

(2012) 04 IPAB CK 0014

In the Intellectual Property Appellate Board

Case No : M.P. No. 218/2011/TM/CH In ORA/166/2008/TM/CH And
ORA/166/2008/TM/CH

Adepu Surrender Proprietor M/s Sunshine Textile Mills, 12-
10-97/1, Pragati Nagar, Siricilla 505 301

APPELLANT

Vs

M/s Adepu Ramaiah Narayana & Co., Prop. Adepu Ravinder,
No. : 8-2-94, Gandhi Nagar, Sircilla-505 301 Karimnagar
District, Andhra Pradesh 505 301

RESPONDENT

Date of Decision : 04-04-2012

Acts Referred:

Trade Marks Act, 1999 — Section 9, 11, 14, 18, 18(1), 57(2)

Citation : (2012) 04 IPAB CK 0014

Hon'ble Judges : S. Usha, J;V. Ravi, Technical Member

Bench : Division Bench

Final Decision : Allowed

Judgement

V. Ravi, Technical Member

1. In these proceedings the applicant M/s Sunshine Textiles Mills, Andhra Pradesh are seeking cancellation of the registered trade mark 1312052 in

Class 24 of the respondent M/s ADEPU RAMAIAH NARAYANA & CO from the register of trade mark The trade mark in question is ""ADEPU"".

The case of the applicant is that ""ADEPU"" is the family name initially jointly owned by both the applicant and the respondent as a family business

under the name and style of ""ADEPU RAMAIAH NARAYAN COMPANY The joint family business was started with the trade name ADEPU in

1986. The respondent is the brother of the applicant. The respondent's father was the kartha of the HUF using the trade name ""ADEPU"". A family

dispute took place which resulted in a partition and by dissolution deed dated 30.03.2005 all the immovable assets of the family stood partitioned. The

applicant was allotted the business of M/s. Jayalaxmi Associates, Hyderabad. In addition, it is alleged that the joint family business was also orally

partitioned which was confirmed by the joint declaration by way of affidavit dated 11.04.2005.

2. Subsequent to the family partition, the applicant made an application to the Trade Mark Registry, Chennai for registration of two trade marks

namely 1) ADEPU under No. 1509126 and the other a composite label mark under No. 1509197 both previously owned by the joint family.

3 . In the meanwhile, the respondent filed a Civil Suit in the District Court of Karimnagar in O.S. No. 2007 seeking a permanent injunction to restrain

the applicant from using the trade mark ""ADEPU"". The respondent had applied for the trade mark ""ADEPU"" under No. 1312052 and had obtained

registration of the said mark.

4 . It is the case of the applicant that the respondent had falsely claimed exclusive right to the trade mark ""ADEPU"" since 1986 in their application

made to the Trade Mark Registry. Further, the respondent without the knowledge of their father and the joint family obtained the trade mark

registration for ""ADEPU 222"" along with the photograph of the grandfather and the common brand name of the device label used by the joint family.

After obtaining the fraudulent registration, the respondent raised a dispute and was successful in partitioning the joint family property and the business.

It is brought to the notice of the Board that at the time of filing the trade mark application by the respondent, the joint family entity was still in

existence. This is confirmed by the affidavit of the father dated 28.03.2007 in O.S. 4 of 2007 before the 3rd Additional District Judge of Karim Nagar,

Andhra Pradesh confirming that both the applicant and the respondent are permitted to use the trade mark. The applicant further stated that the

impugned registration was obtained in contravention of Section 14 of the Trade Marks Act, 1999 which provides that prior consent in writing is

necessary in respect of a trade mark which falsely suggests a connection with a living person or person recently dead (""20 years"") to adopt the same

for use as a trade mark. Thus, the respondent had surreptitiously obtained the registration of the trade mark in his own name behind the back of his

father and has played a fraud on the trade marks registry. In the circumstances, the registered trade mark 135052 should be expunged from the

register.

5. The evidence in support of the application for rectification includes a copy of the registration certificate under No. 1312052; a copy of the partition

deed made on 30. 03.2005, the joint declaration by way of affidavit executed on 11th March, 2005; a Copy of additional representation for registration

of trade mark under No. 1509127 and No. 1509126 both dated 30th November, 2006 etc.

