

**(2011) 12 IPAB CK 0006**

**In the Intellectual Property Appellate Board**

**Case No :** TA/166/2003/TM/DEL (CM M) 403/2000), TRA/128/2004/TM/DEL (C.O. Nos. 20/89) And TRA/129/2004/TM/DEL (C.O. Nos. 21/89) And TA/163/2003/TM/DEL (CM M) 199/2000

Khushi Ram Behari Lal And Ors

APPELLANT

Vs

New Bharat Rice Mills And Ors

RESPONDENT

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**Date of Decision :** 09-12-2011

**Acts Referred:**

Trade And Merchandise Marks Act, 1958 — Section 11, 12(3), 27(2), 32, 32(a), 32(b), 32(c), 33, 35, 46

Indian Penal Code, 1860 — Section 25

**Citation :** (2012) 1 MIPR 184

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

**Bench :** Division Bench

**Final Decision :** Allowed

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**Judgement**

Prabha Sridevan, J

1 . There are four matters before us and all were heard together. There are two rectification petitions filed by M/s. Khushi Ram Behari Lal (KRBL)

in TRA/128/2004/TM/DEL and TRA/129/2004/TM/DEL against the registration of th mark 'Taj Mahal' with device under label No. 387177 and the

word per se under No. 338004 filed under Class 30 registered in favour of the respondent New Bharat Rice Mills (NBRM). There are two appeals

TA/163/2003/TM/DEL - M/s. New Bharat Ric Mills, Appellant Vs. M/s. Kushi Ram Behari Lal, Respondent and TA/166/2003/TM/DEL - M/s Kushi

Ram Behari Lal Vs. M/s. New Bharat Rice Mills Respondent. NBRM filed an appeal against the registration in favour of KRBL which is

TA/163/2003/TM/DEL and KRBL filed an appeal against the registration in favour of NBRM which is TA/166/2003/TM/DEL.

2. On 3rd December, 2004 this Board had passed an order in TRA/128/2004/TM/DEL and TRA/129/2004/TM/DEL. Against that writ petitions were

filed. The writ petitions were disposed of by the Hon'ble Delhi High Court by order dated 18.5.2011. In this order, there is reference to

TA/163/2003/TM/DEL and TA/166/2003/TM/DEL also. After hearing both the Counsel, the Delhi High Court observed that this Board could have

heard all the four cases together. The Hon'ble High Court observed that if the four cases had been heard together the parties could have relied upon

the same evidence for the purpose of their respective claims of prior user and the IPAB would have had a holistic view of the issue and could have

avoided the possibility of inconsistent orders. A grievance was expressed by the party regarding the manner in which in the earlier round of litigation,

IPAB had received the evidence and considered it. The Hon'ble Delhi High Court was of the opinion that a fair opportunity ought to have been given

to the parties for filing their respective ""affidavits of evidence for a fresh order on merits to be passed by the IPAB. These two rectification

applications should be heard along with other petitions between the parties involving the same mark which are pending before the IPAB. In view of

this conclusion, this Court does not consider it necessary to deal with any of the other contentions of the parties. It is for the IPAB to decide those

issues afresh uninfluenced by its impugned order dated 3rd December 2004"".

Consequently, the following directions were issued:

(i) The impugned order dated 3rd December 2004 of the IPAB is set aside.

(ii) The two rectification applications TRA Nos. 128/2004/TM/DEL and TRA/129/2004/TM/DEL are restored to the file of the IPAB and will be

listed for directions before it in its first sitting in July 2011.

(iii) The IPAB will, immediately upon receipt of a certified copy of this order, send notices requiring both parties to file their respective affidavits by

way of evidence within a fixed time period which in any event will not exceed two months from the date of such notice. Neither party will be

permitted to file any fresh document. They will rely only on the documents already filed and forming part of the record of the two rectification

petitions and the other petitions to which they are parties and which are pending before the IPAB.

(iv) The IPAB will thereafter hear the two rectification applications along with

other pending petitions (including C.O. Nos. 199 and 403 of 2000)

involving KRBL and NBRM and endeavour to pass a fresh order on merits disposing of the petitions within a period of six months from today.

3. Against this order, an intra-Court appeal was filed. The Division Bench passed this order

(a) The writ petitioners, who are respondents herein are only entitled to file the affidavits in support of the documents that have already been filed

before the IPAB so that there will be tendering of evidence in law.

