

(2011) 10 IPAB CK 0015

In the Intellectual Property Appellate Board

Case No : ORA/216, 217/2008/TM/CH

Kamat Hotel (India) Limited, Having Its Registered Office At
Nehru Road, Vile Parle (E), Mumbai-400 099 APPELLANT

Vs

Royal Orchid Hotels Limited, No. 11, Venkataswamy Naidu RESPONDENT
Road, Shivajinagar, Bangalore 560051 And The Deputy
Registrar Of Trade Marks Trade Marks Registry, IPR Building,
Industrial Estate SIDCO RMD Godown Road, Near Eagle Flask
Factory, GST Road, Guindy, Chennai-600032

Date of Decision : 04-10-2011

Acts Referred:

Trade Marks Act, 1999 — Section 9(1)(a), 9(1)(e), 9(2)(a), 11(1)(b), 11(2), 11(3),
11(10), 18, 18(1), 46(1)(b), 47(1), 47(1)(a), 47(1)(b), 57

Citation : (2015) 61 PTC 47 (IPAB)

Hon'ble Judges : Prabha Sridevan, J;S. Usha, J

Bench : Division Bench

Final Decision : Dismissed

Judgement

Prabha Sridevan, J

1 . These two rectification applications are for removal of the trade mark under No. 1061236 in class 16 ROYAL ORCHID and No. 1064234 in class

16 ROYAL ORCHI HOTEL filed by the applicants who are the owners and proprietors of the trade mark the ORCHID. The facts in brief are as

follows:

2. The applicants use the mark ORCHID in relation to their five-star hotel where they provide lodging, boarding, restaurant, food catering etc. for

more than a decade. According to them, the prominent feature of the trade mark is the word THE ORCHID. In and around December 1995, the

applicants conceived and adopted the mark THE ORCHID. The construction of the

hotel was completed in 1996 and commercial operations began from January, 1997. The marks THE ORCHID /ORCHID (referred to as TO in short) are in continuous use since January, 1997 and the hotel has been recognized as the first ECOTEL Hotel. It is familiar to people from all walks of life in India and overseas and has acquired tremendous reputation. They have registered this mark in several classes of goods and their application under No. 741542 in class

16 is pending. The respondents have registered the marks ROYAL ORCHID (RO) and ROYAL ORCHID HOTEL(ROH) claiming to use it since

3.11.1999. ROYAL ORCHID confusingly similar to THE ORCHID. ROYAL is a descriptive word and therefore the only word left is ORCHID

which is an identical mark. The adoption of the mark is dishonest and it will cause confusion. It will result in passing off. The respondents have not

used the mark in relation to the goods. They are guilty of fraud. There is no bonafide intention to use the mark and therefore the mark shall be rectified.

3. In support of their case, they have filed several documents:

Exhibit A is the copy of the label as used by the applicant company.

Exhibit B -1 to B-7 contains the registration certificate as well as the advertisement in the Journal of the applicant marks.

Exhibit C is the Chartered Accountants certificates relating to the revenue and expenses for THE ORCHID from 1.1.1997 to 31.3.2008.

Exhibit D-1 to D32 are invoice slips which bear the mark of the applicant and are dated from 29.9.97 to 26.12.97. There are clippings to show that they are advertised and bills raised by the advertising agent etc.

Exhibit E-1 -E13 is a list of awards and other recognitions received by the applicant.

Exhibit F is the Trade Mark Journal advertisement of the two marks in class 42 for the marks ROYAL ORCHID and ROYAL ORCHID HOTEL.

Exhibit G is the warning notice published in the Financial Express dated 12.1.2006 by the applicant referring to ROYAL ORCHID as confusingly similar.

Exhibit H is the public notice in reply by ROYAL ORCHID and ROYAL ORCHID HOTEL.

Exhibit I is another application for ROYAL ORCHID HARSHA in class 42 and another for ROYAL ORCHID CENTRAL and HOTEL ROYAL ORCHID etc.

Exhibit J is INDIAN HOTEL INDUSTRY publication which refers to ROYAL ORCHID HARSHA but shows the names of the Chairman and the Board of Directors of THE ORCHID.

