
(1984) 08 BOM CK 0024
In the Bombay High Court
Case No : Misc. Petition No. 1144 of 1976

Hami Brothers

APPELLANT

Vs

Hami and Co. and Another

RESPONDENT

Date of Decision : 09-08-1984

Acts Referred:

Trade and Merchandise Marks Act, 1958 — Section 11, 32, 56, 9

Citation : AIR 1985 Bom 306

Hon'ble Judges : Pendse, J

Bench : Single Bench

Advocate : V.V. Tulzapurkar, for the Appellant; H.W. Kane and N.G. Thakkar, for the Respondent

Judgement

1. This petition has been filed for rectification of registered trade mark No. 221462 registered in the year 1964 in favour of respondent 1 and the proceedings are instituted under S. 56(1) of the Trade Merchandise Marks Act, 1958 (hereinafter referred to as "the Act").

2. The registered mark consists of a composite letter with three features - a flower design, the numeral 96 and the word "Majmua". The register sets out the disclaimer providing that the registration of the mark shall give no right to the exclusive use of the device of flowers and the word "Majmua" either separately or together.

2A. Respondent 1 is a partnership concern and carry on business as manufacturers and traders of Attars and perfumes. Respondent 1 are carrying on business in Attars and perfumes since the year 1945 and since the year 1956 have been using a composite mark containing the flower design and the expression "Majmua" with numeral 196 as its leading distinctive feature for an in respect of perfumes manufactured by respondent 1 and sold on a large scale. The petitioners are also a partnership firm carrying on business as the manufacturers, dealers and exporters of Attars and perfumes. The petitioner firm consisted of three partners Ahmedali Akabari, Gulam Abbas Ahmedali and

Mansoorhussain Ahmedali and was constituted in the year 1952. Ahmedali Akabarali and Abdul Hussain Sadikali were working as partners of respondent No. 1 firm till the year 1952 and Ahmedali Akabarali retired from the partnership firm of respondent 1 in the year 1952 to start the petitioners-firm.

3. The annual sale figure of "Majmua 96" perfume marketed by respondent No. 1 was Rs. 1,87,963 /- in the year 1960 and went on gradually increasing to a huge figure of Rs. 16,28,551/- in the year 1974-75. Respondent 1 used to export their products on a large scale to the foreign countries. In the year 1975 respondent 1 learned that the petitioners firm had started using the label identical as that of respondent 1 for passing of perfumes manufactured by them. Respondent 1 received complaints from their foreign customers as well as customers from Bombay complaining that spurious perfumes were sold under the trade mark of respondent 1. Respondent 1 thereupon lodged complaint against petitioner-firm before the Export Promotion Council, but the petitioner firm failed to answer the inquiries made by the Council in response to the complaint of respondent 1. Respondent 1 ultimately filed complaint before the Metropolitan Magistrate about the violation of the trade mark. The Metropolitan Magistrate directed the police authorities to make inquiries and on June 23, 1975 the premises of the petitioners were raided and certain goods bearing the label which was identical as that of respondent 1, along with large number of labels and bottles, were seized. As the Metropolitan Magistrates commenced prosecution against petitioners under Ss. 78 and 79 of the Act, the petitioner instituted the present proceedings in this Court on Aug. 9, 1976 for rectification of the registered mark of respondent 1.

4. The petitioners claim that Registered Entry No. 221462 was wrongly made in the Register as the numeral 96 is not only common to the trade but indicative of the character and quality of the goods and is descriptive, and therefore, the registration was contrary to the provisions of the Rules and the Act and therefore invalid and illegal. The petitioners also claim that respondent 1 are not using the numeral 96 as a trade mark in relation to their goods, but are using the mark only to indicate the quality of the products. It is also claimed that respondent 1 failed to disclose to respondent 2, the Registrar of Trade Marks, the correct facts and significance of the numeral 96 and the failure to disclose that material affects the registration of the mark. Respondent 1, in answer to the petition, has filed an affidavit of Ismailji Mohomadally, a partner, sworn on Dec. 10, 1976.