6. The case of the respondent is briefly as follows. A partnership firm was started in 1986 under the name and style of ""ADEPU RAMAIAH

NARAYAN CO."" . In 1993, thi was converted into sole proprietary concern without any change in the trade name. The respondent has adopted and

used three trade marks ""ADEPU"", ""ADEPU 222 "" (Label) and ""ADEPU 555"" (Label). In respect of the label marks, the main feature is the word

ADEPU"" with the photograph of the grandfather at the top of the label ""ADEPU RAMAIAH NARAYAN"" depicted in oval shape with artistic

design, togethe with numerals 222 or 555 below the photograph with the expression ""Adepu Fabrics"" which is used underneath the device of a wheel

and other descriptive matters. The said trade mark was adopted in 1986 to distinguish the respondent's goods from those of the other manufacturers.

After the joint family partnership firm was dissolved, the respondent secured sales tax licenses and have been manufacturing and marketing the goods

under the trade name ""ADEPU RAMAIAH NARAYA COMPANY"".

7 . In order to safeguard respondent's right to the trade mark, he has sought registration for the same claiming user from 1986 and the said registration

is valid and subsisting. When it came to the knowledge of the respondent that the applicants were clandestinely supplying the goods bearing the

impugned trade mark label, the respondent filed a suit in the Court of District Judge at Karim Nagar for infringement and passing off and obtained an

interim injunction restraining the applicant from infringing the respondents exclusive statutory right to the said registered trade mark and passing off.

The respondent further states that the impugned application is not maintainable in as much as the applicant is not a ""person aggrieved"". The respondent

denies the joint family business stood orally partitioned at any point of time. Further, the applicant started using the trade mark ADEPU only in 2005

under the name and style of M/s. Jayalaxmi Associates and therefore he cannot

claim to be the prior user of the trade mark ""ADEPU"". Crucially, the applicants were silent for more than a decade and allowed the respondent to use the mark without any hindrance. The respondent further raised the question whether the applicant himself had sought the consent of all the legal heirs when he applied for registration of the trade mark label under application No. 1312052 which consists of the photograph of the grand father SHRI. RAMAIAH. Just because the respondent is the brother of the applicant it does not mean that he is free to claim the right to trade mark ADEPU. In fact the respondent is sole proprietor of the said mark to the knowledge of the applicant for over a decade. Considering the distinctive character of the mark and use of the same by the respondent for almost two decades, objections raised under Section 9, 11 & 18 of the Trade Mark Act are not tenable.

8 . The list of documents filed by the respondent in support of their case include certified copy of registered trade mark 1315052 for the trade mark

ADEPU 222 Vat licence, APGST registration certificate, CST regd. Certificate, sales tax assessment orders from 1993 to 2005, sales figures certified

by Chartered Accountant, Sales bills from 1995 to 2006, letter of CTO, Karimnagar, Joint declaration, family settlement deed, Caution Notice issued in

Eenadu newspaper, plaint in O.S. 4/2007 filed in the Court of 3rd Additional District Judge, Karimnagar and its counter etc.

9 . We have heard the counsel for both sides. Before dwelling on the merits of this petition, it is useful to bear in mind that where the ownership of a

trade mark is disputed, it causes significant disruption for both sides. Adjudicating authorities should make every effort to stop malicious trade mark

squatting independent of litigation rules. The purpose is to prevent unfair competition in trade mark ownership affirmation, protect the interest of

consumers as also the relevant public and maintain a fair and competitive platform.

10. Against this backdrop, what does the record of this case show? It is the case of the applicant that the impugned trade mark was a joint family

property till 2005. To counter this the respondent states that the partnership was converted into a sole proprietary concern in 1993. What documentary

proof has been relied to support this claim? The respondent had secured sales tax licence on 4th May, 1993 under no. ADB/05/03/1895. In our view

this is not a clear cut proof. There is substance in the applicants assertion that the joint family business subsisted till march, 2005 as the respondent was a party to the family partition. A scrutiny of the partition deed show that out of six firms carried on by the HUF, in fact five firms were allotted to the respondent namely (1) Adepu Ramaiah Narayana & Co. (2) Shri Rama Weaving and Dyeing Works (3) Maruthi Textiles (4) Vishnu Textiles and (5) Sai Textiles all located at Sircilla. The business of M/s Jay Laxmi Associates was allotted to the applicant located at Hyderabad. However, the Partnership Deed is silent on the issue of goodwill and trademark stated to be jointly used by all prior to partition. The specimen copies of invoices furnished by the respondent is quite confusing. For instance at page 112 of document furnished by respondent, the trade name in the invoice is depicted as 'ADEP RAMAIAH NARAYANA & Co.' dated 02.11.2005. Similarly some bill bear the trade mark 'ADEP' and in some the trade name is shown as 'ADEP RAMAIAH NARAYANA & CO.' Some bills contain the photo of the grand father and father of the respondent and many other do not. We are unable to arrive at any meaningful conclusion on the issue of ownership of the trade mark based on the materials before us particularly the various invoices. It is therefore, necessary to rely on the Partition Deed which is part of the record to draw suitable inference.

