

(2006) 11 IPAB CK 0014

In the Intellectual Property Appellate Board

Case No : TRA/136/2004/TM/DEL, TRA/155/2004/TM/DEL (C.O. NOS. 18 Of 1999, 24 Of 1998)

Bal Krishan Jindal

APPELLANT

Vs

Mohinder Singh And Anr.

RESPONDENT

Date of Decision : 16-11-2006

Acts Referred:

Trade And Merchandise Marks Act, 1958 — Section 9, 9(3), 11, 11(a), 18, 46, 56, 107
Trade Marks Act, 1999 — Section 32, 35, 41, 46, 46(1)(a), 56, 100

Citation : (2007) 34 PTC 136 (IPAB)

Hon'ble Judges : Z.S. Negi, J; Syed Obaidur Rahaman, Technical Member

Bench : Division Bench

Advocate : M.R. Bhale Rao, A.K. Goel

Final Decision : Dismissed

Judgement

Z.S. Negi, J

1. These two CO. being Nos. 18 of 1999 and 24 of 1998, which were filed under Sections 46, 56 and 107 of the Trade and Merchandise Marks

Act, 1958 (hereinafter referred to as the Act) in the High Court of Delhi, have been transferred by that High Court to the Intellectual Property

Appellate Board pursuant to the provisions of Section 100 of the Trade Marks Act, 1999 and the Board numbered them as

TRA/136/2004/TM/DEL and TRA/155/TM/DEL, respectively.

2. Since both the parties have filed petitions/applications for cancellation of each others trade marks, therefore, for the purpose of convenience,

instead of referring the parties in the applications as petitioner/applicant and respondent No. 1, the last names of the parties are being referred to as

Shri Kishan"" and ""Shri Singh"" in conjunction with the applicant or, as the case

may be, the respondent No. 1.

3. Shri Kishan, the applicant seeks for rectification/cancellation of the entry relating to registered trade mark 'Citizen', under No. 423100 as of

11.6.1984 in respect of electric bulbs included in class 11, in the name of Shri Singh, the respondent No. 1 and Shri Singh, the applicant seeks for

cancellation Of registered trade mark 'Citizen', under Nos. 350335 as of 13.6.1979 in class 11 in respect of electric heating appliances, electric

lamps, electric fans and brackets (hanging) and 350336 as of 13.6.1979 in class 9 in respect of wires (electric), cables (electric), holders (electric

coil) switches (electric), chokes, fuses, kitkat (electric) and plug, tops (electric), respectively, in the name of Shri Kishan, the respondent No. 1,

4. Shri Kishan, the applicant states that M/s. Citizen Electrical is his sole proprietorship firm which is the prior adopter of the trade marks Citizen

and the said marks have been renewed from time to time and are valid, subsisting and conclusive throughout the country. He is using the said mark

since 1976 (within the knowledge of Shri Singh, the respondent No. 1) extensively, continuously and uninterruptedly throughout the length and

breadth of this country. Shri Kishan, the applicant claims that the trade mark Citizen on account of long, continuous, extensive use, extensive

marketing network and extensive advertisement campaign and excellent quality of goods has acquired enviable reputation and goodwill amongst the

purchasing public and trade which has become distinctive of the goods and business of the applicant. He claims to a person aggrieved because of

filing of a Suit by Shri Singh, the respondent No. 1 against him before the District Judge, Delhi. The main grounds of application are that the

impugned registration of trade mark in the name of Shri Singh, the respondent No. 1 is unlawful and contrary to the various provisions of the Act

and registration thereof is without any bona fide intention of use as immediately preceding this application five years has expired during which there

has not been any bona fide use of the trade mark in respect of goods in which it is registered. The use of the impugned trade mark by Shri Singh,

the respondent No. 1 is likely to cause confusion and deception amongst the public and trade and as such the impugned registration offends against

the provisions of Section 11(a) of the Act. Further, Shri Singh, the respondent No. 1 is not the proprietor of the trade mark, the registration of the

impugned trade mark was obtained by making false statement about ownership of the mark as well as misleading claim and as such the registration

is a fraud upon his vested and legal rights in the trade mark Citizen. The adoption of impugned trade mark Citizen on the part of Shri Singh, the

respondent No. 1 is dishonest and existence of such trade mark on the register affects the purity of the register.