(b) The respondents shall not file any new document/paper barring the affidavit, as acceded to by Mr. Kaul, learned senior counsel for the

respondents.

(c) The present appellants are entitled to file documents/papers in appugnation to the aforesaid affidavit if so advised within two weeks from today.

(d) The direction of the learned single Judge that the appeals and the original rectification proceedings should be heard together, cannot be faulted but

there should be no further adducing of evidence in the appeals.

(e) The IPAB shall dispose of the cases by 15th September, 2011 positively. As agreed to by the learned counsel for the parties, adjournment shall not

be sought on any date fixed by the Board.

It is seen therefore that whatever evidence had been filed before the IPAB without supporting affidavit could now be received in evidence because

they had been directed to file an affidavit. One such affidavit was filed. NBRM could file documents in rebuttal. It was made clear that fresh

evidence could not be filed and all the four matters should be heard together.

4 . Some objections were raised by the learned Counsel for NBRM that all the evidence should not be considered in common and submitted that no

evidence was filed in TRA/129/2004/TM/DEL or TA/166/2003/TM/DEL and there was evidence filed in TRA/128/2004/TM/DEL. The learned single

Judge had specifically directed us to discuss the evidence as a whole so that inconsistent stands are avoided. Therefore, we propose to decide this

matter by treating the evidence as evidence filed in common; that is the only way we will avoid inconsistency in our decisions.

Brief chronological sequence of events:

5 . On 30.6.1978, NBRM filed an application under No. 338004 the trade mark

'Taj Mahal' word per se in Class 30 for rice. This application was filed as ""proposed to be used"" and the NBRM claimed it started use from 1.7.1978. On 13.11.1981 registration certificate was issued. On 3.3.1982 NBRM filed another application for registration of the trade mark No. 387177 claiming user from 1.7.1978 in respect of rice in Class 30 for trade mark 'Taj Mahal'. This was advertised in the Trade Marks Journal No. 729. On 19.9.1987 NBRM filed an application for registration of copyright in 'Taj Mahal'. In this KRBL is shown as a distributor. On 22.2.1989, KRBL applied for registration of the trade mark 'Taj Mahal' in class 30 for export only of rice under No. 506080 claiming user from 1.1.1978. On 19.6.1989 NBRM filed an application for registration of trade mark 'Taj Mahal' for export only of rice in class 30 under No. 512119 claiming user from 1.7.1978. On 17.7.1989 NBRM filed a complaint of falsification of trade mark against unknown persons in Batala Court. According to the investigation report, the confiscated goods belonged to KRBL. In August, 1989, KRBL filed a suit for passing off before the Hon'ble Delhi High Court. On 15.12.1989 a registration certificate was granted for the NBRM's application under No. 387177. On 10.1.1990 NBRM filed a suit for infringement of trade mark and passing off before the Hon'ble Delhi High Court. On 1.6.1994, KRBL's application under No. 506080 was advertised in the trade mark journal No. 1080. On 27.6.1994, NBRM filed its opposition to the above. On 6.1.2000, the opposition was disallowed and the KRBL's application No. 506080 proceeded to registration. On 4.4.2000, the opposition of KRBL to NBRM's application No. 512119 was disallowed and that application proceeded to registration. On 4.5.2000, the Hon'ble Delhi High Court stayed the issuance of registration certificate under No. 506080. It is broadly these events which took place leading to the present proceeding.

6 . The registration certificates in favour of NBRM are marked as R1, R2 and R3. According to the learned Counsel for KRBL the registration has been obtained by fraud. NBRM's case is that it has been using the mark since 1978 but there is no evidence of user from 1978. A mere statement that the documents and records relating to this have been washed away in the floods cannot be accepted unless there is evidence to show that in fact the records were washed away. There is absolutely no evidence of user before 1986 and the sales figures are also only from 1982. The learned Counsel

for KRBL submitted that in all the pleadings by NBRM it is only stated that NBRM has used it since 1978. Therefore user by any other entity namely

the so called sister concerns cannot be relied on to establish the use. The learned Counsel relied on several documents (page 48 of the paper book) to

show that it has exported rice under bill of lading dated 20.10.1980. The bill of lading refers to 'Taj Mahal' brand rice. According to the learned

