
(1974) 07 MAD CK 0020
In the Madras High Court

Lakshmi Narayan Karva and Others

APPELLANT

Vs

Satyanarayan Khubchand Karva

RESPONDENT

Date of Decision : 11-07-1974

Acts Referred:

Trade and Merchandise Marks Act, 1958 — Section 46, 56

Citation : (1974) 2 MLJ 453

Hon'ble Judges : A. Varadarajan, J

Bench : Division Bench

Judgement

A. Varadarajan, J.—This Letters Patent Appeal is directed against the judgment of Maharajan, J., in C.M.A. No. 151 of 1969, which was

filed by the appellants against the order of the Assistant Registrar of Trade Marks, Madras, in an application filed by the respondents Under

Sections 46 and 56 of the Trade and Merchandise Marks Act, 1958, in the matter of the appellants' trade mark No. 217448. The Assistant

Registrar allowed the respondents' application for rectification of the Register of Trade Marks by expunging the appellants' trade mark. The

appellants are a partnership firm carrying on business under the name and style of Ramachandra Lakshminarayanan Karva at Begum Bazaar,

Hyderabad, Andhra Pradesh, in certain commodities including chloride used for industrial purposes. The respondents also are a partnership firm

carrying on business at Begum Bazaar, Hyderabad in ammonium chloride. The appellants' trademark consists of the word ""SALAMMONIAC

appearing in between two devices of a crescent and a star with the letters "" RLK "" appearing within each device of the crescent, and it has been

registered in respect of ammonium chloride used for industrial purposes. The respondents' trade mark consists of a label containing a device of

two stars and crescent with the letters "" KSI "" within the crescent device and the expression ""AMCLO"" in between the two devices. The

appellants applied for registration of their trade mark in Part A of the Register of Trade Marks on 30th August, 1963, on the allegation that the

trade mark was first adopted or invented by their concern in the year 1956 for use in ammonium chloride (Navasagar) business and that it had

been in use continuously from 1956 exclusively and without any interference or interruption from any quarter whatsoever. They also alleged in the

application for registration that ammonium chloride worth several lakhs had been sold under the said trade mark and that the trade mark had

become very popular and deserved protection of law. After examination of the application, the Assistant Registrar informed the appellants inter alia

that the letters "" RLK "" appearing on the mark were not considered prima facie distinctive and were not registerable in Part A of the Register

except upon evidence of distinctiveness u/s 9 of the Act, that the word ""SALAMMONIAC"" constituting the leading feature of the trade mark was

purely descriptive of the goods and was not distinctive within the meaning of Section 9 of the Act and that the mark conflicted with certain trade

marks, the particulars of which were furnished to the appellants. Thereupon, the appellants disclaimed the right to the exclusive use of the device of

a crescent and star and the expression ""SALAMMONIAC"" and the trade mark was accepted for registration by the order of the Assistant

Registrar on 9th March, 1964, and the application as accepted for registration was advertised in the Trade Marks Journal dated 1st June, 1964.

Subsequently, the appellants instituted O. S. No. 13 of 1966 in the City Civil Court, Hyderabad at Secunderabad, for an injunction restraining the

respondents from ever manufacturing or selling ammonium chloride or Navasagar with the respondents' trade mark impressed thereon. They have

alleged in paragraph 12 of the plaint in that suit that they have suffered very much on account of the respondents introducing the goods under an

imitation of their trade mark and that the continued use of the trade mark by the respondents would cause to the appellants incalculable and

irreparable injury which cannot be adequately compensated by money. The respondents contended in their written statement in that suit that it was

the appellants that tried to injure them out of malice and jealousy by using their trade mark. It is only after the institution of that suit the respondents

filed their application before the Assistant Registrar of Trade Marks, Madras, Under Sections 46 and 56 of the Act for the rectification of the register of trade marks by expunging the appellants' trade mark. Their allegation in their application was that for the purpose of distinguishing their goods from those of other manufacturers, they have been using several trade marks, one of them being a label containing devices of two stars and crescent within the letters "KCI" within the crescent device and the expression "AMCLO" in between the two devices. They claimed to have been using this trade mark on their ammonium chloride since 1961. They alleged that being in the same trade as the one carried on by the appellants they are likely to be embarrassed or hurt by the registered trade mark of the appellants, who are also threatening them with legal action, and they are, therefore, persons aggrieved, they contended that the user claimed by the appellants was false to their knowledge and, therefore, the registration of the trade mark of the appellants was obtained by misleading the Registrar and the entry was made in the register without sufficient cause and it was wrongly remaining on the register. Their case was that on the date on which the appellants made their application for registration of their trade mark their mark had not been used at all and registration was obtained by false statements regarding user. They further contended that there was no bona fide intention on the part of the appellants to use the trade mark in respect of ammonium chloride for industrial purpose, that the appellants' trade mark was not distinctive and not capable of distinguishing the goods of the appellants and that registration was, therefore, barred by Section 9 of the Act. They alleged contravention of the provisions of Section 18 of the Act and prayed that the entry relating to the appellants' trade mark should be expunged u/s 56 of the Act.