5. Shri Singh, the applicant states that he is the sole proprietor of M/s. Aay Kay Lights (India) engaged in the business of manufacturing and selling

of electric bulbs since 1980. He claims to have honestly and bona fide adopted the trade mark Citizen in 1980 and since then using the mark

regularly, continuously, uninterruptedly and without hindrance, whatsoever, from any corner. Shri Singh, the applicant claims that he has been using

that trade mark since 1980. From 1980 to 1986, Citizen is the only trade mark used by him in respect of electric bulbs and from 1986 till today, his

major sales relates to electric bulbs under that trade mark. He is the registered proprietor of trade mark Citizen under No. 423100 as of 11.6.1984

in respect of electrical bulbs included in class 11 and that registration is valid, subsisting and in force. On account of superior quality of electric

bulbs and due to continuous use of trade mark Citizen it has acquired unique reputation and goodwill in public and trade and the goods under that

mark are exclusively associated with his goods by the trade and purchasing public. Any trade mark identical and/or similar thereto for electric bulbs

is bound to cause confusion and deception in the course of trade. It is further averred that Shri Singh, the applicant has filed a Suit No. 44 of 1996

against Shri Kishan, the respondent No. 1 for perpetual injunction restraining infringement of trade mark, passing off which is pending before the

Additional District Judge, Delhi and Shri Kishan, the respondent No. 1 has filed a counter claim in the said suit claiming himself to be the registered

proprietor of the trade mark under Nos. 350335 in class 11 and 350336 in class 9. Shri Singh, the applicant claims to be person aggrieved by the

registration of trade mark Nos. 350335 and 350336 by the respondent No. 2 in favour of Shri Kishan, the respondent No. 1 and such registration is

a threat to his right of exclusive use of the trade mark. The grounds of application for removal of impugned marks are that Shri Kishan, the

respondent No. 1 is not the proprietor of the trade marks and has obtained the impugned registration by giving false statements, affidavits, and by

making wrong averments before the Registrar for obtaining registration; that Shri Kishan, the respondent No. 1 committed fraud upon the Trade Marks Registry in securing registration by concealing material facts and misleading averments; that the 'electric bulb' was not part of the applicant for registration and its subsequent addition is illegal and obtained by fraud; that the registration of trade marks in favour of Shri Kishan, the respondent No. 1 is the contravention of the provisions Sections 9, 11 and 18 of the Act; that the impugned mark is not distinctive on the date of commencement of the legal proceedings; that there has in fact no bona fide use of the trade mark by Shri Kishan, the respondent No. 1 in relation to goods in respect whereof the marks were registered by the registered proprietor for a period up to a date one month before the date of present petition for a continuous period of five years or more; that the registration of such mark was made without any sufficient cause and the same remains on the register without any sufficient cause and that the existence of the impugned registration on the register affects the purity of such register.

6. Shri Kishan, the respondent No. 1 filed in March, 2001 his reply to the petition (of Shri Singh) controverting all the material averments made in the petition, rejoinder to the reply in May, 2002 and evidence by way of affidavit in March, 2006. Likewise in the other rectification petition of Shri Kishan, the applicant, Shri Singh, the respondent No. 1 filed in November, 1999 his reply controverting all the material averments made the petition, rejoinder to the reply in September, 2000 and evidence by way of affidavit in February, 2006.

7. Prior to the transfer of C.O. No. 18 of 1999 and C.O. No. 24 of 1998, the High Court of Delhi on an consolidation application LA. No. 9184 of 2002 in C.O. No. 24 of 1998 had, on the ground that both the petitions are for cancellation to trade mark of each other and the facts of both the petitions are similar, ordered that both the petitions be consolidated and the evidence led in C.O. No. 24 of 1998 be read in C.O. No. 18 of 1999 as the evidence in both the petitions shall be substantially common.

8. After completion of the procedural formalities, the applications came up for hearing before the Circuit Bench at New Delhi on 3.5.2006, when learned Counsel Shri M.R. Bhale Rao appeared for Shri Kishan, the applicant/

respondent No. 1 and learned Counsel Shri A.K. Goel appeared for Shri Singh, the respondent No. 1/applicant.