Counsel therefore clear user from 1980 has been proved by KRBL. The learned Counsel appearing for NBRM objected to the reference to these

documents since according to him the documents marked in each proceeding should be separately relied on. We have already referred to our

approach in this matter that we are going to look at all the evidence as directed by the Hon'ble Delhi High Court. The learned Counsel for KRBL

submitted that if the evidence of the respondents is looked into there is no sales figure at all prior to 1982. Page 56 of the documents filed by the

respondent (Exhibit R-13/colly), is the commission agent's slip, the commission agent being Mehul Trading Company. According to the learned

Counsel for KRBL this does not refer exclusively to 'Taj' and further does not prove use of a trade mark. Mehul Trading Company invoice does not

show commercial use of the trade mark and a mark becomes a trade mark as per the Act only if it is commercially used and the trade recognizes the

mark to belong to the proprietor in respect of the goods concerned. He also referred to page 312 of the same paper book. He also referred to the

application before the Copyright Board and submitted that it was fabricated for the purpose of the case. He also submitted that the allegations that

KRBL was a distributor is neither supported by pleadings nor by proof. According to him the first document of export by NBRM is only after 1981.

Therefore, claim of user from 1978 cannot be accepted. The Counsel submitted that the entire criminal proceedings had been stage managed by

NBRM. It is difficult to comprehend how all of a sudden a complaint like that could have been filed and that too against unknown persons. He

submitted that when the criminal trial has not yet come to a conclusion the statements in the investigation report that the confiscated goods at Kandla

port belonged to KRBL cannot be accepted. He submitted that the KRBL itself is a rice processor and they have been exporting from 1978 to

overseas. The learned Counsel submitted that the fact that KRBL had not advertised in the rice trade journal is neither here nor there. Since their

goods are intended for export, they did not choose to advertise in the trade journal. The learned Counsel submitted that once the evidence shows that the earliest use is by KRBL then by virtue of Section 33 of the Act they are entitled to registration. The learned Counsel submitted that in fact even if the adoption of the mark 'Taj Mahal' by NBRM is held to be honest, the registration should be cancelled since it is likely to confuse. The learned Counsel denied KRBL has been the distributor of NBRM at any time. The learned Counsel also submitted that there is no link to show that NBRM and Khosla Trading Company are sister concerns. Documents which shows transport and sale of rice by Khosla Trading Company will not come to the benefit of NBRM. Therefore on the basis of prior use and likelihood of confusion he prayed that the rectification petitions be allowed and their appeal also should be allowed and that NBRM's appeal be dismissed. He relied on several decisions. We will be referring to those that are relevant for us.

7 . The Counsel appearing for NBRM submitted that the rectification petition must stand on its own strength and the rectification applicant must prove his case. He submitted that two rectification petitions are against two different marks. KRBL had not filed any evidence in the rectification petition. He also referred to the relevant dates in TA/163/2003/TM/DEL on the basis of orders passed in TA/166/2003/TM/DEL. According to him if the date on which the orders were reserved in TA/166/2003/TM/DEL is taken note, it would be clear that the Registrar erred in relying on the findings on an order which the opponent in TA/163/2003/TM/DEL had no opportunity to meet and that the principles of natural justice were violated. The learned Counsel submitted that mere allegation of fraud will not suffice and when there is no evidence to prove fraud, the application in No. 338004 should proceed to registration. According to him the mark 'Taj Mahal' has been used by NBRM from 20.10.1980 and there is neither user by KRBL nor any registered mark in their name prior to that date. The learned Counsel submitted that therefore Section 33 which deals with protection of vested rights cannot be invoked by KRBL. The Counsel also submitted that till 1.4.1978 rice was exported from India only through a canalizing agent STC and the policy to let people export directly came into force from 1.4.1978. The learned Counsel submitted that if we refer to the criminal proceedings initiated

against KRBL it discloses that bags bearing the emblem of 'Taj Mahal' without the names of any manufacturer, dealer or exporter were found in

Kandla port pursuant to the search warrant issued and that on enquiry it was shown that they belong to KRBL. The learned Counsel submitted that

such clandestine trade will not amount to user for the purpose of export. The learned Counsel referred to the order passed in Criminal Contempt

