

(2009) 05 IPAB CK 0020

In the Intellectual Property Appellate Board

Case No : ORA/49/2008/TM/DEL

A.V.R. Engineers

APPELLANT

Vs

Rajinder Singh, Trading As Master Metal Industries And The
Registrar Of Trade Marks

RESPONDENT

Date of Decision : 01-05-2009

Acts Referred:

Trade Marks Act, 1999 — Section 2(1)(zg), 9, 11, 12, 18, 21, 34, 47, 57, 125

Citation : (2009) 05 IPAB CK 0020

Hon'ble Judges : Z.S. Negi, J;S. Usha, Technical Member

Bench : Division Bench

Advocate : S.K. Bansal

Final Decision : Allowed

Judgement

S. Usha, Technical Member

1. The above application is filed for the removal of the trade mark ""EGO"" registered under No. 1047896 in class 11 from the Register of Trade Marks

under Sections 47/ 57/ 125 of the Trade Marks Act, 1999 (in short the Act).

2. The applicant is engaged in the business of manufacturing, marketing and sale of C.P. bathroom fittings, valves, cocks and industrial valves of all

types since the year 1984. The applicant adopted the trade mark EGO label word per se and in an artistic manner honestly and bonafidely. They had

been using the same since then continuously, uninterruptedly and exclusively as proprietor and owner. The applicant is the prior adopter and user of

the trade mark.

3 . The applicant has obtained registration of the trade marks (1) EGO word per se under registration No. 442765 in class 07 in respect of valves

metal cocks (parts of machine), (2) registration under No. 1314353 in class II in respect of valves and cocks, pipe fittings and C.P. Bathroom fittings

included in class for use in water supply and sanitary purposes and (3) registration under No. 1314352 in class 06 in respect of gun metal valves and

cocks and pipe fittings included in class 06. All three applications claiming user since 01/04/1984 and all are still in force.

4. The applicant has made minor changes in the said trade mark label but substantial features remained the same. The applicant is the author, owner

and proprietor of the artistic work. The applicant has honestly and bonafidely used the trade mark continuously and openly and uninterruptedly and has

thus built up a valuable trade, goodwill and reputation among the public and has acquired proprietary right therein. The applicant, a registered

partnership firm, has obtained registration under the Sales Tax and Central Excise. The applicant's goods are certified by Bureau of Indian Standards

and bears ISI marks.

5. The applicant is the prior adopter and user of the trade mark/label. The goods and business carried on by the applicant have been practically

distributed in major parts of the country. The goods bearing the trade mark EGO is being exported to various foreign countries in large quantities. The

goods are identified as exclusively originating from the applicant's source. The applicant's goods and business on account of its long, continuous and

extensive user since 1984 has become distinctive and associated with the applicant. The applicant's goods bearing the impugned trade mark are highly

demanding in the market on account of their high standard and quality. The applicant's business has acquired tremendous goodwill and enviable

reputation in the market and the applicant has already built up a handsome and valuable trade thereunder. The applicant's sales runs into lakhs and

lakhs of rupees every year since its inception in the year 1984.

6. The applicant has been continuously promoting his business under the said trade mark/label through different means and modes including through

advertisements and publicity in leading newspapers. The applicant has spent enormous amount of money on its publicity expenses.

7. The applicant maintains the highest standard of manufacture and trade of its said business. The applicant's trade mark/label is a well known trade

mark within the meaning of Section 2(1)(zg) of the Act.

8. The applicant's trade mark/label has acquired secondary significance denoting the said goods and business of the applicant and are recognized with the applicant's source alone.

9. The applicant is the proprietor of the trade mark/label both under the statutory law and under the common law. Any use of the same on any other trade mark/label identical with or deceptively similar thereto, either by itself or in its essential/constituent features including the copyright thereon in relation to the same/similar/cognate goods as that of the applicant without the leave of the applicant will be in violation of the applicant's proprietary trade mark and copyright rights thereto. The quality of the applicant's product is high as evidenced by their supply to various public sector undertakings. The applicants have been appreciated for their quality goods by various companies.

10. The respondent No. 1 is an ex-commission agent of the applicant and worked for the applicant for a number of years. The respondent No. 1, as commission agent, used to book/procure orders for the applicant for their said goods under the trade mark ""EGO"". The respondent No. 1 fraudulently and illegally obtained the impugned registration of the trade mark ""EGO"" under No. 1047896 in class 11 in respect of valves, cocks and pipe fittings for water supply and sanitary purposes included in class 11.

11. The impugned registration has been obtained in utter breach of trust reposed by the applicant in respondent No. 1. The impugned application advertisement in the Trade Mark Journal No. 1339 Supplement (1) dated 15/02/2006 at page 3826 escaped the applicant's attention and opposition could not be filed within the prescribed time.