9. Each learned Counsel submitted the applicants to be persons aggrieved within the meaning of Sections 46 and 56 of the Act. In the averments

also, both applicants are alleging each other as not to be proprietor of the impugned mark. In order to be a person aggrieved, the person must be

proprietor of the mark and, therefore, the proprietorship and person aggrieved are inter-connected which is required to be dealt with in

consolidation. Learned Counsel for Shri Kishan, the applicant contended that the mark of Shri Singh, the respondent No. 1 was owned by the

partnership firm and at the time of dissolution of the firm in 1988, Shri Singh, the respondent No. 1 had not been granted any right pertaining to

trade mark, hence he is not the proprietor of the mark. As such he has no locus standi to file application or is not a person aggrieved. Ld. counsel

for Shri Singh, the respondent No. 1 in reply, denying this, drew our attention to Ext. D-1 and D-2 of Shri Singh's type set and pages 83-84 of Shri

Kishan, the applicant's type set Volume-2. Ext. D-1 is a photocopy of letter dated 10.8.1999 from the Trade Marks Registry annexing therewith a

photocopy of the entry in Register of Trade Marks relating to Trade Mark No. 423100 in class-11 (Ext. D-2) in the name of Shri Singh, the

respondent No. 1. Pages 83-84 are the photocopy of Dissolution Deed dated 5.9.1988 which shows that Shri Singh, the respondent No. 1 has been

authorised 'to apply/use for factory licence or any other licence or trade mark or patent if he so desire to continue the business.' Therefore, the

contention that Shri Singh, the respondent No. 1 is not proprietor of the mark does not sustain. Learned Counsel for Shri Singh, the applicant also

contended that Shri Kishan, the respondent No. 1 is not proprietor of the marks on the ground that he has assigned the marks without goodwill in

1985 for consideration to a third party and as such he is neither proprietor nor a person aggrieved. As such he has no locus standi to file this

application. Ld. Counsel for Shri Kishan, the respondent No. 1 in reply, denying this, submitted that the marks were re-assigned to Shri Kishan, the

respondent No. 1 and drew our attention to Ex. B-1 and P-2 of type set volume-I of Shri Kishan, the applicant to show that both the trade marks

are renewed up to 2000 in the name of Shri Kishan. Ld. Counsel for Shri Singh,

the respondent No. 1 also drew our attention to Ext. C5, C6 and C7 of the type set filed by Shri Singh, the respondent No. 1 which shows that both the trade marks were by a Deed of Assignment dated 23.3.1985 assigned without goodwill and name of the business to Shri Subash Chand (assignor's brother) for rupees five hundred. Shri Subash Chand, the assignee/purchaser has filed Form TM-24 on 27.3.1985 (Ext. C35 & C36 of type set of Shri Singh, the respondent No. 1). In para 10 of the rejoinder, Shri Kishan, the applicant states that ""As already explained above the trade mark once assigned by the petitioner has been reassigned to it. Therefore, it is for the respondent to prove that how the petitioner has no locus standi to file the present suit."" Shri Singh, the respondent No. 1 has by filing evidence of assignment proved the assignment and now the onus shifts on Shri Kishan, the applicant to prove reassignment. Since the assignment is without goodwill, the assignee was required under Section 41 of the Act to file Form TM-20 within six months from the date of assignment or within such extended time as the Registrar may allow. As per Section 41 of the Act the assignment without goodwill shall not take effect unless Form TM-20 is filed by the assignee inter alia for Registrar's direction with respect to the advertisement of assignment. There is no evidence available on record regarding recordal of assignment, or filing of Form TM-20 or reassignment of marks. In the absence of such evidence (except on the face of renewed certificate of trade marks in the name of applicant), we have no option but to conclude that, prima facie, Shri Kishan, the applicant is the proprietor of the impugned trade marks.

10. Now, we would come to issue of person aggrieved. The requirement provided for in the statute is that a person to seek relief under Sections 46 and 56 of the Act should be a person aggrieved. It is observed by the Apex Court in National Bell Co. (P) Ltd. and Anr. v. Metal Goods Mfg. Co. Ltd. and Anr. PTC (Suppl) (1) 586 (SC) at p. 593 thus : 'The expression ""aggrieved person"" has received liberal construction from the Courts and includes a person who has, before registration, used the trade mark in question as also a person against whom an infringement action is taken or threatened by the registered proprietor of such a trade mark'. A person aggrieved also includes the rivals in the same trade who are aggrieved by the entry of rival's mark in the register of trade marks or persons who are in

some way or the other substantially interested in having the mark removed from the register or person who would be substantially damaged if the mark remained on the register. By applying the aforesaid principles, both the applicants are 'persons' aggrieved.