Petition No. 16/1989 by the Hon'ble Punjab and Haryana High Court where it was said that an averment made that the respondent was proprietor of

the trade mark ""since 1978"" is falsified from the respondent's own plaint in the Civil Suit pending in Delhi High Court. The learned Counsel submitted

that if KRBL had really been the registered proprietor or bonafide user of the trade mark they would have opposed the application by UV Enterprises

which had obtained registration of the mark 'Taj Mahal' for export to Australia (This is the subject matter of TA/175/2003/TM/DEL). The Counsel

submitted that KRBL has not filed any proof to show that they are the proprietors of the trade mark. The learned Counsel submitted that registration

should be granted to NBRM which has vigilantly protected the 'Taj Mahal' trade mark. The learned Counsel submitted that KRBL also ignored the

registration of NBRM and had not objected to it. From 1978 to 1989, there had not been any objection. It has actually acquiesced in the use of the

trade mark by NBRM. He submitted that if there is no proof to invoke Section 12(3) then there could be no grant of registration on the basis of honest

concurrent user or special circumstance. The learned Counsel referred to many documents to prove that NBRM had opposed the registration of the

mark 'Taj Mahal', by third parties. For example, (exhibit R 43) where NBRM opposed the registration of the mark 'Taj Food Products' in application

No. 1153640 in class 30 and at page 1277 the notice dated 17.9.1984 issued by NBRM to Tulsidas Exports Private Limited who had adopted the mark

'Taj Mahal' brand for rice and which registration Tulsidas Exports Private Limited has later abandoned and to the opposition to the mark registration in

No. 542117 in class 30 in the name of M/s. Jagadish Kumar Talakshi & Co. which was also abandoned. Several other such documents were shown

have been marked as evidence by NBRM to show that they alone are users of the mark 'Taj Mahal'. They also referred to paragraph 19 evidence in

support of opposition sworn to Om Prakash Khosla, partner of NBRM where they have alleged that since the applicant ""have been the distributors of

my firm/s in respect of the rice under the Trade Mark TAJ MAHAL"" as evident from Annexure O-89 to O-92. The word applicant refers to KRBL.

This was referred to in the impugned order also but erroneously rejected by the learned Assistant Registrar.

8. Even in the rectification petition it was alleged that KRBL was one of the exporters on behalf of NBRM and the accounts rendered from 10.5.1980

to 14.5.1980 were marked as exhibit 'R 20'. The learned Counsel submitted that therefore KRBL's application in 1989 claiming user from 1.1.1978 is

thoroughly dishonest. The business relationship existed between NBRM and KRBL from 1978. The learned Counsel submitted that there is no

acceptable explanation on the part of KRBL why it had not sought registration earlier and only after 1989. The learned Counsel pointed out to the

various advertisements in the Trade Journal in page 1066 to 1088 all of which show that right from the year 1983, NBRM has been in business of

selling rice but there is no evidence on the side of KRBL.

9 . The learned Counsel referred to exhibit 'R-45' which are official records to show that heavy floods devastated Batala in the year 1987-88 and

1993-94 and that valuable records have been lost from their office which is why they are unable to prove user before 1980. The learned Counsel

submitted that NBRM's application for registration of the mark should be upheld while KBRL's application for registration should be removed. Both

the Counsel relied on a number of decisions covering various issues like Section 27(2), Section 33, Section 32 etc. But if the facts on hand are

sufficient to decide the matter, we will not refer to all of them.

10 . The Act to be applied is the Trade and Merchandise Marks Act, 1958 and is referred to as the Act. It is the consistent case of NBRM that New

Bharat Rice Mills, Khosla Trading Company, Khosla Rice Mills are all sister concerns and there is identity of interest and common commercial

interest. This was rejected by the Registrar in the impugned order challenged in TA/166/2003/DEL. According to NBRM M/s. Khosla Trading

Company and Khosla Rice Mills are associated concerns of NBRM and are being managed and controlled by the family members and the firm used

to operate from common premises at Faizpura Road, Batala, Punjab using common staff, infrastructure and facilities as a common economic entity.

The trade journal from Exhibit 'R 15', pages 1061 to 1087 shows several

advertisements in the trade journal showing in the same advertisement New Bharat Rice Mill and also Khosla Trading Company, Batala and then the Telegrams for New Bharat Rice Mills is Khosla in the trade journals of the year 1984 long prior to the dispute between the parties. Therefore, we do not think there is any reason to disbelieve the statement that NBRM and the Khosla Trading Company etc. are sister concerns having a common commercial interest.