12. In about the end of October and beginning of November, 2007, the applicant came across the goods of M/s Sharma Moulding Works under the trade mark/label ""EGO"" in the market. On enquiries made, the applicant came to know that the respondent No. 1 had joined hands with M/s Sharma Moulding Works in aiding the impugned activities.

13. The applicant therefore instituted a civil suit against the respondent No. 1 and others in Delhi High Court for infringement of trade mark and copyright. The Hon'ble High Court granted an order of injunction on 14/12/2007 against the respondent No. 1 and others. M/s Sharma Moulding Works filed an application to vacate the order of injunction in which application,

the respondent No. 1's registration of trade mark ""EGO"" was mentioned. Thereafter, the applicant found out the details of registration from the Trade Marks Registry.

14. The respondent No. 1 on the strength of the impugned registration is violating and interfering with the business of the applicant. The applicant is suffering and shall continue to suffer because of the impugned registration. The applicant is, therefore, a person aggrieved.

15. The applicant, therefore, filed the application for rectification on the following grounds because:

(1) the applicant is engaged in the business of manufacture, marketing and sale of C.P. Bathroom fittings, valves, cocks and industrial valves of all

types;

(2) the applicant is engaged in the said business since 1984 adopting the trade mark label ""EGO"" (word per se and in an artistic manner);

(3) the applicant honestly and bonafidely adopted the trade mark EGO label in the year 1984 and has been using the same continuously and

uninterruptedly;

(4) the trade mark EGO (word per se) is registered in favour of the applicant in class 07 in respect of valves metal cocks (parts of machine), in class

11 in respect of valves and cocks, pipe fittings and C.P. Bathroom fittings for use in water supply and sanitary purposes and in class 06 in respect of

gun metal valves and cocks and pipe fittings all claiming user since 1984;

(5) the impugned registration has been obtained by playing fraud, malafidely and false claims and by willful suppression of material facts;

(6) the applicant is the prior adopter and user of the said trade mark in respect of said goods;

(7) the respondent No. 1 is wrongly and fraudulently claiming to be manufacturer and merchant of the impugned trade mark ""EGO"" under No.

1047896 in class 11 in respect of valves, cocks and pipe fittings for water supply and sanitary purposes in the impugned registration;

(8) the respondent No. 1 is wrongly claiming proprietary right over the impugned trade mark EGO which they neither used at the time of filing the

application for registration nor at the time of grant of registration certificate nor till date.

(9) the respondent No. 1 being aware of the applicant's proprietary right has

sought registration dishonestly in respect of the said goods;

(10) the respondent No. 1 is guilty of fraud in claiming the user since 01/04/1998 as they had never used the impugned trade mark and thus its

registration can not be sustained;

(11) the impugned trade mark was not distinctive of the impugned goods neither at the time when the application was filed nor at the time when the

registration was obtained nor even till date. No cogent and sufficient document was filed before the Registrar of Trade Marks in support of

distinctiveness. Even if documents were filed no distinctiveness can be claimed as the documents would have been fabricated as the mark was never

used by the respondent No. 1. The impugned registration is, therefore, contrary to the provision of Section 9 of the Act;

(12) The impugned trade mark fails to identify the impugned goods of respondent No. 1.

(13) the impugned trade mark is similar and identical with the applicants and the impugned goods are of the same description and falling in the same

class as that of the applicant;

(14) Section 11 of the Act bars the impugned registration as the impugned trade mark is likely to cause deception or confusion among the public;

(15) the respondent No. 1 is engaged in the same trade is deliberately deceiving the purchasers as to the origin of goods of the applicant;

(16) the respondent No. 1 obtained impugned registration with a view to cash in on the tremendous goodwill and reputation of the mark accrued in

favour of the applicant on account of its long use and high quality with a view to gain illegal profits;

(17) the respondent No. 1 is guilty of infringement and passing off;

(18) the respondent No. 1 has not used the impugned trade mark for a period of more than five years and 3 months prior to the filing of this application

nor does the respondent No. 1 has any bonafide intention to use the trade mark;

(19) the respondent No. 1 has never used the impugned trade mark in respect of the goods included in class 11;

(20) there are no special circumstances or any factor which exists in favour of the respondent No. 1 on the basis of which the impugned registration

can sustain;

(21) the impugned trade mark registration is contrary to the provision of Sections 09, 11, 12, 18 of the Act;

(22) the respondent No. 1 has no right in the impugned trade mark in relation to the impugned goods;

(23) the respondent No. 1 has violated the copyright of the applicant in the said trade mark;

(24) the impugned trade mark is void ab-initio;

(25) The impugned registration has been made without sufficient cause and is wrongly remaining on the Register;

(26) in the interest of the purity of the register the impugned trade mark entry be removed;

(27) in the interest of justice, equity and goods conscience the application be allowed.

