be appointed as Registrar.
- (iv) s.3(2) Trade Marks Act permits the Central Government to appoint an unlimited of persons to discharge the Registrar's functions.
- (v) Appellate Board is defined under s.2(a) Trade Marks Act as the Appellate Board established under s.83 Trade Marks Act, *i.e.*, the IPAB.
- (vi) There is no definition of 'Joint Registrar' in either the Trade Marks Act or the Trade Marks Rules. However on the website of the Controller General of Patents, Designs and Trade Marks, which is available at [http://ipindia.nic.in/tmr\\_new/rti/rti\\_main.htm](http://ipindia.nic.in/tmr_new/rti/rti_main.htm), it is stated that the Registrar is:

*“assisted by officers designated as Joint Registrar, Deputy Registrar, Assistant Registrar, Senior Examiner and Examiners of Trade Marks. Those officers discharge the functions of the Registrar under his superintendence and direction. Ordinarily the Joint Registrar, Deputy Registrar and Asst. Registrar are authorized to hear and decide cases in respect of all proceedings under the Trade Marks Act.”*

Further, according to the same website, the 'powers, duties and functions' of these above persons are:

*“Registrar of Trade Marks:- Controller General of Patents, Design, Trade Marks and Geographical Indications is the Registrar of Trade marks. He has the authority for registration of Trade Marks, settling of the opposition proceedings, rectification and maintenance of*

*the Register. He is vested with discretionary powers, powers of civil court in certain matters, certain residuary powers and review powers.*

*Joint Registrar of Trade Marks:- Joint Registrar of Trade Marks discharges all official functions of Trade Marks Registry on behalf of Registrar of Trade Marks. He is assisted by Deputy Registrar of Trade Marks, Asst. Registrar of Trade Marks, Senior Examiners, Examiners and other staff of Trade Marks Registry.*

*One of the main functions of Trade marks Registry is examination of applications for the registration of trade marks, post-registration of applications, Show-Cause hearing of matters, publication of marks in the Trade Marks Journal, Opposition Proceedings, Rectification of Register etc.*

*Deputy Registrar of Trade Marks:- Deputy Registrar of Trade Marks decides Trade Mark Cases between the applicant and the opposition party.*

*Assistant Registrar of Trade Marks:- Assistant Registrar of Trade Marks acts as hearing officers in the matters of trade mark disputes between two parties.”*

- (vii) It ought to be noted that s.85(4)(a) Trade Marks Act does not restrict the possibility of appointment as ‘Technical Member’ to only the Registrar. The language is much wider and permits for any person who has ‘exercised functions’ of the Registrar for 10 years to be appointed as IPAB Technical Member. It must also be noted that the post of ‘Joint Registrar’ does not even exist in the Trade Marks Act, but a person holding that non-statutory post

for 5 years is entitled to be appointed as IPAB Technical Member.

(viii) The clear danger arising from these provisions is that the Central Government could appoint any person without any specified qualifications to the post of Registrar, and any further number of persons without any specified qualifications to the posts of Joint Registrar, Deputy Registrar or Assistant Registrar to discharge the Registrar's functions, including deciding trademark disputes by exercising the powers of a civil court. Any such person could then be appointed as 'Technical Member', and then after a further 2 years be appointed Vice Chairman IPAB and exercise the powers of the Chairman IPAB, and eventually after a further period of 2 years be appointed the IPAB Chairman.

(ix) It is submitted that when there is no underlying statutorily defined qualifications to form the basis for s.85(4)(a) Trade Marks Act, any appointment in furtherance thereof would be nothing but a nullity.

(b) s.116(2)(a) Patents Act: the prescribed qualification is 5 years as 'Controller'; *or* exercised functions of Controller for 5 years.

(i) s.73 Patents Act defines 'Controller' to be the same person who has been appointed as Registrar of Trademarks under the Trade Marks Act (such person holding the title of Controller General of Patents, Designs

and Trademarks), *i.e.*, it is a singular post with functions and powers under both statutes.

