

(2003) 05 DEL CK 0095

In the Delhi High Court

Case No : CM (M) 102/01

Jabbar Ahmed

APPELLANT

Vs

Prince Industries and Another

RESPONDENT

Date of Decision : 08-05-2003

Acts Referred:

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

Citation : (2003) 26 PTC 576

Hon'ble Judges : Ramesh Chand Jain, J

Bench : Single Bench

Advocate : N.K. Anand, for the Appellant; S.K. Bansal, for the Respondent

Final Decision : Allowed

Judgement

R.C. Jain, J.—This appeal is directed against the order of the Registrar Trade Mark dated 23.10.2000, by which an application for rectification moved on behalf of M/s Prince Industries-Respondent herein has been allowed and the trade mark 444393 in Class 8 registered for, the product of the appellant has been ordered to be rectified and expunged from the Register Trade Marks.

2. Briefly stated the relevant facts giving rise to the present appeal are that the above named appellant was the registered proprietor of the trade mark "BELL" registered under Registration No. 444393 in Class 8, having been registered on 16.10.85. The respondent No. 1 filed a rectification petition numbering DEL-686 before the trade mark Registry alleging, inter alias that the registration has been procured by playing fraud, suppressing material facts as also on the ground that respondent No. 1 had been using the mark "BELL" since 1962 and that the appellant had not used the mark "BELL" in relation to the goods to which the mark was applied. It was also alleged in the rectification application that the mark "BELL" had become common to the trade as more than three persons were openly and continuously using the impugned trade mark in Meerut. The said application was allowed and rectification and expunction of the said trade mark ordered by the Assistant Registrar of trade mark primarily on the finding that

necessary conditions set out in Section 56(2) of the Act stands established and proved by the respondent and it was in the interest of purity of the Registrar that the entry was expunged and Register rectified.

3. The findings and orders of the Assistant Registrar trade mark are sought to be assailed inter alias on the grounds that the appellant trading as M/s Diana Industries, 209, Lisari Road, Meerut had been using the trade mark "BELL" in respect of the nail cutters manufactured by him since April, 1976, got it registered in 1985 and renewed from time to time and the rectification application was filed simply as a counter blast and dilatory tactics to slow down the proceedings in the Suit No. 2 of 1994 pending in the Court of District Judge, Meerut, wherein the appellant sought to restrain infringement of their registered trade mark by the respondent; there is a mistake apparent on the face of the record as the Registrar failed to appreciate that in a rectification proceeding, the onus lies on the applicant for rectification to satisfy by cogent evidence that the mark registered was wrongly registered or wrongly remained on the Register, or was registered without any sufficient cause. The impugned order is also sought to be challenged on the grounds that the Registrar failed to take into consideration certain relevant factors while examining the evidence of the respondent in the rectification proceedings. It is also alleged that the Assistant Registrar has erroneously held that the respondent had used the mark "BELL" for a continuous period since 1962, simply on the strength of the pleadings in Suit No. 2/94 before the District Judge Meerut without there being any cogent evidence on record. Alternatively it is pleaded that assuming that the respondent had used the trade mark "BELL" in 1962 there was no evidence of continuity of user or any user whatsoever during the period, the appellant adopted the said trade mark and, Therefore, the provisions of Section 11(a) of the Act had been wrongly applied. Similarly it is contended that the Assistant Registrar had erred in expunging the trade mark of the Registered proprietor which had been on the register for more than a decade and has failed to consider the conclusive nature and effect of the Registration of the trade mark as envisaged by Section 32 of the Act.

4. Notice of the appeal was issued to the respondent who have contested the appeal. Record of the office of the Registrar was also summoned.

5. I have heard Mr. N.K. Anand counsel for the appellant and Mr. S.K. Bansal counsel for the respondent at length and have given my thoughtful consideration to their submissions.

6. Before I proceed to examine the merits of the various grounds on which the impugned order has been attacked, it seems desirable to have a quick grasp of the legal position in regard to the onus which an applicant must discharge in order to succeed on a rectification application and the principles on which the rectification can be granted or refused. In this regard Mr. Anand, counsel for the appellant has strongly urged that in all cases seeking rectification of registered trade mark, the onus lies on the applicant to establish the grounds on which

rectification is sought. In this connection, he has referred to the decision of Kolkata High Court in the case of Caprihans (India) Private Ltd. v. Registrar of Trade Marks and Anr. (commonly known as "Formica" case). In that case on page 668 the court has very aptly observed as under:

"Mark on the register you want to take off the register? The onus is then upon you to prove that the mark deserves to be taken off so. This is plain common sense too. I am on the register. Sure enough, it is not for me to prove that I should be where I am and that the entry in my favor is valid. Where I to prove so, why register? Registration becomes valueless then."