5. The matter was posted for hearing from time to time, but was adjourned on the applications made by the petitioners on the ground that their witnesses have to come from various places in India. Though several adjournments were granted, the witnesses did not turn up and ultimately the petitioners proceeded with the hearing and examined Gulamabbas Ahmedali Hami, partner of the petitioner firm, Mustaq Hussain Sadiqali Attarwala, a manufacturer of perfumes and Alihussain Akabarali Attarwala, a trader in perfumes and Attars, on behalf of the respondent 1, Ismail Mohamadali Attarwala entered the witness box. The

parties produced certain documents on record in support of their respective claims.

6. Shri Tulzapurkar, learned counsel appearing on behalf of the petitioners, submitted that the registered mark of respondent 1 should be cancelled on the ground that it was registered in contravention of provisions of S. 11 of the Act and also on the ground that the mark was not, at the commencement of the proceedings, distinctive of the goods of respondent 1. Section 32 of the Act provides that the 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 registration was obtained by fraud ; (b) that the mark was registered in contravention of S. 11 ; (c) that the trade mark was not, at the commencement of the proceedings, distinctive of the goods of the goods of the registered proprietor. Shri Tulzapurkar did not dispute that seven years had expired from the date of registration of the mark in favour of respondent No. 1, and therefore, it will have to be taken as valid in all respects unless the petitioners are able to establish the two grounds falling under S. 32(b) and (c) of the Act.

7. The first contention of the learned counsel is that the trade marks registered in contravention of S. 11(e) of the Act which inter alia provides that a mark, which would otherwise be disentitled to protection in a Court, shall not be registered as a trade mark. The learned counsel urged that in view of the disclaimer in respect of flower design and the word "Majmua", either separately or together, the exclusive right, which is conferred on respondent 1 by the registration of the trade mark is only in respect of numeral 96. Shri Tulzapurkar submits that numeral 96 had direct reference to the character and quality of the goods and has not acquired distinctiveness and therefore registration of such mark would not be entitled to protection in a Court of law and as such it should be held that the mark was registered in contravention of S. 11 of the Act. It is not possible to accept the submission of the learned counsel. The perusal of S. 9 of the Act makes it clear that the registration of trade mark can be granted in Part A of the registrar provided it satisfies at least one of the essential particulars set out in the Section. S. 9(1)(d) of the Act provides that the word should have no direct reference to the character or quality of the goods. S. 9(1)(e) of the Act provides that in case the mark is distinctive, then it would be one of such particulars enabling the Registrar to register the mark in Part A of the register. The expression "distinctive" is defined under S. 9(3) of the Act and means, adapted to distinguish goods with which the proprietor of the trade mark is or may be connected in the course of trade. It is, therefore, obvious that the mark cannot be registered in Part A of the register unless it satisfies the essential particulars under S. 9 of the Act. In case the word or the numeral, which is proposed to be registered, has direct reference to the character or quality of the goods, then the mark could not be registered under S. 9(1)(d) of the Act. Even though the mark satisfies the essential particulars under S. 9 of the Act, there is further provision to refuse registration of the mark under S. 11 of the Act, which

reads as under : 8.

"11. A Mark -

- (a) the use of which would be likely to deceive or cause confusion ; or
- (b) the use of which would be contrary to any law for the time being in force; or
- (c) which comprises or contains scandalous or obscene matter ; or
- (d) which comprises or contains any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India ; or
- (e) which would otherwise be disentitled to protection in a Court.

Shall not be registered as a trade mark".