- (ii) As noted above, there are no prescribed qualifications to be appointed as Registrar under the Trade Marks Act. As such, since the posts are one and the same, there are no qualifications to be appointed as ‘Controller’ under the Patents Act.
- (iii) Under ss.73(2) - 73(3) Patents Act, the Central Government may appoint an unlimited number of persons to discharge the functions of the Controller, and similar to the Trade Marks Act, there are no qualifications prescribed in the statute. Powers and functions of the Controller exercised by these unqualified individuals include the powers of a Civil Court to decide disputes. In at least 2 recent decisions (8/2014 and 9/2014) IPAB has taken exception to such controllers making ‘*cryptic and non-speaking orders*’ with ‘*very bald and vague reasons*’.
- (iv) The particularly insidious aspect of s.116(2)(a) is that it stipulates a qualification of having “*exercised the functions of Controller ... for at least 5 years.*” Given the positions of Controller Patents and Registrar Trade Marks are one and the same, with virtually identical powers and functions, this provision clearly dilutes the 10 year stipulation under s.85(4)(a) Trade Marks Act for eligibility

to be appointed as technical member. It would appear to be a classic case of one hand taking away what the other giveth.

19. It is submitted that these are not merely theoretical risks of poor drafting or legislative lapses. The appointment of persons outside the constitutional scheme as declared in the *NCLT Case* raises serious concerns for the quality of justice that is ultimately dispensed and poses grave danger to the sanctity and independence of the judicial process.
20. As admitted by the 1<sup>st</sup> Respondent in its Counter Affidavit filed in the main Writ Petition, there has already been 1 instance of a rank outsider being appointed IPAB Chairman, through the back door route of first being appointed IPAB Vice Chairman. Mr. Z. S. Negi was appointed as Vice Chairman in 2005 after having been considered and rejected earlier that same year. Thereafter, Mr. Negi was appointed IPAB Chairman in March 2008 with a tenure of approximately 2.5 years. It is submitted that it has been disclosed in RTI responses that Mr. Negi was recommended on the basis that he was an Additional Secretary, Legislative Department with 'considerable experience in legislation relating to Intellectual Property matters'. Mr. Negi had no legal / judicial experience whatsoever, and was considered only on account of having 5 years experience as a Grade I officer in the ILS.
21. In the past, persons appointed as Technical Member include Mr. Syed Obaidur Rahaman, who's claims of experience in Intellectual Property litigation included cases decided in 1935, only 24 years before he was

born. Despite citing this and other such 'experience' in his application to the post, he was appointed as Technical Member.

22. It is submitted that these are only a few instances of the absolute ineptitude of the Selection Committees headed and comprised by a majority of bureaucrats. It is submitted that if the principles enunciated in the *NCLT Case* are not strictly followed, further such instances will certainly occur.
23. It is submitted that the post of IPAB Vice Chairman is a critical judicial post, as the definition of 'Judicial Member' under s.2(k) Trade Marks Act stipulates that the 'Vice Chairman' and 'Chairman' are 'judicial members'.
24. It is submitted that a failure to appoint Judicial Members strictly in accordance with the *NCLT Case* as set out above, *i.e.*, only those who are Judges or are qualified to be Judges under the Constitution would make a mockery of s.84(2) Trade Marks Act which stipulates that the IPAB shall sit in Benches consisting of 1 Judicial Member and 1 Technical Member. In the event a Technical Member is appointed Vice Chairman, then it is entirely possible that a Bench would consist of 2 Technical Members. In the recent past Ms. Usha was inducted into the IPAB as a Technical Member in 2005. Thereafter, Ms. Usha was appointed as Vice Chairman, and regularly conducted hearings whilst sitting with a Technical Member, giving rise to a situation where a Bench was comprised of only Technical Members.