Exhibit K affidavit filed in support of class 42 application.

Exhibit L is the magazine of the hospitality industry of the year 2001.

4. In the Counter Statement the respondent has denied all the allegations. According to them, they adopted the mark in January 1992 in relation to the Banquet Hall what is now ROYAL ORCHID HARSHA. The Banquet Hall was earlier called ""Chamundi"" an renamed Orchid Room. The

company's newsletter ""Open House"" published in January 1992 is an evidence of such prior user. The respondent adopted the mark Orchids in relation

to outdoor catering services in 1993 and in relation to cutlery since 1992. The mark has been intimately associated with the respondent. The company

was incorporated in 1986 as ""Universal Resorts Limited"". In 1996, they formally adopted the trade/service mark ROYAL ORCHID, They made a

search for the availability of this name in the register of Registrar of Companies. Based on Registrar of Companies confirmation, the name was

adopted on 30.9.1996. Since, 1997, the trading style of the company ROYAL ORCHID has been used in relation to various goods falling under class

16. Since there was no registration available for service class prior to 15. 9.2003, the respondent had registered the impugned marks in class 16 on 20.

11.2001. They own and run 10 hotels in various cities under the ROYAL ORCHID brand. The respondent is listed in the Stock Exchange. The

respondents mark is well known, reputed and used. There is no dishonest adoption or fraud. They are the prior adopter. This is only a counter blast to

the litigation before the Bombay High Court and deserves to be dismissed.

5. The documents filed are:

Exhibit-1, 2, 3 which are issues of their newsletter ""Open House.

Exhibit-4 is a letter by the Executive Manager referring to the Orchid Room Wedding Package in respect of weddings that take place before

31.12.92.

Exhibit-5 - Materials downloaded from the website, referring to the respondent.

Exhibit-6 refers to Harsha Hotel as it is of the year 2008.

Exhibit -7 is another newsletter which is of the year 1993.

Exhibit-8

Exhibit-10 are several letters acknowledging receipt of the newsletter of the year 1992-93

Exhibit -11 is Form 23 dated 29.3.97 of the year 1997 referring to change of name.

Exhibit 13 & 14 - legal user certificate in the name of the respondent

Exhibit-15 - is the list of properties owned by respondent. The respondent also enclosed evidence of the receipt of their awards.

Exhibit-18 is the business week online. It shows that the company changed its name to ROYAL ORCHID HOTEL in 1997.

Exhibit-19 is the Chartered Accountants certificate from 2000 onwards relating to ROYAL ORCHID HOTEL

Exhibit -20 relates to invoices from 2000 onwards

The other documents we are not really taking into account as those documents are subsequent to 2000.

6. The reply has been filed reiterating the original stand and also submitting that THE ORCHID was partially opened in September 1997 but it was

opened for pre marketing opening even in January and documents have been annexed along with, including the order dated 29.6.09 where the respondent application in class 42 was refused registration.

7 . Learned Counsel for the applicant submitted the even in the respondents online journal extract where user claimed is only from 3.11.99, but the

fact remains that till today there has been no use. He submitted that, (a) the respondent was not the proprietor (sec 18),

(b) there was no user (sec.47 (1),

(c) it deceives the public and causes confusion (sec. 9 (2) (a) r/w 11(1) (b),

(d) it is not distinctive Section 9 (1) (a), and (e) it is also hit by Sections 11 (2), 11 (3) and 11 (10).

The respondent is a subsequent applicant therefore they cannot claim any right unless they show prior user. The newsletter is of no use since it cannot

prove user under class 16. No search was done before adoption (2002 PTC 226). There is no honest adoption (1977 IPLR 83). The order dated

29.6.09 by the Deputy Registrar between the same parties in respect of the respondent's application in class 42, clearly held that there is no

justification for the adoption of this mark and it is dishonest. There is no bonafide use nor intention to use. All the documents produced which are prior

to 2000 do not relate to the Hotel industry and definitely not to ROYAL ORCHID. The original name was different. There is no evidence to show

date of user on the date of application. He referred to a decision of this Board in ORA/84/2007/TM/MUM - Ram Chandra Swami Vs. Larsen and

Turbo Limited and Anr. It was held therein that,

10. Learned counsel for the applicant submitted that the impugned application for registration under No. 1169161 in class 25 was made on 24.1.2003

claiming user since 01.01.1946 and the same was advertised before acceptance. The user claimed is fraud as the respondent had never used the trade

mark for goods in class 25. In fact even as on date the respondent is not dealing with goods falling in class 25.