11. Trade mark question in four cases:

(a) The registration application No. 338004 applied on 30.6.1978 granted on 13.11.1981 for the word 'Taj Mahal' as proposed to be used mark (NBRM).

(b) The trade mark application No. 387177 for the label 'Taj Mahal' and device applied for on 3.3.1982 claiming user from 1.7.1978 registration granted on 15.12.1989 (NBRM).

(c) The trade mark application No. 512119 for the label 'Taj Mahal' for export only is made on 19.6.1989 claiming user from 1.7.1978 (NBRM).

(d) The trade mark application No. 506080 for the label 'Taj Mahal' for export only is made on 27.2.1989 claiming user from 1.1.1978 (KRBL).

The mark (a) and (b) mentioned above are subject matter of the rectification applications. The rectification application in respect of (a) and (b) above

were filed on 7.9.1989 and 8.9.1989 respectively. Section 32 of the Act provides that subject to the provisions of Section 35 and 46 of the Act original

registration of the trade mark will be valid after the expiry of seven years from the date of registration unless it is obtained by fraud or it was

registered in contravention of provisions of Section 11 of the Act or offence to provision on the date of commencement of proceeding or that the trade

mark was not at the commencement of the proceeding distinctive of the goods of the registered proprietor. In the present case the registration

certificate (a) was issued on 13.11.1981. The rectification proceedings were initiated only in 1989. Seven years had fully expired since the date of

registration certificate. Therefore Section 32 of the Act provides that the registration shall be concluded to be valid. Now, we have to see if KRBL

has proved their case that it was obtained by fraud or there was contravention of Section 11 of the Act or that it was distinct to goods of the

proprietor. A mere allegation of fraud has been made and there is no evidence

that there was fraud on the part of the applicant. AIR 1971 SC 898 -

National Bell Co. and Gupta Industrial Corporation, Appellants Vs. Metal Goods Mfg. Co. (P) Ltd. and another provides that the crucial stage for the

purpose of Section 32 of the Act would be the date of commencement of the proceeding in which the question as to the conclusive character of the

registration arises. In the present case, the NBRM has shown several documents right from 1983 onwards. In page 241 where one 'Gandhi Traders'

commission agent had been placing orders for 'Taj Mahal' brand rice and we have also documents from page 61 onwards addressed by Mehul

Trading Company which requested for rice best quality 71 bags of Taj Mahal brand and the receipt of wagon load of 'Taj Mahal' and for the trial

orders for export with the bag printed with the brand 'Taj Mahal' which is dated 2.4.1985. Then there are letters by Shah Sampat Raj Prakash Chand

from 30.4.1983 placing orders with NBRM for Taj Mahal rice from pages 215 to 222. Then invoices from page 223 onwards raised by Mehta

Chagganlal Laddoo Bhai & Co. for Taj Mahal brand rice. There are several invoices by this dealer. Then there are invoices by one Tha. Damodar

Mulji Raji of Rajkot are placing orders for Taj Mahal from 1985 onwards. There are invoices by one Jayant Kumar Bhagwandas, commission agent

for sale of Taj brand rice. We have already referred to the advertisements in the trade journal also which shows that the brand 'Taj Mahal' has been

associated with NBRM. Various legal action initiated by NBRM against other persons using the word 'Taj' in connection with their product, shows

that the mark had become distinctive of the goods of the registered proprietor at the commencement of the proceedings which is in the year 1989. We

are not accepting the case made out by NBRM that there is user from 1.7.1978 which we will deal with in detail in subsequent paragraphs(Emphasis

supplied). For the purpose of this rectification proceeding we are of the opinion that Section 32 of the Act applies. KRBL has not proved fraud and

NBRM had established distinctiveness of the said mark on the date of the rectification applications. The rectification applicant has not made out that

the registration fall under any of the three exceptions of Section 32 (a), (b) & (c) of the Act. In these circumstances, the rectification proceedings long

after the expiry of seven years from the date of registration deserves to be dismissed.