11. There is no dispute that the registration of trade marks of both parties were obtained more than seven years before the filing of these

applications and as such Section 32 of the Act is clear in the matter of its applicability to an application under Section 56 of the Act. It provides that

in all legal proceedings relating to a trade mark registered in Part A of the register (including applications under Section 56), the original registration

of the trade mark shall, after the expiration of seven years from the date of such registration, be taken to be valid in all respects unless it is proved-

(a) that the original registration was obtained by fraud; or

(b) that the trade mark was registered in contravention of provisions of Section 11 or offends against the provisions of that Section on the date of

commencement of the proceedings; or

(c) that the trade mark was not, at the commencement of the proceedings, distinctive of the goods of the registered proprietor.

Since both the applicants have averred fraud committed by their opposite parties for obtaining registration of trade marks and also obtained the

same in contravention of provisions Section 11 of the Act, we would take up the grounds under Clauses (a) and (b) of Section 32 to see whether

the impugned trade mark be expunged from the register on those grounds. The expression ""fraud"", in the context of Section 32 of the Act, seems to

involve some element of actual deception by the applicant for registration. It is not sufficient merely to allege fraud but it must be pleaded and

particulars given. Shri K.S. Shavaksha in his book on the Trade and Merchandise Marks Act 1958 (Third Edition) at pages 147-48 stated the law

as under:

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

Registrar, the mark can be removed from the register. Simply alleging fraud is not sufficient, for the absence of particulars, the application would be

incompetent. Re Om Parkash MANU/PH/0002/1956 Z: enith Colour Trading Co. v. Taherally (1956) 58 Bom. LR 912 p. 916. 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 a trade

mark which he knows is in use by another trader or by his principal who is a foreign manufacturer. *Gynomin* (1961) RPC 408 at 414.

An applicant for rectification must prove that the entry he is attacking has been obtained on committing fraud and the mark was registered in

contravention of the provisions of Section 11 of the Act. The applicants have neither given any particulars of fraud in the pleadings nor adduced

any evidence therefor. Learned Counsel also did not reveal or cite any incidence of fraud during the course of hearing. Shri Singh, the applicant has

not produced any evidence to prove his averment that the subsequent amendment made to add 'electric bulb' in the specification of goods in the

application for registration was illegal and obtained by fraud. In these circumstances, we are inclined to agree with the reply filed by the respective

respondents denying the averments of the respective applicants. We can, therefore, unhesitatingly say that the respective applicants have miserably

failed to discharge the onus to prove fraud and that the marks were registered in contravention of the provisions of Section 11 of the Act. As such

we reject the applications under Clauses (a) and (b) of Section 32 of the Act.

Shri Singh, the applicant has averred that the impugned marks of Shri Kishan, the respondent No. 1 were not distinctive on the date of

commencement of the present proceedings. If the objection of Shri Singh, the applicant is that the mark of respondent is not distinctive on the date

of commencement of the present proceedings his mark is not distinctive either because both marks are Citizen. The applicant has not substantiated

about this in his pleadings. Further, the burden of proof is on the applicant who comes to the Court for rectification of the mark on the ground that

the trade mark was not distinctive of the goods of the registered proprietor on the date of commencement of the legal proceedings. In this case Shri

Singh, the applicant has not produced any documentary evidence in support of his averment regarding that the trade mark was not, at the time of

commencement of proceedings, distinctive of the goods of the respondent No. 1. It is needless to hold that Shri Singh, the applicant has miserably

failed to discharge the onus and accordingly, we reject his application on this count also, i.e. under Clause (c) of Section 32 of the Act.

12. Since Section 32 of the Act is subject to the provisions of Section 35 and 46 and the applications are, amongst others, under Section 46 of the

Act, now we will come to an applicant's objection (objections are common in both applications) under that Section on the grounds that (i) the trade

mark was registered without any bona fide intention on the part of respondent No. 1 to use in relation to those goods by him, (ii) there is in fact no

bona fide use of that trade mark in relation to those goods by the proprietor thereof for the time being up to a date of one month before the date of

the application, and (iii) that upto a date one month before the date of application, a continuous period of five years or longer time had elapsed

during which the trade marks were registered and during which there were no bona fide use thereof in relation to those goods by the proprietor

thereof for the time being. In order to bring this objection within the ambit of Section 46(1)(a) & (b) of the Act it must be shown that the trade

mark was registered without any bona fide intention on the part of applicant for registration to use it by himself, that there was no bona fide use of

the mark one month before the date of application and there were no bona fide use of the mark for five years and one month before the date of the

application. Want of intention to use may be inferred from non-use and the onus of proving non-use during the relevant period is on the applicant for

rectification. Both the applicants have filed affidavit evidence but the contents of both affidavits mention only about use of their own trade marks

instead of challenging the non-use of the trade marks of their opposite side registered proprietors (respondents). Shri Singh, the applicant has in his

affidavit evidence filed a sales figures (Exhibit A) from 1980-81 to 1988-89 (1989-90 to 1990-91 stated to be not readily available) and 1991-92 to