29. The impugned trade mark has not been put to use either before the date of application or between the period of the date of application and the

date of the application for rectification or thereafter. The impugned trade mark is therefore wrongly remaining on the register without sufficient cause

and has to be expunged from the register of trade marks.

30. The user claimed in the application for registration is 01.01.1946 for the goods falling under class 25 in respect of garments but it is admitted fact

by the respondent that they intend to use in future. This itself prove the malafides of the respondent. On this account, the impugned trade mark is to be

expunged. There is no doubt that the mark was in use for other goods specifically in respect of engineering and construction goods but not in respect

of garments. The intention to use a trade mark sought to be registered must be genuine and real. If the mark is thought to be something which might

be useful some day, it would not amount to any definite and precise intention to use the mark.

According to the learned counsel for the applicant, this would clearly apply to this case.

8. The word Orchid is distinctive qua the applicant and hence the respondents

mark must be removed.

9 . The learned counsel for the respondent submitted that the applications must be rejected. The registration certificates were issued on 19.12.2005.

So, the period of 5 years and 3 months to be calculated for the purpose of Sec. 47 would end with 19.5.2010 for ROYAL ORCHID HOTEL and

August, 2010 for ROYAL ORCHID. But th two rectification applications have been filed in September 2008 and the applications are therefore

premature. He referred to the following decision:

MIPR 2008 (3) 0227 - ORA/104/2006/TM/DEL - Shri Kanishk Gupta Vs. Liberty Footwear Company

1 4 . The provisions in Clause (b) of Section 47(1) will apply where a continuous period of five years or longer from the date on which the trade mark

is actually entered in the register has elapsed and there has been no bonafide use thereof in relation to those goods or services in respect of which the

mark is registered. Instant application for rectification is filed on 4th August, 2006. The relevant period for consideration of the question of non use is

from 4th August, 2001 to 4th August 2006. The trade mark itself has been registered on 13th June, 2003 (being the date in which the mark is actually

entered in the register). Thus, even the prescribed statutory period of five years has not elapsed reckoned from the date of registration up to the date

of filing of the rectification application.

10. The learned counsel explained the manner in which the three corporate entities which had a common interest came into existence namely; Baljees

Beverages and Hotels Limited (BBHL). Hotel Stay Longer Limited (HSL) and Royal Orchid Hotel Limited. He submitted that the evidentiary value

of the Open house issues must be taken into account. He submitted that there was enough material to show that there was user by the respondent. He

further submitted that Royal Orchid hotel was the name of the respondent and therefore the respondent was entitled to use the name as their mark.

He relied on several decisions to support the case of the respondent.

11. We have considered the materials on record and the submission made by the respective counsel on understanding the issue between the parties,

we find that though numerous decision has been cited and the genesis and development of the applicant as well as the respondent has been elaborately

explained, the matter to be decided really falls within the smaller area.

12. We must explain however, the relationship between the various entities which in one way or the other were predecessors to the present

respondent of the impugned trade marks. In the additional document, the respondent has produced an assignment deed dated 11.3.2011. The

genuineness of the document has not been questioned all that was said on behalf of the applicant was that this document would show that the

respondent's case regarding date of adoption and use is false. But we are using this document for a limited purpose. There are three parties to the

deed of assignment. Baljees Hotels and Real Estate Private Limited, Royal Orchid Hotels Limited, and Hotel Stay Longer Private Limited. Mr.