2. The appellants opposed the application before the Assistant Registrar contending that the respondents had not been using their trade mark from 1961, whereas they were exclusively, extensively and continuously using their own trade mark from 1956 without any interference from any quarters. They denied that the respondents were persons aggrieved and contended that they filed the application before the Assistant Registrar only to nullify the action taken by the appellants against them in the suit filed in the City Civil Court, Hyderabad at Secunderabad. They denied that

they had no bona fide intention to use the trade mark for ammonium chloride for industrial purposes and contended that their trade mark was registered after evidence regarding distinctiveness was produced and that Section 9 of the Act does not therefore, apply. They denied the allegation that the entry regarding the trade mark was made without sufficient cause and contended that the respondents are not entitled to invoke the provisions of Section 55 of the Act.

3. The Assistant Registrar found that the respondents are persons aggrieved having regard to the fact that they are also in the same trade as the appellants and they have alleged that they are likely to be embarrassed or hurt by the existence of the appellants' trade mark on the register and also that the appellants have been threatening them with legal action. The Assistant Registrar considered the yearwise sales figures produced by the appellants for the goods sold under their trade mark and also under a number of other trade marks applied for registration by the appellants and expressed the opinion that it is neither possible nor proper to apportion any part of the sales turnover figures to the appellants' trade mark in question and held that the user claimed by the appellants in respect of their trade mark from 1956 had not been made out. He expressed the further opinion that even if the sales figures produced by the appellants relate only to the goods sold under the trade mark in question, they are not sufficient to establish the distinctive character of the trade mark. He noticed that the appellants' trade mark consists of a device, a collection of three letters and a word and that the word and the device have been disclaimed by the appellants because they cannot qualify for registration since they are matters that are non distinctive, and observed that if the trade mark of the appellants were to qualify for registration in that background, it can only be because of the three letters "RLK" present in it and that having regard to the turnover of Rs. 11,000 in 1956 and Rs. 29,000 in 1963, it was not possible to hold that the letters "RLK" has been so extensively used as to have been accepted by the public and trade as a trade mark of the appellants. In that view he held that the appellants' trade mark was registered without sufficient proof of its having become distinctive of the goods of the appellants and accordingly it was registered without sufficient cause and was wrongly remaining in the register and should be

removed from the register. At the hearing before the Assistant Registrar it appears to have been submitted on behalf of the appellants that even if the trade mark of the appellants was found to be unsuitable for registration in Part A of the register, the Registrar had a discretion to transfer the mark to Part B of the register without removing it altogether from the register. The Assistant Registrar declined to exercise the discretion on the ground that such a course was possible only if the Registrar is satisfied that the mark was not adopted to distinguish, but was capable of distinguishing and that in the present case having regard to the nature of the trade mark and the absence of evidence to prove its capability to distinguish the goods of the appellants, it was not possible to hold that the mark was capable of distinguishing and could not, therefore, be transferred to Part B of the register. Thus, the Assistant Registrar allowed the respondents' application as prayed for and declined to transfer the appellants' trade mark to at least Part B from Part A of the register. The appellants filed C.M.A. No. 151 of 1969 against that order.

4. Referring to the three letters "RLK" occurring in the appellants' mark in between the crescents and the stars, Maharajan, J., has observed in his judgment that there is nothing inherently distinctive about any of these three letters of the English alphabet, and that there is nothing distinctive about the manner in which these letters have been placed in the trade mark. He expressed the view that the registration of these letters would certainly have the effect of improperly interfering with the rights of existing or future firms having the initials "RLK" to attach the initials of their firm name to their goods. The learned Judge thought that a trade mark consisting of a letter or letters is a weak trade mark and to be entitled to registration it should have enjoyed wide and extensive circulation to such an extent that to all persons concerned in that particular trade, the letter or letters should have become indicative of the manufacturer and the persons using the trade mark. Discussing the evidence regarding the user of the trade mark of the appellants, the learned Judge found that the mark must have been used after August 1962, that is to say, for about just one year before the appellants made their application for registration of the same on 50th August, 1963 and observed that there is little evidence to show that during this short period the goods produced by the appellants had become associated in the public mind with the letters "RLK". Thus, he agreed

with the Assistant Registrar and held that the letters "RLK" are registerable neither in Part A of the register as an inherently distinctive mark nor in

Part B of the register as being inherently capable of distinguishing or by reason of the use of the trade mark or of any other circumstances it is so

adapted to distinguish. Having regard to the fact that the appellants had filed O.S. No. 13 of 1966 in the City Civil Court, Hyderabad at

Secunderabad, for injunction against the respondents, and to the contentions of the parties, namely, the appellants complaining in paragraph 12 of

the plaint in that suit that they have suffered very much on account of the respondents introducing the goods under an imitation of their trade mark

and the continued use of the trade mark by the respondents would cause incalculable and irreparable injury to them, and the respondents

contending that it is the appellants that tried to injure them out of malice and jealousy by using their trade mark the respondents were persons

aggrieved. In this view, the learned Judge held that the registration of the appellant's trade mark was without sufficient cause and the entry wrongly

remained in the register and dismissed the appeal with costs. Hence this letters patent appeal.