1997-98. The sale figure of 1997-98 is to the tune of about six and one half lakh rupees. The said affidavit evidence contains also few copies of

sales vouchers (Ext. B 1 to B 88) showing goods sold under trade mark Citizen and copies of three bills (Ext. C1 to C3 dated 27.3.1981, 20.6.1982

and 4.7.1982, respectively) of, packaging material in respect of product under trade mark Citizen. Ld. Counsel for Shri Kishan, the respondent No.

1 has raised doubt that the words Citizen appears subsequently inserted in the vouchers but he did not object when counsel for Shri Singh, the

applicant clarified that the original vouchers have been filed in the Court and there is no such objection/doubt raised by the Court. Shri Kishan, the

applicant has in his affidavit evidence filed statement of sale account (Ex. P-3) from 1997-98 to 2003-04 (there is no explanation for not furnishing

sale account of earlier period) which is about eleven and one half lakh rupees in 2003-04. The affidavit contains also copies of sale invoices (Ex. P-

5) pertaining to the sale under the trade mark Citizen and copies of advertisements. The documentary evidence proves that both the applicants got

the marks registered with bona fide intention to use in relation to goods for which registrations were made, there have been bona fide use and they

were using their respective trade marks till these applications were filed. In view of this, the grounds provided under Sub-section (1) of Section 46

of the Act are not available to both the applicants and their respective applications under Section 46 of the Act fail.

13. Now, we will come to Section 56 of the Act which provides for power to cancel or vary registration and to rectify the register. Both the

applicants have made more or less similar averments that the registrations of the impugned marks in favour of Shri Singh, the respondent No. 1 or,

as the case may be, Shri Kishan, the respondent No. 1 were in contravention of the provisions Sections 9, 11 and 18 of the Act, the entry relating to

the impugned marks were made without any sufficient cause and the impugned trade marks in the names of respondents are wrongly remaining on

the register. The respective respondent denied all the averments in his respective reply. Learned Counsel for Shri Kishan, the respondent submitted

that Shri Kishan, the respondent No. 1 is prior adopter, prior user of the marks and got the registration as of 1979 whereas Shri Singh, the applicant

is subsequent adopter and user of the mark. There was no question of registration against the provisions of all or either Section 9 or Section 11 or

Section 18 of the Act. It may be remembered that the averments and contentions that registration of marks were in contravention of provisions of

Section 11 of the Act were not proved under Section 32 of the Act by the respective applicants. It is found that there are bona fide use of marks by

the respective applicants and there have been no evidence before us nor are there any evidence on record to show any incidence of deception and

confusion among the public and trade. Shri Singh, the applicant in his affidavit evidence has filed a number of copies Trade Marks Journal

advertisements, including search report of Trade Mark Registry to show that there are number of word trade marks Citizen registered and also

advertised for registration in respect of electrical and electronic goods. It is material to remember that this being an application for cancellation, the

onus is upon the applicant. The Apex Court has in National Bell Co. and Anr. v. Metal Goods Mfg. Co. (P) Ltd. and Anr. PTC (Suppl) (1) 586

(SC) has held : Section 56 deals with the power to cancel or vary registration and to rectify the register. Sub-section (2) thereof confers a right to

any person ""aggrieved"" by any.... The words ""without sufficient cause"" in the Section have clearly relation to the time of original registration.

Therefore, a person can apply for cancellation on the ground that the trade mark in question was not at the date of the commencement of the

proceedings distinctive in the sense of Section 9(3). The burden of proof, however, in such a case as aforesaid, is on the applicant applying under

Section 56. It is needle JS to observe that the applicant has miserably failed to discharge the burden of proving his case the application is rejected

on these counts also.

14. In view of above, both the applications for cancellation/rectification of trade marks fail. Accordingly, we dismiss both the applications without costs.