Chander K. Balji has signed this document as Director of the 1st party, and as Managing Director of the 2nd party and also for the 3rd party as the

confirming party. The token consideration for this assignment is Rupee one. The recitals of the document states that there is a commonality of

management and directorship and they are group companies. The property assigned under this deed, are the trade marks Orchid and Orchids not

ROH and ROHL. The original was filed in the Bombay High Court allegedly to avoid any controversy relating to ownership and to show that, the

proprietorship of not only ROH and ROHL vests with Royal Orchid Hotels Limited, but also the ownership of the marks Orchid and Orchids, so that,

there will be unity of proprietorship with regard to all the four marks if and when a controversy arises. But from this document, this much is clear that

the three entities were sister concerns and that there was a commonness in business. We are referring to this document only for this purpose. The

fact that just one rupee was paid as consideration, also confirms this. Originally, Baljee was a partnership firm. Stay Longer was a company

incorporated in 1970. In 1973, after the partnership was created it took lease of the HSL Stay Longer and called it Hotel Harsha. In 1984, the

partnership became the company called BHBL. The Banquet Hall of Hotel Harsha was called Orchid in Jan 1992.

13. Exhibit - 1, the issue of Open House refers to this. There are several issues of Open House which are marked as Exhibit 1, 2, 3. The applicant

attacked these documents as being circulated for captive readership and will not prove user. But there are letters which are marked and sent by third

parties which record their appreciation of open house. Unless, it is proved that these documents are got up for the purpose of this case, we can not

reject them. We will see whether they are relevant. These documents provide contemporaneous evidence and evidence aliunde of the existence of

Orchid Room and of honeymoon schemes, wedding schemes promoted by them and events conducted there. Therefore, Hotel Harsha as it was then

called had a Banquet Room called Orchid Room even in 1992. There was also a catering service under the mark Orchids. This is seen from Exhibit 7

& 8. These documents prove that the respondent or their predecessors in interest or sister concerns used the word Orchid although only in connection

with their Banquet Hall or services in 1992 long before the applicant established The Orchid Hotel, which is in 1997. We are not examining whether

the applicant's user dates from January 1997 or September 1997.

14. In 1986, the company incorporated as Universal Resorts Ltd, came in to existence. In 1996, they decided to adopt the name Royal Orchid being

an enhancement of the mark Orchid in relation to the hospitality and hotel services/goods of the respondent. They ascertained if the name was

available and Form 23 was filed with Registrar of Companies and on 10th April, 1997 Royal Orchid Hotels Limited came into existence. According to

the respondent, this trading style of Royal Orchid has been used in relation to its Hotel/Hospitality business. These documents can not be disputed and

therefore the resolution to change the name Royal Hotel Orchids Hotel Ltd is in 1996, before the alleged date of commencement of applicant's

business in January 1997.

15. In 2005, Baljees Hotel acquired Hotel Harsha (originally Hotel Stay Longer) and leased it to Royal Orchid Hotels Ltd. The application for

registration was made on

20. 11.2001 by Royal Orchid Limited, claiming user from 3.11.1999. The certificate was granted the respondents on 19.02.2005. So this is the

background against which we will examine the issue.

1) Are the applications premature?

It is provided under Sec. 47 (1) (b) that the registered trade mark may be taken off the register in respect of the goods for which it is registered if, the

mark has not been put to use for a continuous period of 5 years from the date on which it has been entered on the register. In the present case, the

rectification application has been filed on 22.9.2008. Whereas the Certificate of Registration has been issued on 19.02.2005. As per Sec. 47 (1) (b) the

applicant ought to have waited till 2010 to file the applications. Therefore, the applications are pre-mature and not maintainable. We can dismiss them

on this short ground alone, but we will deal with the other aspects as well.

16. Has the applicant proved that there was no bonafide intention to use and no bonafide use?.As regards, Sec. 47(1) (a) the aggrieved person may

seek rectification if he proves that the registered proprietor had no bonafide intention to use the mark in relation to those goods of services for which it

has been obtained and that there was in fact no bonafide use of the mark for three months before the date of application. Both the conditions must be

present to invoke Sec. 47(1) (a).