25. It is submitted that the Hon'ble Supreme Court in *NCLT Case* (para.111), has recognised precisely this problem, when it held:

*“There may be brilliant and competent people even working as Section Officers or Upper Division Clerks but that does not mean that they can be appointed as members. Competence is different from experience, maturity and status required for the post. As, for example, for the post of a Judge of the High Court, 10 years' practice as an advocate is prescribed. There may be advocates who even with 4 or 5 years' experience, may be more brilliant than advocates with 10 years' standing. Still, it is not competence alone but various other factors which make a person suitable. Therefore, when the legislature substitutes the Judges of the High Court with the Members of the Tribunal, the standards applicable should be as nearly as equal in the case of High Court Judges.”*

26. The Hon'ble Supreme Court has deprecated the *“speed at which the qualifications for appointment as members is being diluted is, to say the least, a matter of great concern for the independence of the judiciary.”* (*NCLT Case*, para.112.7)

27. And further has also expressed its concern at the erosion of judicial space in public governance:

*“What is a matter of concern is the gradual erosion of the independence of the judiciary, and shrinking of the space occupied by the judiciary and gradual increase in the number of persons belonging to the civil service discharging functions and exercising jurisdiction which was previously exercised by the High Court. There is also a gradual dilution of the standards and qualification prescribed for persons to decide cases which were earlier being decided by the High Courts. Let us take stock.”* (*NCLT Case*, para.112)

28. It is submitted that this very issue was considered by a Division Bench of this Hon'ble High Court in *Ammini Karnan v. Intellectual Property Appellate Board*, (2013) 2 LW 513 : (2013) 4 Mad LJ 227, wherein it was held:

*61. Therefore, applying the principles laid down in Union of India v. R. Gandhi (cited Supra) the definition for the judicial member under Section 2(k) of the Act, has to be reconsidered, otherwise, it will become unconstitutional. Likewise, the qualification of Vice Chairman, Judicial Member and Technical member under Section 85 of the Act has also to be reconsidered.*

However, that Hon'ble Bench declined to pass a final order on the issue on account of the Writ Petition filed by this Petitioner pending before the Hon'ble 1<sup>st</sup> Court (*Ammini Karnan Case*, paras.63 r/w 68).

29. The *NCLT Case* was decided in May 2010, and the main Writ Petition was filed in January 2011, and the *Ammini Karnan Case* was decided in March 2013. It is submitted that the 1<sup>st</sup> Respondent has had sufficient time to amend the statute or at the very minimum put in place necessary safeguards to prevent future, and further, erosion of IPAB's judicial independence, integrity and strength.

30. It is submitted that the very constitution of the present Search-cum-Selection Committee is an affront to the judiciary and is a clear indication of the disregard for the views expressed in the *NCLT Case* and *Ammini Karnan Case*.

31. It is submitted that there is an urgent need for a stay of any further proceedings of the said Search-cum-Selection Committee to appoint a

Vice Chairman to the IPAB and of any actions taken, or decisions made, of the said Search-cum-Selection Committee pending disposal of the main Writ Petition.

32. It is submitted that from the above narration of facts and legal principle the Petitioner has made out a strong prima facie case and has shown the grave danger of irreparable harm to the judicial system. It is submitted that the balance of convenience must always lie in favour of securing compliance with public law, and implementing the judgements of the Hon'ble Supreme Court.

33. The Petitioner humbly craves leave to submit further affidavits and documents as may be necessary with the leave of this Hon'ble Court.

Under these circumstances it is prayed that this Hon'ble Court may be pleased to grant an INTERIM STAY, or any appropriate other writ, direction or order, of the Search-cum-Selection Committee proceeding to select and appoint a Vice Chairman to the Intellectual Property Appellate Board, and consequently to stay any actions taken or decisions made in that respect, pending disposal of W. P. No.1256 of 2011, and pass such further or other orders which this Hon'ble Court may deem fit and proper and thus render justice.

Solemnly affirmed at \_\_\_\_\_ this the

Before me

\_\_\_\_\_ day of July 2014 and signed

his name in my presence.

Notary