5. Section 56 (1) of the Trade and Merchandise Marks Act, 1958, provides for application being made in the prescribed manner to a High Court

or to the Registrar by any person aggrieved for canceling or varying the registration of a trade mark on the ground of any contravention, or failure

to observe a condition entered on the register in relation thereto. Sub-Section (2) of that section provides for any person aggrieved by the absence

or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the

Register, to apply in their prescribed manner to a High Court or to the Registrar, for making, expunging or varying the entry as it or he may think

fit. The respondents are a firm carrying on business inter alia in ammonium chloride, which is also put in the market by the appellants. The parties

are, therefore, rival traders in ammonium chloride. The appellants have instituted O. S. No. 13 of 1966 in the City Civil Court, Hyderabad at

Secunderabad, against the respondents for an injunction restraining them from ever manufacturing or selling ammonium chloride with the

respondents' trade mark mentioned above. The Supreme Court has observed in National Bell Co. and Gupta Industrial Corporation Vs. Metal

Goods Mfg. Co. (P) Ltd. and Another,

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 respondents being rival traders against whom the appellants have taken an infringement action would be aggrieved persons entitled to file an

application u/s 56 of the Act. Therefore, we agree with the learned Judge and find that they are persons aggrieved.

6. Sub-sections (1) and (2) of Section 9 of the Act lay down the requisites for registration of trade marks in Parts A and B of the register. They read:

(1) A trade mark shall not be registered in Part A of the register unless it contains or consists of at least one of the following essential particulars,

namely:

(a) the name of a company, individual or firm represented in a special or particular manner;

(b) the signature of the applicant for registration or some predecessor in his business;

(c) one or more invented words;

(d) one or more word having no direct reference to the character or quality of the goods and not being according to its ordinary signification, a

geographical name or a surname or a personal name or any common abbreviation thereof or the name of a sect, caste or tribe in India;

(e) any other distinctive mark.

(2) A name, signature or word, other than such as fall within the descriptions in Clauses (a), (b), (c) and (d) of Sub-section (1) shall not be

registrable in Part A of the register except upon evidence of its distinctiveness.

Sub-section (3) of Section 9 says that the expression ""distinctive"" in relation to the goods in respect of which a trade mark is proposed to

registered, means adopted to distinguish be goods with which the proprietor of the trade mark is or may be connected in the course of trade from

goods in the case of which no such connection subsists either generally or, where

the trade mark is proposed to be registered subject to limitations, in relation to use within the extent of the registration. Sub-section (4) says that a trade mark shall not be registered in Part B of the register unless the trade mark in relation to the goods in respect of which it is proposed to be registered is distinctive, or is not distinctive but is capable of distinguishing goods with which the proprietor of a trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally, or, where the trade mark is proposed to be registered subject to limitations, in relation to use within the extent of the registration. Sub-section (6) of the section confers a discretion on the Registrar subject to the other provisions of Section 9 to transfer a trade mark in respect of any goods, registered under Part A of the register to Part B and vice versa in the name of of the same proprietor of the same trade mark or any part or parts thereof. Section 18 (4) of the Act enables the Registrar, subject to the provisions of of the Act, to refuse an application for registration of a trade mark or to accept it absolutely or subject to such amendments, modifications, conditions or limitations if any as he may think fit. Section 28 of the Act mentions the right conferred by registration of a trade mark in Part A or Part B of the register. u/s 29 (2) of the Act, in an action for infringement of a trade mark registered in Part B of the register an injunction or other relief shall not be granted to the plaintiff if the defendant establishes to the satisfaction of the Court that the use of the mark of which the plaintiff complains is not likely to deceive or cause confusion or to be taken as indicating a connection in the course of trade between the goods in respect of which the trade mark is registered and some person having the right, either as registered proprietor or as registered user, to use the trade mark.