16. The notice sent to respondent No. 1 was returned with an endorsement as no such person and the applicant had taken out an application for

substituted service in M.P. No. 129/08. The Board had therefore passed an order for effecting publication by allowing M.P. No. 129/08. In spite of

publication being effected, the respondent No. 1 neither through their counsel nor in person appeared and hence the matter was heard ex-parte. We

have heard Shri S.K. Bansal, counsel for the applicant.

17. The learned Counsel for the applicant submitted that the rival marks are identical and the goods are also the same and brought to our notice the

Trade Marks Journal advertisement and also pointed out that the application for registration was made on 27. 09.2001 claiming use since 01.04.1998.

The counsel further submitted that the application was made by Mr. Rajinder Singh who was the commission agent of the applicant. He further

pointed out that the area of use by both the applicant and the respondent No. 1 were also the same - Jalandar. The counsel contended that they had

adopted and had been using the trade mark since the year 1984 and also had the trade mark registered in classes 06, 07 and 11. He submitted that the

sales turn over runs to several lakhs of rupees. He brought to our notice the certificate issued by the Directorate General of Quality Assurance filed

as exhibit - 9 (collectively). The counsel also pointed out to the various purchase orders, company profile and the price lists.

18. The learned Counsel pointed to the various orders placed on record to prove

that the respondent No. 1 was their commission agent. The counsel further submitted that the registration has been obtained in bad faith. The adoption itself has been dishonest. The counsel submitted that Mr. Rajinder Singh was carrying on business under various trading style.

19. The counsel submitted that the respondent No. 1 was not a proprietor of the trade mark and the registration was in contravention of the provisions of Section 18 of the Act. The counsel also submitted that the applicants and the respondent No. 1 were in the same trade and as such were persons aggrieved.

20. The counsel relied on various judgments to stress that they were persons aggrieved within the meaning of Section 57 of the Act and to say that they were prior adopters and users of the mark and that their rights are to be protected. The applicants also stated that there was triple identity - identical trade mark, goods and trade channels.

(1) MANU/SC/0705/2003 Hardie Trading Limited and Anr. v. Addition Pain sand Chemicals Ltd. (2) AIR 1995 Delhi 300 N.R. Dongra and Ors. v.

Whirlpool Corporation and Ors. (3) MANU/DE/0153/1977. Century Traders v. Roshan Lal Duggar and Co (.4) 1997 PTC (17) Bimal Govindji Shah

v. Panna Lal Chandu Lal (5) MANU/SC/0186/2004 Midas Hygiene Industries P. Ltd. v. Sudhir Bhatia and Or s(.6) 1990 (2) Del Arb Dharam Pal

Satya Pal v. Janta Sales Corporation.

21. We have carefully considered the arguments of the learned Counsel for the appellant and have perused the documents.

22. The foremost issue for consideration is whether the applicant is a person aggrieved and if so whether he has a locus standi to file an application

for rectification. Any person under the provisions of Section 21 of the Act may file a notice of opposition to the registration of the trade mark whereas

an application for rectification can be made only by a "person aggrieved". The word "Aggrieved Person" has received liberal construction by judicial authorities.

23. In wright, crossley & Co. STM (1898) (15) RPC 131, it was held as follows:

I further accept the statement of the Court of Appeal, that a man in the same trade as the one who has wrongly registered a Trade Mark and who

desires to deal in the article in question is prima facie an aggrieved person but

only prime facie, and the circumstances of the case may show that an individual applicant is not a person aggrieved. I think, notwithstanding what was said in that case, and has been said in other cases dealing with Trade Marks, that an applicant, in order to show that he is a person aggrieved, must show that in some possible way he may be damaged or injured if the Trade Mark is allowed to stand and by possible I mean possible in a practical sense and not merely in a fantastic view.

24. As held by the Supreme Court in *Hardie Trading Limited and Anr. v. Addison Paints and Chemicals Ltd.* MANU/SC/0705/2003 the phrase, "aggrieved Person" for the purpose of removal on the ground of non use under Section 47 has a different connotation from the phrase "aggrieved person" under Section 57 for cancelling or varying or expunging an entry wrongly made or remaining on the Register.

25. In *POWELL v. Birmingham Vinegar Brewery Co.* (1983) (10) R.P.C. 63 it was observed as under:

Persons who are aggrieved are persons who are in some way or other substantially interested in having the mark removed from the Register, or persons who would be substantially damaged if the mark remained. It is very difficult to frame a nearer definition than that.