11. On the issue of 'Person Aggrieved', the settled law is any person whose legal rights are in some way adversely affected and having standing to prosecute for an appellate remedy to qualify the test under Section 57(2) of the Act. In this case, the applicant have been injuncted from using a disputed trade mark by an appropriate Court. Being aggrieved by what the applicants perceive as an unjust order, they have petitioned the Board seeking to expunge the registered trade mark No. 1312052 which purportedly is based on false claim of ownership of the trade mark that strikes at the root of the registration. We, therefore, hold that the applicants are indeed 'Person Aggrieved' within the meaning of section 57(2).

12. We now examine the substantial grounds on which the registered trademark No. 1312052 of the respondent is sought to be cancelled by the applicant. The first of these is the claim of false claim to the 'exclusive use' to the registered trade mark by the respondent. In O.S. No. 4 of 2007 the respondent have made a claim that they have applied and secured registration for two composite label mark ADEPU 222 and ADEPU 555 claiming

user from ""1986"". At other places in the said O.S. No. 4, the respondent claim the use of the trade mark as a sole proprietor since 1993. If this is true,

then the respondent had made a false representation to the Trade Mark Registry concerning use of the impugned mark which is a misrepresentation.

The use of a trade mark in relation to goods or services is designed to protect against unfair competition. In other words, the owner of a trade mark

has to assert and demonstrate that he is using his mark, in the normal course of trade, to claim proprietorship of the mark in relation to the goods for

which he seeks registration. In this instant case, since the claim of proprietorship of the mark itself is disputed by the applicant and the family partition

took place only in 2005, the respondent have clearly usurped the trade mark in 1993 without the consent of the karta and during the currency of the

HUF. The right of property in a trade mark when protected by statute gives the right to restrain other persons from using the mark. The statutory

protection has been secured in this case by asserting a false claim of use of the mark since 1986. That position at once stigmatizes the exclusive right

claim to the trade mark against all comers and this has been rightly questioned by the applicant who have equal stake in the disputed trade mark in

their capacity as part of HUF. It is only on the strength of registration that the respondent have obtained an injunction to restrain the applicant from

using the said mark. We, therefore, uphold the claim of the applicant that the respondent cannot claim to be the proprietor of the mark within the

meaning of section 18(1) as it stands in the register.

13. The next issue agitated by the applicant is that registration of the impugned mark was secured in contravention of section 14 of the Act which

reads as follows:-

Use of names and representations of living persons or persons recently dead.- Where an application is made for the registration of a trade mark which

falsely suggests a connection with any living person, or a person whose death took place within twenty years prior to the date of application for

registration of the trade mark, the Registrar may, before he proceeds with the application, require the applicant to furnish him with the consent in

writings of such living person or, as the case may be, of the legal representative of the deceased person to the connection appearing on the trade

mark, and may refuse to proceed with the application unless the applicant

furnishes the registrar with such consent.

14. Ex facie the records of the case speaks for itself. The father files an affidavit in 2007 in the Civil Court stating both the applicant and respondent

can use the impugned trade mark. The respondent in this case has improperly secured registration behind the back of both the applicant and the father

who was the Karta of HUF until 2005 and the owner of the trade mark. Clearly the provisions of section 14 of the Act is being violated by the

respondent both in letter and spirit. To apply for registration of a mark, an applicant has to invoke section 18(1) claiming to be the proprietor of the

mark. On the date of filing that was not the case with respect to respondent's application. The registered mark of the respondent is therefore, hit by

both sections 14 and 18(1) of the Act. A case of willful and dishonest misappropriation of the trade mark has been made out by the applicant. Once

registered, the respondent avowedly stands to benefit from the 'exclusive right' to the registered trade mark. The registration as it stands will result in

wrongful loss to the applicant. In the circumstance we cannot allow the beneficial interest in the trade mark to continue to be vested in the registered

proprietor. We accordingly uphold the objection raised under Section 14 of the Act. The application for rectification is consequently allowed and the

registered trade mark No. 1312052 is ordered to be removed from the register with costs of Rs. 5000/-. The Registrar is directed to cancel/remove

the impugned mark ""ADEPU"" registered under No. 1312052 in Class 24.