17. The respondent relied on Ahuja's Intellectual Property Cases-Revlon Inc. Vs. Rajendra Dhawan and Anr. 30 Calcutta, which laid down that

On the issue of onus:-

There are two stages:

(a) initial onus of non-user is to be established by applicant for rectification and

(b) there after, the shift of onus on the registered proprietor for proving user, or defending non-user on the ground of special circumstances.

The Deputy Registrar of Trademarks has mingled the discharge of the initial onus by Sarita and has accepted the self-serving affidavit of its

proprietor, and proceeded to the examination of invoices and documents of Revlon Inc., without advertng to the true legal manner in which threes

rectifications were to be dealt with. Even if Revlon Inc., had not produced a single script of paper in support of their case, it would still be the duty of

Sarita Manufacturing Co., to discharge the initial onus of proving non-user through cogent evidence (other than a self-serving affidavit).

The discharge of initial onus by the applicants for rectification was absolutely essential before the Deputy Registrar could allow the applications for

rectification and take the marks off the file. This error of the Deputy Registrar has to be rectified by this court.

18. In that case the party Sarita had to prove that Revlon had not used the mark

Since the Learned Deputy Registrar has not said anything about how far, if at all Sarita had succeeded in discharging its initial onus under section

46(1)

(b) on the basis of R.K. Dhawan's affidavits, I must say so. There has to be a

finding on the point, at least now. In my opinion, the affidavits of Dhawan are hopelessly inadequate for the purpose of proving non-use, to any degree at all. Apart from being a 'self serving' affidavit, it contains no particulars. Where were enquiries made about non-use of Revlon goods or marks? When were enquiries made? Who were the other persons involved in regard to such enquiries? What exact replies were received? Was it all oral, or were there letters? Nothing, nothing at all is stated. It is a bald affidavit. If this affidavit discharges the onus under section 46(1) (b), then anybody can file such a prototype affidavit, devoid of any particulars and discharge his onus. To permit the same would be to declare, in effect, that the initial onus under section 46(1) (b) does notice on the applicant for rectification at all, because he can discharge for rectification at all because he can discharge it by filing a formulary affidavit.

Now, in terms of law, even taking the strictest view thereof possible, Revlon are not called upon to prove use of their mark unless the applicant first discharge the initial onus of showing non-use of the Revlon Mark for the crucial period of 5 years.

19 . In the present case, this onus has not been discharged by the applicant. No evidence has been filed to prove non-user. However, the applicant had filed Suit No. 2224 of 2008. The oral judgment in the Notice of Motion is marked as Annexure-M by the respondent. This suit was filed for injunction both against infringement and passing off. The case of the applicant as the plaintiff was that they had obtained registration of the mark the Orchid on 30.05.1997 in respect of classes 16, 29, 30, 31, 32, 33. They had also applied for class 42 after service marks were recognized and the registration was obtained on 19.05.2004. In this case, the applicant pleaded that they learnt that the respondent had applied for registration of the marks ROH and RO in class 16 and that they had applied for registration in class 42 which was rejected the appeals therefore are pending before this Board in OA/74/2009/TH/CH and OA/75/2009/TM/CH. The pleading also referred to the red herring prospectus for a public issue of shares and that they should be restrained from infringement of the trade mark. The Learned Single Judge of the Hon'ble Bombay High Court granted injunction and made it absolute with the clarification that injunction so granted shall not operate in respect of Hotels and Business commenced prior to the date of the

order. This order is dated 5.4.2011. The Division Bench permitted the respondent to open the Hotel in Vadodara but otherwise the order of the

Learned Single Judge was not interfered with. These orders which arose out of interim applications pending suit show that the Hon'ble Judges of the

Bombay High Court were not prima facie convinced by the respondent's case. According to the applicant, the pleadings in this suit would show that

the respondent had not used the mark in 1999. According to the respondent, claiming the relief of the injunctions presupposes use of the trade mark

and that the order itself shows that they had started hotels under the name of Royal Orchid. In fact in the Counter statement it is stated that they run

10 hotels under the name RO in the cities of Bangalore, Mysore, Pune, Jaipur, Hyderabad and Goa.