7. In the case of Indo-Pharma Pharmaceutical Works Pvt. Ltd. v. Farbenfabriken Buyer Ag, (1975) R.P.C. 545 (commonly known as Indon case) the Court observed that the prima-facie effect of registration of a trademark is laid down in Section 31 of the Act. Section 32 makes registration of a trademark conclusive as to Validity after the expiry of a period of seven years. As to what is required to be proved in order to succeed on a rectification application, Chief Justice Kantawala observed as under:

"It is equally well settled that on an application to remove a trade mark from the register the onus is on the applicant applying from rectification. By Section 31 of the Act registration is expressly made prima facie evidence of valid registration where a trade mark has been along registered and the validity of registration depends on the facts which existed at or prior to the date of registration, the Court will give the registered owner the benefit of any doubt. The onus may be shifted, however, in the course of the hearing."

8. The judgment also takes note of the observations of Stirling, Lord, J. that it is manifestly unreasonable to expect that the owners of a registered trade mark should preserve evidence of the way in which it was used at and prior to the time of registration for a long period.

9. Coming to the scope Section 56 of the Act which provides for application for rectification either by cancellation or varying of the registration of the trade mark in case the rectification is sought on the ground of fraud, mala fide must be established and the applicants must show that there was an existing goodwill at the time the registered trade mark was adopted. In the National "BELL" case it was for the applicant for rectification to show that there was an existing trademark belonging to him during the relevant period. In that case the question of scope of Sections 32 and 56 of the Act has been more fully discussed in paras 9 and 11 of the judgment which read and under:

"Section 32, with which we are immediately concerned, read as follows:-"Subject to the provisions of Section 35 and Section 46, in all legal proceedings relating to a trade mark registered in Part A of the Register (including applications u/s 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 the 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."

We are not concerned with Clause (a) as no such case was even averred in the applications as pointed out both by the Trial Judge and the Division Bench. As regards Clause (b), it will be at once noticed that the clause relates to facts existing both at the time of an after registration. If a mark at the time of registration was such that it was likely to device or cause confusion or its use would be contrary to any law or contained or consisted of scandalous or obscene matter or matter likely to hurt religious susceptibilities or which would otherwise be disentitled to protection of a Court, and Therefore, was u/s 11 prohibited from being registered, Clause (b) would apply, and the rule as to conclusiveness of the validity of the registration cannot be invoked. That would also be so, if the trade mark at the date of the rectification proceedings was such as to offend against the provision of Section 11. But, unlike Clause (b) Clause (c) relates to facts which are post-registration facts, existing at the date of the commencement of the proceedings. If the trademark at such date is not distinctive in relation to the goods of the registered proprietor, the rule as to conclusiveness enunciated in Section 32 again would not apply. It would seem that the word "distinctive" in Clause (c) is presumably used in the same sense in which it is defined in Section 9(3), as the definition of the expression therein commences with the words "for the purposes of this Act" and not the words "for the purposes of this section". The intention of the Legislature, thus, being to give uniform meaning to that expression all throughout the Act. 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 an entry made in the register without sufficient cause or by an entry wrongly remain gin in the register to apply to the tribunal for expunging or varying such as entry. 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. The words "without sufficient cause" in the section have clearly relation to the time of the 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 profit, however, in such a case is as aforesaid, on the applicant applying u/s 56.

"11. Section 32 in clear terms provides that the original registration of a trade mark, after expiry of seven years from the date of its registration, shall be taken to be valid in all respects in all legal proceedings including those u/s 56, except

in the three categories of cases mentioned therein. It follows, Therefore, that no objection that the trade mark in question was not distinctive and, Therefore, was not registrable u/s 9 can be entertained if such an objection is raise after seven years have lapsed since the date of its registration as in the present case, nor can an objection be entertained that no proof of distinctiveness was adduced or insisted upon at the time of the original registration. This is clear also from the fact that the three exceptions set out in Section 32 against collusiveness as to the validity of the registration relate to (i) fraud, (2) contravention of Section 11, and (3) absence of distinctiveness at the commencement of the proceedings in question and not at the time of registration. No contention, Therefore, can be raised that the trade marks "50" and "Fifty" were not distinctive, i.e. adapted to distinguish the cycle "BELL"s of the respondent-company at the date of the registration, and Therefore, were not registrable as provided by Section 9, *Paine & Co. v. Danietts & Sons*" *Brewaries Ltd.*, (1893) 10 RPC 217."

From the above decision the following principles emerge:-

(1) Rectification cannot be claimed as a matter of right and it is within the discretion of the Registrar of trade marks or the High Court to remove or not to remove a registered trademark.