The mark though satisfies the requirement of S. 9 cannot be registered if any of the prohibitions under S. 11 are attracted. The prohibition contained in s. 11(e) of the Act is independent of the requirement of S. 9 and the prohibitions contained in s. 11(a) to (d) of the Act. The expression "which would otherwise be disentitled to protection" under S. 11(a) of the Act, leaves no manner of doubt that the prohibition under this clause has no reference to any of the requirements of S. 9 of the Act. As mentioned here in above, under S. 32 of the Act, the mark is required to be treated as valid in all respects, after expiration of seven years from the date of registration unless it is established that the mark was registered in contravention of s. 11 of the Act. The only contention urged by Shri Tulzapurkar about the contravention of S. 11 of the Act is the prohibition contained in S. 11(e) of the Act and it was urged that as the mark had direct reference to the character or quality of the goods, it was disentitled to protection in a Court of law. The submission is entirely misconceived, because in case the mark has direct reference to the character or quality of the goods, then it could not be registered under S. 9 of the Act unless it is established that it has acquired distinctiveness. Even assuming the favour of Shri Tulzapurkar that the mark has direct reference to the character or quality of the goods, the registration of the mark cannot be challenged on the ground of violation of provisions of S. 11 of the Act. The challenge to registration of the mark is really one of violation of provisions of S. 9 of the Act and that complaint is not open for investigation in view of the clear cut provisions of S. 32 of the Act. The submission of Shri Tulzapurkar that the mark has direct reference to the character or quality of the goods and in any event has not acquired distinctiveness and therefore could not have been registered under S. 9 of the Act, and consequently would be disentitled to protection of the Court under S. 11(e) of the Act, therefore deserves to be repelled. What the learned counsel attempted to submit is that the restriction under S. 9 should be read as part of S. 11(e) of the Act and that is clearly not permissible. In this connection reference can be usefully made to the decision of the Supreme Court reported in AIR 1971 SC 898 National Bell Co. v. Metal Goods Mfg. Co. where the ambit of Cl. (e) of s. 11 was considered and it was observed :

"The true construction of Cl. (e) of S. 11 is that even assuming that the trade marks in question were not distinctive and for that reason not registrable as not falling within S. 9 that fact by itself would not mean that they became disentitled to the protection in a Court. Therefore, the rule as to conclusiveness of the validity of registration embodied in S. 32 applies even to those cases where if full facts had been ascertained at the time of the registration that registration would not have been allowed provided of course that it does not offend against the provisions of S. 11 i.e., in addition to the matters in Cl. (a) to (d) in S. 11 be disentitled to protection in a Court. Cl. (e) of S. 11 deals with prohibition and not with requisites of registration. Therefore, although a mark cannot be registered for instance, because it is not distinctive as provided by S. 9, such a mark is not for that reason only one the registration of which is prohibited by s. 11. The Section lays down positive objection to registration and not to mere lack of qualification. This is clear from Cl. (a) of S. 11, which uses the expression "disentitled to protection", and not the expression "not entitled to protection". The former contemplates some illegal or other disentitlement inherent in the mark itself".

In my judgment, the Challenge to the registration of the mark on the ground contemplated under S. 32(b) of the Act is without any substance and therefore deserves to be repelled.

8. Shri Tulzapurkar then submitted that the mark registered in favour of respondent 1 should be cancelled on the ground that the mark was not, at the commencement of the proceedings, distinctive of the goods of respondent 1. The submission was advanced with reference to provisions of S. 32(c) of the Act. Shri Kane, learned counsel appearing on behalf of respondent 1, urged that the petitioners have not pleaded this ground in the petition and the pleadings or grounds taken in the petition nowhere indicates that it is the claim of the petitioners that the mark has lost distinctiveness on the date of institution of the petition, that is on Aug. 9, 1976. The submission of Shri Kane is correct and the perusal of the petition makes it clear that the petitioners had not specifically pleaded this ground. In spite of this I am not inclined to decide against the petitioners only because of lack of proper pleadings and I propose to examine the material on record to ascertain whether the trade mark was not distinctive of the goods for respondent 1 on the date of institution of the proceedings.

9. It is now well settled that the burden of proof is on the petitioner 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 filing of the petition. Reference in this connection can be usefully made to the decision of the Supreme Court in the National Bell Co.'s case AIR 1971 SC 898 cited hereinabove, where the distinction between Cl. (b) and (c) of S. 32 of the Act was highlighted in the following terms :

"While Cl. (b) of S. 32 relates to facts existing at the time of and after registration Cl. (c) relates to facts which are post-registration facts, existing at

the date of the commencement of rectification proceedings. If the trade mark at such date is not distinctive in relation to the goods of the registered proprietor, the rule as to conclusiveness enunciated in S. 32 would not apply. 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 rectification proceedings distinctive in the sense of S. 9(3). The burden of proof, however, in such a case is on the applicant applying under S. 56".