20. We have seen that the law requires proof both of no bonafide intention to use and no bonafide use. Both have to be proved. This is what the Act

requires. The requirements under common case proceedings are different. The rests are different. How does one prove that there is no bonafide

intention to use? The onus of proving lack of bonafide intention to use is very heavy on the applicant since the respondent had registered a company in

the name of Royal Orchid Hotel limited for carrying on the business and since Hotel Harsha which subsequently became Royal Orchid Harsha was in

the fold of a sister establishment and in fact, the renaming was officially done in 2001.

21. In AIR 1986 AX 137 - American Home Products Corporation Vs. Mac Laboratories Pvt. Ltd. ""-----"" When the trade mark has been

registered it requires a greater weight of evidence to have it removed than the evidence adduced in this case. From 1992 the word ""Orchid"" has been

used by one or other of the entities which have common business interest of the respondent. A company was registered for hospitality business in

1996 where the same word with Royal added, was adopted as the business name. The stationery, the papers, the menu cards are all intrinsically

connected with the hospitality business. A five star hotel, which both the applicant and the respondent are, caters to customers and provide hospitality

which will include all these goods as part of the hospitality. This onus has been discharged by the respondent, especially in view of the above

paragraphs extracted from American Home Products.

22. Further, as held in 1996 16 PTC DEL - Montari Overseas Ltd. Vs. Montari Industries Ltd.

It is well settled that an individual can trade under his own name as he is doing no more than making a truthful statement of the fact which he has a

legitimate interest in making. But while adopting his name as the trade name for his business he is required to act honestly and bonafidely and not with

a view to cash upon the goodwill & reputation of another. An individual has the latitude of trading under his own name is in recognition of the fact that

he does not have choice of name which is given to him. However in the case of a Corporation the position is different. Unlike an individual who has no

say in the matter of his name, a company can give itself a name. Normally a company can not adopt a name which is being used by another previously

established company, as such a name would be undesirable in view of the confusion which it may cause or is likely to cause in the minds of the public.

Use of name by a company can be prohibited if it has adopted the name of another company. It is well settled that no company is entitled to carry on

business in a manner so as to generate a belief that it is connected with the business of another company, firm or an individual. The same principle of

law which applies to an action for passing off of a trade mark will apply more strongly to the passing off of a trade or corporate name of one for the

other. Likelihood of deception of an unwary and ordinary person in the street is the real test and the matter must be considered from the point of view

of that person. Copying of a trade name amounts to making a false representation to the public from which they have to be protected. Besides the

name of the company acquires reputation and goodwill, and the company has a right too to protect the same. A competitor cannot usurp the goodwill

and reputation of another. One of the pernicious effects of adopting the corporate name of another is that it can injure the reputation and business of

that person.

So the adoption of the name of the company as the trade mark for these goods to be used in the course of the hotel business can not be said to be

dishonest.

23. According to the respondent the word ""Royal Orchids"" must be taken as a whole and the separate parts cannot be segregated for deciding

whether the mark is registrable. He relied on IR 1955 SC 558 - The Registrar o

Trade Marks Vs. Ashok Chandra Rakhit Ltd.

It is true that where a distinctive label is registered as a whole, such registration cannot possibly give any exclusive statutory right to the proprietor of

the trade mark to the use of any particular word or name contained therein apart from the mark as a whole. As said by Lord Esher in *Pinto v.*

Badman (8 R.P.C. 181:

The truth is that the label does not consist of each particular part of it, but consists of the combination of them all.

Therefore we must take the word Royal Orchid as a whole. We cannot subtract Royal from it because Royal is descriptive and then say Orchid is

identical. That is not how it works.

24. We are not going into the question of the adoption and use of the mark for the hotel that must be dealt with separately in the other application to be

listed in Mumbai. Here we are concerned with class 16 goods alone. There is enough distinction between Orchids and Royal Orchids which mark has

to be taken as a whole. We must especially bear in mind the class of customers who are guests at 5-star hotels. There is very little likelihood of

confusion as far as this class of goods is concerned, in particular channel of trade and with regard to the particular class of customers. This is

because, it is evident and unarguable that the stationery papers, pamphlets and menu cards bearing the trademarks THE ORCHID and Royal Orchid

will be used only within the respective hotels.