12. TRA/129/2004/TM/DEL is therefore dismissed.

13. Next we take up the mark which is listed at (b) above. The case of NBRM is that they have been using the label mark from 1.7.1978 and the

application is made in 1982. The evidence filed which shows user of mark 'Taj Mahal', is only from

7. 5.1980. This is an invoice raised by Hiralal Motilal of Khosla Trading Company. Since we have accepted that all the firms have common entity, we

will accept the user by Khosla Trading Company in favour of NBRM. Even then the claim of user from 1978 has not been proved. Even NBRM

themselves at paragraph 13 of their affidavit have given details of their sales statistics from 1982-83 onwards and according to that affidavit the sale

of rice bearing the trade mark 'Taj Mahal' and the device thereto was to the tune of 40% of the sales. According to them sales prior to 1982 are not

traceable. In paragraph 12 they have stated that in the year 1988 floods devastated Batala district and the records in the rice processing plant were

lost. It is true that NBRM has produced two documents to show that there was floods. But neither of them pertain to floods that occurred prior to

1982. At paragraph 13 of the affidavit it is stated that from the records available with the Accountant of their firm only this much information could be

compiled. There is no evidence to show that the documents pertaining to 1978-79 to 1981-82 were lost. Though they have stated that floods

devastated the factory in 1988, documents from 1983 have been produced. NBRM could have filed an affidavit signed by the Accountant stating

specifically that these records were lost or that they had filed a complaint or claimed compensation or any other such contemporary evidence to show

records of the loss. On the contrary there are records of the 1993 floods NBRM has produced, 'R-45' where an affidavit is filed specifically stating

that the stock registers etc. pertaining to the years 1986-87 to 1991-92 were flown away because of the floods. At page 1395 they have also shown

that compensation was claimed for the losses sustained due to the floods of 1993. If a similar document had been filed we may have accepted the

case that NBRM has started using the label mark from 1.7.1978 but was not able to produce evidence because of the floods. In the absence of such

convincing evidence, we hold that NBRM has not proved user from 1978 as claimed before the Registrar of Trade Marks. In this application a

specific case of user from 1.7.1978 is made for which there is no proof. Therefore registration obtained by a wrong statement regarding user cannot remain in the Register.

14. Therefore, this TRA/128/2004/TM/DEL is allowed. The mark under application No. 387177 will stand expunged.

15. TA/166/2003/TM/DEL: This relates to the identical label mark as above, but for export only. For the same reasons as which we have set out for

TRA/128/2004/TM/DEL this appeal would have to be allowed. The Registrar had gone into the claim of concurrent user and special circumstances. It

is found that the statement regarding the user is wrong and is not proved and the user if at all is only from 1980 accepting the user by Khosla Trading

Company as user by NBRM. So we need not consider honest concurrent use etc. That consideration will come into play only if the mark deserves to

be registered but for the fact there is another identical or similar mark and the Registrar feels that in certain special circumstances he may pass the

registration by more than one proprietor of marks which are identical or similar. There is no evidence of use of this label mark from 1.7.1978. We

need not look any further at all. This appeal must be allowed. The impugned order of registration is set aside. The opposition of KRBL is allowed.

16. TA/163/2003/TM/DEL: Finally, we come to the appeal which relates to the registration of KRBL. The specific case of NBRM is that KRBL

was their distributor and that the alleged user is only clandestine and the statement made in the application of user from 1.1.1978 was fraudulent and

dishonest. Though this averment has been made by NBRM and evidence was also marked, the learned Registrar chose to ignore it without any

rebuttal in either pleading nor by production of rebuttal evidence. The Counsel for KRBL submitted that it is not clear how a copyright application was

made inserting the name of KRBL in the application and that any one can insert some one else's name to malign their reputation. We are not

convinced by the statement. There must be some reason why NBRM had deliberately inserted the name of KRBL in the copyright mark. According

to NBRM it is because they were the distributor. If this is not to be accepted there must be some convincing material to the contrary produced before

us. Moreover, the copyright application which is exhibit 'R5' is not the only evidence to show that KRBL had been the distributor or supplier for

NBRM and its sister concerns. We have already given our reason why we have accepted that Khosla Trading Company and NBRM had common

commercial interest. Exhibit 'R 12' is the document marked by NBRM that KRBL was regularly submitting accounts with regard to the rice

distribution. Exhibit 'R 12' is of the year 1980-81. At page 49, page 50 shows several distributors including KRBL. Similar is the case with document at

pages 51,52 and 53. 'R 5' is the copyright application is of the year 1987 and it shows that the applicant has filed five applications Form IV with

particulars of artistic work, power of attorney etc. It states that it is the first to be published in India in 1978 and it shows that the trade mark 'Taj

Mahal' was already registered in favour of NBRM in No. 338004 and the associated mark 387177 is pending registration. In the copy of the artistic

work it reads -

Quality is our creed

Always use

TAJMAHAL BRAND

RICE

100% pure superior

Basmati Wand

Producers

KHOSLA BROTHERS

G.T. ROAD, BATALA (Pb.)

