
(1974) 07 MAD CK 0012

In the Madras High Court

Case No : Letters Patent Appeal No. 28 of 1970

Lakshmi Narayan Karva and Others

APPELLANT

Vs

Satyanarayanan Khubchand Karva

RESPONDENT

Date of Decision : 11-07-1974

Acts Referred:

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

Citation : AIR 1975 Mad 112

Hon'ble Judges : Varadarajan, J; Kailasam, J

Bench : Division Bench

Advocate : B.T. Seshadri, for the Appellant; A.L. Somayajee, for Aiyer and Dolia and S.P.L. Palaniappan, for the Respondent

Final Decision : Allowed

Judgement

Varadarajan, J.—This Letters Patent Appeal is directed against the judgment of Maharajan, J. in C. M. A. 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 appellant's 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 Lakshminarayana Karva at Begum Bazar. Hyderabad, Andhra

Pradesh, in certain commodities including chloride used for industrial purposes. The respondents also are a partnership firm carrying on business at

Begum Bazar. Hyderabad in ammonium chloride. The appellants' trade mark consists of the word "Salammoniac" appearing in between the 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 crescents 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 30-8-1963 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 quarters 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 9-3-1964, and the application as accepted for registration was advertised in the Trade Marks Journal dated 1-6-1964. Subsequently, the appellants instituted O. S. 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 respondent's 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

jealously 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 crescents with 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 proved 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 respondent 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 56 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 year-wise 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 Rupees 11,000 in 1956 and Rs. 29,000 in 1963, it was not possible to hold that the letters "RLK" had 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 has 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 appellant's trade mark to at least Part

B from Part A of the register. The appellant filed C. M. A. No. 151 of 1969 against that order.

4. Referring to the three letters "RLK" occurring in the appellants' trade 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 30-8-1963, 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 registrable 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

adopted to distinguish. Having regard to the fact that the appellants had filed O. S. 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 appellants' trade mark was made without sufficient cause and the entry

has 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 cancelling 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 in 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. 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. v. Metal Goods Mfg. Ca., AIR 1971 SC 898-

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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 approved 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 words 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 be

registered, means adopted to distinguish 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 the same proprietor of the same trade mark or any part or parts thereof. Section 18 (41) of the Act enables the Registrar, subject to the provisions 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 it 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 9-3-1964 and the application as accepted for registration was advertised

in the Trade Marks Journal on 1-6-1964. 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. 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 Christansen's Trade Mark*, (1886) 3 RFC 54 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 words "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 *In Re Diamond T. Motor Car Co.*, (1921) 38 RPC 373 it is observed at D. 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 adopted, 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 components 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 Co. (Proprietary) Ltd. Application, 1967 RFC 261 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 block in elements, though

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 in the

cited cases".

9. We are, therefore, of opinion that the appellant's 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 appellant's 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 respondent's 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 in the register in accordance with this judgment.