25. We have already given our reasons why we are accepting Exhibits 1, 2 and 3 filed by respondents which are the issues of open house. We have

also explained in the beginning of our order that the respondent along with Baljees Hotels Limited and Hotel Stay Longer Limited has a commonality

of business. The change of name of the company was officially recognized in 1997. Of course, the learned counsel for the applicant said that the

registration by ROC of the change of name will not amount to user. While the registration per se cannot amount to user, what is to be seen is the

cumulative effect of the evidence.

26. In 1982 RPC HERMES Trade Mark

The respondents acquired the mark by purchase in 1954 and had sold watches under it between 1960 and 1971. From 1954 until the present time

advertisements had appeared in an annual trade publication which referred to the trade mark and to the registered proprietors by name. They were occasionally sent HERMES watches for repair. In 1976 they made plans to recommence selling watches under the mark in July 1977. They placed orders containing references to the mark with their component suppliers in October 1976, and these were fulfilled in April 1977. In November 1976 they prepared a HERMES price list, though it was not then sent out. In April 1977 they ordered boxes which were directed to bear the mark. No sales took place until September 1977.

27. The Chancery Division dealt with how use of a trade mark should be understood.

Thus, if the registered proprietor should commence a series of advertisements featuring his mark as part of an introductory campaign, prior to putting his goods on the market under the mark, but before they were actually on the market, in my judgment such use would clearly be use of the mark in the course of trade, not upon the goods or in physical relation thereto, but it would be in other relation thereto, the point being that it would be use in the course of trade in those goods, albeit in advertisements.

There the word Hermes for Watches was subject of application. It was held that though there was no sales during the relevant period, the advertisements in combination with steps taken for re-launch of the watches did constitute use. The Chancery Judge dismissed the appeal against this order. In that case, it was held that if the proprietor were taking positive steps to acquire goods to be marketed under the trade mark it was bonafide use. It was also held that the phrase

In the course of trade? must be wide enough to embrace the steps necessary for the production of the goods as well as the actual placing of them on the market.

This is also relevant since this judgment deals with the question of discretion.

The Assistant Registrar in Hermes case had also held that even if it was wrong to hold that there was a user in relation to watches he would still exercise his discretion to preserve the registration.

28 . Under Section 57 of the Act we have the same discretionary power. The documents produced by the respondent to show user with relation to

goods under class 16 are their menu cards, letterheads etc. Of course these documents do not bear any date. In five star restaurants such goods along

with toiletry material are all provided to the guests and they should definitely be considered to be used in the course of the trade which is the hotel

business. It cannot be equated to use on educational materials distributed in workshops, seminars etc. This is really commercial use. This applies both

to the applicant and the respondent. If in the Hermes case, it was held that if positive steps are taken to acquire the goods to be marketed under the

mark it is bonafide use. In the present case we have the change of name in 1996 to indicate the intention to commence the hotel business, the actual

acquisition of hotel of Harsha which became Royal orchid harsha, and the establishment of several other hotels under the name ROH. All these form

link pieces of evidence to indicate that there was a bonafide intention to use. The applicant has no evidence to prove that the respondent had no

bonafide intention. As observed by the Hon'ble Supreme Court, businesses cannot be started overnight.

29. We have held that a) the application is pre-mature under Section 47(1)(b). b) S.

47 (1)(a) too cannot be applied. The respondent has not proved that there was no bonafide intention, this requires a stronger evidence. The materials

on hand indicate the intention to use. The non user is not proved, to show there is no bonafide use of the mark. The pleadings in the Civil Suit is a tacit

admission of use since otherwise, the prayer for injunction would not have been sought for. c) As regards adoption too we have given our reason why

the respondent cannot be held to have dishonestly adopted the mark. It is the name of their business and this name was registered in 1996. d)

Considering the nature of goods, the place where the goods will be provided and the class of customers to which the goods will be given Royal

Orchids or Royal Orchids Hotel is not confusing or deceptively similar to Orchid.

For all these reasons, the rectification petitions are dismissed.