26. In the *Appollinairis Case* it was pointed out not as a complete or exhaustive definition that people would be aggrieved if they were in the same trade and dealt in the same article. For my mind, it is equally true that person would be aggrieved if they are in the same trade and might reasonably be expected to deal in the same article, though not prepared to prove at the moment that they had formed a clear determination to do so. Supposing this mark ought not to be on the register, it hampers those who are in the trade and who might wish to consider the question of embarking in another branch of the trade if lawfully entitled to do so. It would be, to my mind, an un-business like construction to place on the term "aggrieved", to say that it could only be applicable to those who actually had formed a fixed and crystallized intension of dealing in the particular article if permitted to do so. If a man is hampered in his arrangements of business matters in the future by the fact that a trade mark is on the register which ought not to be there, he is a person who, to my mind, is sufficiently aggrieved to come within the section".

27. The judgment of the House of Lords defining a "person aggrieved" in the matter of Powell's Trade mark (1984) 11 RPC 4 as interpreted by the

Supreme Court would apply to an application under Section 57, where the locus standi would be required to be ascertained liberally since it was held

that it would not only be against the interest of other persons carrying on the same trade but also the interest of public to have such wrongful entry removed.

28. Now considering the question whether the applicant is an aggrieved person under Section 57 of the Act, we are of the view, based on the

observation of the Supreme Court in Hardie Trading Limited, the applicant is a person aggrieved. The fact that the marks are identical, areas of sale

being same, class of goods similar, trade channels same, the interest of applicant and the public at large are damaged. The applicant, therefore, has a

locus standi to maintain and file an application for rectification, in our considered view.

29. We shall now consider the issue as to whether the adoption of the impugned trade mark is honest and is in bonafide use. The term "Fraud" has not

been defined in the Act. We here quote the observations of Shri K.S. Shavakaha on the law of Fraud in his book on Trade and Merchandise Marks

Act, 1958 (III Edition) at page 147-148 as under:

Fraud": If the original registration has been obtained by fraud, as far instance by wrong statements deliberately made in affidavits submitted to the

Registrar, the mark can be removed from the Register. Similarly alleging fraud is not sufficient for the absence of particulars, the applicant would be

incompetent. R. Om Prakash MANU/MH/0229/1955. It has to be noted that the fraud referred to in this section is fraud committed before

registration. Fraudulent use of a registered mark after registration is subject to a different principle of law contrary to the facts of the application on

hand, it might be a fraud for a person to procure the registration of the trade mark which he knows is in use by another trader or by his principal who

is a foreign manufacturers Gynomin (1961) RPC 408 at 414

30. In the case on hand, the applicants have pleaded that the 1st respondent has fraudulently obtained registration of the trade mark knowing fully well

that the applicants have been using the trade mark. The applicants have placed before us the documents to say that the 1st respondent was their

commission agent till the year 2001 and also that they were aware of the applicant's use of the trade mark. The plea of fraud, therefore, sustains.

31. With regard to the plea of confusion and deception, in our view, the possibility is not likely but certain. The goods are same, the trade channels are sane and the marks are identical. In *Kashian v. Thakurdas* MANU/MH/0235/1982 the court held ""where the marks are identical and the goods or services covered by such marks are also identical, there is a large presumption that the registration is likely to cause confusion on the part of the public. In such cases, the question of protection of public interest and maintaining purity of register is obvious, notwithstanding the special provision made in the Sections 12 or 34"".

32. The object of maintaining a trade mark register is to show to the public that the goods they are buying belong to or are manufactured and sold by a particular person. It is, therefore, not correct to have trade marks which are identical or similar, for an unwary purchaser may be led to think that the goods he is buying are goods which belong to a particular person, whereas in fact he is buying goods of another person.

33. The respondent No. 1 has also obtained registration in contravention to the provisions of Section 18 of the Act. In order to satisfy and to come within the provisions the registered proprietor is to prove that they are the proprietors of the trade mark. On perusal of the impugned Trade Mark Journal advertisement, it is seen that the application for registration has been made in the year 2001 claiming user since 1998 and from the purchase orders, it is seen that the respondent had been placing orders till 2001. From the above, it is clear that the user claimed in the application is not with bonafide intention but malafide.

34. Having observed all the pleas of the applicants as valid, we have no hesitation in directing the cancellation of the trade mark from the Register. We, therefore, allow the application for rectification and direct the Registrar to cancel the trade mark No. 1047896 in class 11 from the register of trade marks. There shall be no order as to costs.