(2) Section 56 of the Act gives no general power to remove trademark and rectification can only be allowed on one or more specific established grounds.

(3) u/s 32, registration is conclusive after 7 years except under following three situations : -

(i) Fraud

(ii) Registration of the trademark disregard of the provisions of 11(a)

(iii) Lack of distinctiveness

10. In the case in hand the rectification order is based on the finding :

(i) that the respondents had bona fide adopted and are continuous user of the trademark ""BELL"" in respect of their goods since the year 1962 which is much prior to the user claimed by the appellant/registered proprietor since the year 1976.

(ii) The trademark in question ""BELL"" being used by the parties is identical and in respect of the same or allied and cognate goods which are sold across the same counter not at very high price and, Therefore, the use of the said mark would create deception and confusion.

(iii) The presumption of conclusiveness of the trademark in favor of the appellant was divested by the respondent in view of the Sub-section (b) of Section 32 of the Act as the respondent had been able to establish that the trademark ""BELL"" was registered in contravention of provision of Section 11(a) which prohibits the registration of the mark, the use of which was likely to deceive or cause

confusion.

The Registrar also repelled the contention of the appellant, the respondent has no locus standi to file the application for rectification as they were not aggrieved persons.

11. Mr. N.K. Anand, learned counsel for the appellant has emphatically urged that the said findings of the Registrar are not based on correct and proper appreciation of the evidence and material brought on record inasmuch as the Registrar has erred in relying upon the evidence led by the respondent blindfoldedly and discarding the evidence led by the appellant as in genuine or fake. In the alternative the submission of the learned counsel for the respondent is that even if the evidence filed by the respondent through affidavits of Jai Prakash Raizada, proprietor of the respondent Jagram Singh and Sita Ram and the various documents filed by the respondent are to be accepted and believed on their face value, they are wholly insufficient to show that the respondent had in fact adopted and continuously used the trademark "BELL" in respect of nail clippers ever since 1962. There seems to be considerable force in this submission of Mr. Anand because the photocopies of the Income Tax Assessment Orders for the year 1962-63, 1963-64, 1964-65, 1965-66, 1966-67 and that of the Sales Tax Assessment Orders for the period upto 1965 even if they are to be taken on their face value would be best establish that the respondent was engaged in the business of manufacturing of certain products during the period to which these assessment orders relate to. There is nothing in these assessment orders which can even remotely indicate that the respondent had been manufacturing scissors/nail clippers under the trademark "BELL" during the said period. In any case such documents are wholly insufficient to establish the use of a particular trademark by an assessed in respect of the goods manufactured and marketed by him. Then we are left with the bald statement made by the respondent in his affidavits and the accompanying affidavits which in absence of any cogent and relevant evidence cannot be implicitly relied and acted upon. Two other documents i.e. one inland letter and a postcard from a certain dealer/customer received by the respondent during the period 1962 can also not be relied and acted upon because there appear to be certain interpolations in the said inland letter so far as the word "BELL" is concerned.

12. Even if for the sake of arguments it is assumed that the respondent had in fact adopted and used the trademark in respect of its products during the period 1962-67, no evidence worth the name has been filed on record to show that the said user was continued by the respondent after 1967 or during the relevant period of 1976 to 1985 during which period the appellant had started using the said trademark and got it registered in the year 1985. This would clearly show that the respondent has miserably failed to establish its prior adoption and continuous use for the trademark "BELL" from the year 1962 onwards.

13. On a consideration of the material produced by the parties before the Registrar of Trademarks, this Court is of the considered opinion that the finding

of the Registrar that the respondent had adopted and continuously used the trademark ""BELL"" in respect of their scissors from 1962 onwards is not born out from the record. The evidence produced by the respondent was wholly uncogent and could not establish the factum of continuous use or user of the trademark ""BELL"" during the relevant period that is the decade of 1970's to 1980's. Consequently the Registrar has erred in holding that there existed ground (b) of Section 32 to rebut the presumption as envisaged by Section 32. The findings of the Registrar in this regard are not tenable and cannot be sustained. There is strong presumption in favor of the registration of the trademark and the onus is heavy on the applicant seeking rectification to dislodge the said presumption by establishing the specific ground by means of cogent and reliable evidence and material. In the opinion of this Court the respondent has failed to establish any of the grounds on the strength of which the rectification could have been allowed.

14. In the result the appeal succeeds and is hereby allowed and the impugned order of the Registrar of trademark dated 23.10.2000 ordering the expunction of the registered trademark of the appellant from the Register and its rectification is hereby set aside. The rectification if carried in the Register of Trademark shall be restored in the name of the appellant.