SOLE DISTRIBUTORS

M/S KHUSHI RAM BEHARI LAL

NAYA BAZAR DELHI

This is the application that was made in 1987. KRBL has filed its application for registration in 1989 two years after this document. In the affidavit

filed in pursuance to the directions of the Delhi High Court ranging from exhibit 'P-1' to 'P-63', the earliest document is at page 45 which is a bill of

lading dated 20.10.1980. NBRM has at least alleged floods and devastation as reason for not filing proof of user since 1978. There is no explanation

by KRBL to show why they had not been able to show user from 1.1.1978. Even in this affidavit which is signed as late as 10th July, 2000 sales figure

by way of export is only from 1980-81. This application is not a ""proposed to be used"" application. There is a categorical statement that they have started using it from 1.1.78 for which there is no evidence. There is no explanation given by KRBL for us to reject 'R-5' or 'R-12'. There is no explanation why KRBL was shown as sole distributor in the copyright application and why KRBL was furnishing accounts to the sister concern of NBRM. Until 1982, there has been a business association. KRBL must have known not only about the registration in favour of NBRM but also the use of the word mark ( No. 338004) and the label mark ( No. 387177). The fact that we have granted rectification of one of these marks is immaterial for deciding the honesty on the part of KRBL when they adopted it. They knew about the use of this mark and yet they have adopted it and have also claimed user from 1.1.1978 without any basis. The adoption itself is dishonest. The question of the date of user becomes crucial in many cases. Some time the date of user may be obviously wrong. But this wrong date may be the result of misstatement, sometimes it may be a fraudulent statement. In this case it is a dishonest statement made to secure an advantage and that is priority of user. Section 25 of 'The Indian Penal Code' deals with when ""a person is said to do a thing fraudulently....."" and in S.P. Chengalvaraya Naidu v. Jagannath (1994) 1 SCC 1, the word 'fraud' is defined ""as an act of deliberate deception with the design of securing something by taking unfair advantage of another"". In this case, NBRM has shown that KRBL had business connection with it and the introduction of the date of user (1.1.1978) just prior to the claimed date of user of NBRM (1.7.1978) was only to secure an unfair advantage. Therefore, in this case the wrong statement in the application for registration regarding date of user is not a mere mistake. It has been made with a deliberate intention to deceive. It is not necessary in these factual circumstances for us to go into the criminal proceedings and whether the investigating officer version that the contraband goods belong to KRBL should be accepted or not. We are also in these circumstances not concerned with the weightage to be given to the criminal proceedings which has not reached finality. NBRM has clearly shown user from 1980 and they have also produced evidence to show commercial use which is sufficient for us to allow their appeal, the registration is in favour of KRBL is set aside and the opposition by the NBRM is

allowed.

17 . We have arrived at the above conclusions purely on the basis of the facts available in the records and the relevant legal position. Therefore we

have not referred to the many decisions which were referred to by both the Counsel.

18. To summaries -

(a) KRBL's challenge to the word mark 'Taj Mahal' under No. 338004 is rejected as beyond time. TRA/129/2004/TM/DEL is dismissed, with costs of

Rs. 5,000/-.

(b) KRBL's challenge to label mark with device under No. 387177 is accepted since NBRM has not proved user as claimed from 1.7.1978.

TRA/128/2004/TM/DEL is allowed with costs of Rs. 5,000/-and the above mark is expunged.

(c) KRBL's appeal against registration No. 512119 to NBRM for ""export only"" is allowed since NBRM has not proved user as claimed from 1.7.1978.

TA/166/2003/TM/DEL is allowed with costs of Rs. 5,000/-and the order of registration is set aside.

(d) NBRM's appeal against registration No. 506080 to KRBL for export only is allowed, since KRBL's adoption is dishonest, they were associated

with NBRM and its sister concerns and were aware of the NBRM's registration application, and even KRBL's evidence of user is only from 1980-81

and not from 1.1.1978 as claimed. TA/163/2003/TM/DEL is allowed with costs of Rs. 5,000/-and the order of registration is set aside.