7. As we mentioned earlier, on the insistence of the Assistant Registrar of Trade Marks before registration of the appellants' trade mark, the appellants disclaimed the right to exclusive use of the devices of crescent and star with the expression ""SALAMMONIAC"" and it was only thereafter their application was accepted by the Assistant Registrar by order dated 9th March, 1964 and the application as accepted for registration was advertised in the Trade Marks Journal on 1st June 1964. Having regard to the said disclaimer both the Assistant Registrar in his

order on the respondents application for rectification of the register by expunging the appellants' trade mark, and Maharajan, J., in the judgment in

C.M.A. No. 151 of 1969 thought that the only marks which are left are the three letters "RLK" presenting the initials of the proprietors of the

business. The Assistant Registrar, while allowing the respondents' application has observed that it is not possible for him to come to the conclusion

that the letters "RLK" have been so extensively used as to have been accepted by the public and trade as a trade mark of the registered

proprietor. — The learned Judge has observed in his judgment that to register these three letters would certainly have the effect of interfering with

the rights of the existing or future firms having the initials "RLK" to attach the initials of their firm name to their goods.

8. In *re Christiansen's Trade Mark* 3 R.P.C. 54, at page 62 it is observed:

There must be a distinction between two labels unless they are identical, and the Act of Parliament has said that, although there is a distinction, that

is, in other words, although they are not identical, yet if that distinction is so small that, notwithstanding it, the whole thing is so like the other that it

might deceive, although it is not the same as the other, it ought not to stand on the register.

Therefore, the mark must be considered as a whole. The appellants' trade mark consists of the word "SALAMMONIAC" appearing in between

two devices of crescent and star with the letters "RLK" appearing within each device of the crescent and not the letters "RLK" alone. In the matter

of an application by the Diamond T Motor Car Company to Register a Trade Mark 38 R. P. C. 373 it is observed at page 380:

...in order to ascertain whether the applicants' trade mark is a registrable trade mark, the sole question to be determined is whether it is adapted to

distinguish the vehicles of the applicants from those of other manufacturers, and in determining this question it is, in my judgment, immaterial to

consider whether any of its component parts are not registrable by themselves under paragraphs (1) to (4) (of Section 9).

Now it has often been said that it is wrong, in judging whether a combination mark is distinctive or not, to dissect the mark, and to show that each

of its component parts is not distinctive in itself, and then, as the result of this process to conclude that the mark as a whole is not distinctive.

... in order to determine whether a mark is so adapted, it must be considered apart from the effects of registration. What has to be ascertained is

whether the mark itself, if used as a trade mark, is likely to become actually distinctive of the goods of the person so using it; this must largely

depend upon whether other traders are likely, in the ordinary course of business and without any improper motive, to desire to use the mark, or

one resembling it, upon or in connection with their own goods.

This decision makes it clear that in judging whether a combination mark is distinctive or not it is wrong to dissect the mark and show that each of its

component parts is not distinctive in itself and then as a result of this process to conclude that the mark as a whole is not distinctive. Yet this is

exactly what has been done not only by the Assistant Registrar but also by Maharajan, J., In Electrical Protection Company (Proprietary)

Limited's Application (1967) R.P.C. 251 where the Registrar has been directed to proceed with the application for registration in Part B of a

trade mark consisting of the letters "EPC" written across five concentric circles, it is observed at page 264:

The capability of distinguishing, however, may well be increased as the detail of the mark increases. I would say that in the present case the mark

is primarily a visual mark and has strong and original characteristics. The circles are an integral part of the design and the blocked-in elements,

although identifiable as representing the letters "EPC", particularly if one is aware of the initials of the applicant's corporate name, are quite fanciful

in character, looking more like an arrangement of bent tubes than any known font of type. It is for these reasons that I find it difficult to say that

the mark is not at least capable of distinguishing the applicant's goods even on the assumption that it has to take its place among various uses of the

initials "EPC" by other persons in the same line of business. I consider that is the right conclusion and that it does not conflict with any rule laid

down in the cited cases.

9. We are, therefore, of opinion that the appellants' trade mark, considered as a whole, is distinctive and that it is wrong to dissect the mark and

show that each of its component parts is not distinctive in itself, and as a result of that process to conclude that the mark is wholly not distinctive.

Even if the appellants' mark is not distinctive now, in our opinion, the mark,

which has been found to be used from August 1962, if used as a trade mark, is likely to become actually distinctive of the goods of the appellants, having regard to the fact that there is nothing to show that other traders are likely in the course of business and without any improper motive, to desire to use the mark, or one resembling it, upon or in connection with their own goods. Therefore, we hold that the respondents are not entitled to have rectification of the register by expunging the appellants' trade mark and that what should be done under the circumstances, is to transfer the appellants' trade mark from Part A to Part B as was requested on behalf of the appellants at the hearing before the Assistant Registrar of Trade Marks in the respondents' application. The appeal is accordingly allowed with costs and the judgment of Maharajan, J., is set aside. The Assistant Registrar of Trade Marks is directed to transfer the appellants' trade mark from Part A to Part B of the register. The notice required by Section 56 (5) of the Act will go to the Assistant Registrar in the prescribed manner for rectification of the register in accordance with this judgment.