The Supreme Court further discussed that principles underlying Cl. (c) of S. 32 in para 17 of the judgement and it would be appropriate to set out the following observations :

"The principle underlying cl. (c) of S. 32 is that the property in a trade mark exists so long as it continues to be distinctive of the goods of the registered proprietor in the eyes of the public or a section of the public. If the proprietor is not in a position to use the mark to distinguish his goods from those of others or has abandoned it or the mark has become so common in the market that it has ceased to connect him with his goods, there remains no justification in retaining it on the register. The distinctiveness of the trade mark in relation to the goods of a registered proprietor of such a trade mark may be lost in a variety of ways, e.g., by the goods not being capable of being distinguished as the goods of such a proprietor or by extensive piracy so that the marks become *publici juris*.

"Where the evidence does not show that there were repeated breaches of registered trade mark which went unchallenged though known in proprietor, the mere fact that the trade mark was also used by other person would not, in absence of proof that use was substantial, attract Cl. (c) of S. 32 so as to disentitle the registered proprietor from claiming its exclusive use".

10. In the present case, the trade mark numeral 96 was registered in the year 1964 and while considering the application under S. 32(c) of the Act, it is necessary to proceed on the basis that the mark on the date of registration had acquired distinctive character in respect of goods of respondent No. 1. The inquiry necessary under S. 32(c) of the Act is whether on Aug. 9, 1976, when the present petition was filed, the mark was distinctive of the goods of respondent No. 1. Shri Tulzapurkar submitted that in the year 1976 the numeral 96 was used by number of traders and that should lead the Court to conclude that the mark was not distinctive of goods of respondent 1. To examine the submission of the learned counsel, it is necessary to turn to the oral evidence led on behalf of the petitioners. The first witness Gulamabbas Ahmedali Hami is a partner of the petitioner firm from the year 1963. The witness claims that he manufactures and sells attars under different marks. On the crucial issue as to whether several traders were using numeral 96 as their mark for sale of perfumes or attars, the witness deposed in para 4 as under :

"The numerals are used by the traders all over the country. I use the numerals in my business. I have used the numerals 96, 48, 112, 196 and

320. The numerals which I am using are also used by the other traders. The numerals are multiples of sixteen. In numerals higher the figure is indicative of better quality. The numerals are used for over several years"

The second witness Mustaq Hussain Sadiqali Attarwala claims to be the manufacture of perfumes and does business form the year 1958 onwards. The only statement made by the witness in his examination-in-chief is that the numerals are used by all the traders in attar business, and in the year 1975 the numerals were used by all the traders and the use continued even in the year 1976. This witness Mustaq admitted in the cross-examination that he was working as a partner in the petitioner firm till the year 1961. The third witness Alihussain Akabarali Attarwala merely stated in examination-in-chief that the practice of using numerals was followed by the entire attar trade. This is the entire evidence led by the petitioners in support of the claim that numeral 96, which was registered as a mark in favour of respondent 1 was used by number of traders all over the country on the date of filing of the present petition. In my judgement, from this evidence it is impossible to come to the conclusion that the mark registered in favour of respondent 1 had lost its distinctiveness on the date of institution of the present petition. The evidence led on behalf of the petitioners, on this aspect is entirely insufficient and unreliable. The bare statement of he three witnesses that numeral 96 is used by various traders is not sufficient to hold that the traders dealing in attars and perfumes business have made extensive use of same and to the knowledge of Respondent 1. Witness Mustaq Hussain Sadiqali Attarwala, who claims to be the manufacturer of perfumes and doing business from the year 1952, was a partner of the petitioner firm till the year 1961 and the witness Alihussain Akabarali Attarwala admitted to be related to the partner of the petitioner firm, and in this circumstances, it is not safe to rely upon the testimony of these witnesses to hold that several traders were using numeral 96 in the year 1976. The petitioners ought to have led independent and reliable evidence in support of the claim, but have failed to do so.

11. Secondly, even assuming that numeral 96 is used by some traders in the business of attars and perfumes, that fact by itself would not be sufficient to hold that the mark was not distinctive of the goods of respondent 1. The mere fact that few traders in the country were using numeral 96 as their mark, is by itself not sufficient, but it is necessary to establish what was the extent of the business and use of the mark. The petitioner firm examined one of their partner Gulamabbas Anmedali Hami, who claims that the petitioner firm use numeral 96 but the partner did not depose anything about the extent of the use. Respondent 1 on the other hand led evidence of the partner and established that the initial sale of perfumes manufactured by them and marketed under the mark "Majmua 96" fetched an amount of Rs. 1, 87, 663/- in the year 1960 and gradually the sale figure went on increasing so as to reach Rs. 16, 78, 551/- in the year 1975. Respondent 1 also established that the expenses incurred on publicity for popularising their perfumes under the trademark was Rs. 14, 718.49/- in the

year 1960 and went on gradually increasing to Rs. 46, 187.27 in the year 1975. The statements made by Ismailji Mohomedally, partner of respondent 1, in this connection were not even challenged by the petitioners in cross-examination. In my judgment, there is no reason whatsoever to discard the statement of the partner of respondent 1 in regard to the expenses incurred for popularising their perfumes sold under the trade mark and the figures of annual sale thereof. It is, therefore, obvious that on the date of presentation of the petition the extent of user of the trade mark by respondent 1 was on a very large scale, and the statement of partner of respondent 1 that the variety of perfumes sold by them under the trade mark has become very popular in the market deserves acceptance. The petitioners on the other hand led no evidence whatsoever to establish that any trader doing business in attars and perfumes have made use of numeral 96 as their mark or has acquired such a reputation by user of such mark that the traders and customers no longer associate the mark with the goods manufactured and marketed by respondent 1. A mark which was found to acquire distinctiveness in the year 1964 cannot be said to have lost its distinctiveness unless positive evidence is led to establish that the mark is no longer associated by the traders and customers dealing in attars and perfumes with the goods of the registered holder of the mark. In my judgement, on the evidence available on record, it is impossible to reach such conclusion.

12. Shri Tulzapurkar then submitted that the partner of respondent 1 admitted in the witness box that numeral 96 was used by respondent 1 for marketing not only the perfume Majmua, but also other varieties of attars and perfumes. The learned counsel urged that the fact that the mark numeral 96 was used by respondent 1 for marketing other varieties of perfumes than Majmua should lead the Court to a conclusion that registration of the mark cannot longer be permitted to continue on the register. In my judgement, the submission is wholly misconceived and devoid of any merit. It is not in dispute and indeed could not be disputed on the evidence on record, that respondent 1 used the mark with numeral 96 for sale of Majmua 96 on a large scale and the respondent 1, in addition thereto, made use of the mark for marketing their other products and in my judgment that fact cannot deprive respondent 1 of the advantage of registration of the mark. It is not the claim of the petitioner that the mark should be rectified because of non-user. It is always open for the holder of the registered mark to make use of the mark in respect of several products manufactured by them in addition to the perfume known as "Majmua 96". In my judgment, on the evidence on record, it is not possible to hold that the mark was not distinctive of the goods of the registered proprietor on the date of presentation of the petition so as to attract provisions of S. 32(c) of the Act. On the other hand it seems clear that the mark, which continuously remained on record from 1964 onwards was never challenged by the petitioners in spite of the fact that the petitioners were fully conscious of such registration and the present petition was filed merely as a counterblast to the prosecution launched by respondent 1 against the petitioners for passing off and for violation of provisions

of Ss. 78 and 79 of the Act. One of the partners of the petitioners was formerly partner of respondent 1 firm and the petitioners and respondent 1 were initially doing business in adjoining premises and in these circumstances, it is impossible to suggest that the petitioners were not aware of the registration of the mark right from the year 1964 onwards. In my judgment, the petition is without any merit and deserves to be dismissed.

13. Accordingly petition fails and it dismissed with costs.

14. Petition dismissed