

(2007) 10 IPAB CK 0003

In the Intellectual Property Appellate Board

Case No : TA/52/2003/TM/MUM

Metropolitan Trading Company

APPELLANT

Vs

Mohanlal Agarwal And Ors.

RESPONDENT

Date of Decision : 15-10-2007

Acts Referred:

Trade And Merchandise Marks Act, 1958 — Section 9, 11, 11(a), 12, 12(1), 12(3), 18, 18(1)

Trade Marks Act, 1999 — Section 100

Citation : (2008) 1 MIPR 24

Hon'ble Judges : Z.S. Negi, J;S. Usha, Technical Member

Bench : Division Bench

Advocate : Vinod Bhagat, S.R. Khumbat

Final Decision : Allowed

Judgement

S. Usha, Technical Member

1. This appeal is arising out of the order dated 23.10.1991 passed by the Deputy Registrar of Trade Marks, Mumbai. The instant appeal was filed

before the Hon'ble High Court of Bombay being M.P. No. 5/1992 and the same having been transferred to this Appellate Board as per Section 100 of

the Trade Marks Act, 1999 was numbered as TA/52/2003/TM/MUM.

2. The appellants, a partnership concern are manufacturers and traders of readymade garments, handkerchiefs, leather belts and similar goods. The

appellants are proprietors of the trade mark 'ZODIAC' in respect of readymade garments, handkerchiefs and similar goods. The appellants had

registered the said trade mark 'ZODIAC' in respect of variety of goods falling in classes 24 and 25 under the Trade and Merchandise Marks Act,

1958 (hereinafter referred to as the Act) and the same is said to be renewed and

is still valid and subsisting. In order to distinguish their goods the appellants have been using the trade mark 'ZODIAC' since 1960 regularly and extensively in respect of their readymade garments, handkerchiefs and similar goods. The appellants have had extensive sales of their goods bearing the said trade mark and have also spent huge amount towards publicity and advertisement charges. The appellants' goods bearing the trade mark 'ZODIAC' has acquired goodwill by virtue of long and extensive use of the trade mark in respect of the goods. The appellants submitted that by extensive use their goods have acquired goodwill and reputation amongst the public and that use of the trade mark 'ZODIAC' by any other person for readymade garments and other similar goods would make the public think that there is some trade association between the appellants and the respondents 1-3.

3. Respondents 1-3 filed an application for registration of the trade mark 'ZODIAC' on 20.6.1986 under application No. 455790 in class 24 under the Act in respect of suitings, shirtings and dress materials claiming user since 29.4.1983. The said application was advertised before acceptance on 16.6.1989 in Trade Marks Journal No. 961 at page 367. The appellant herein had filed their notice of opposition No. BOM 7525 to application No. 455790 on 13.9.1989 objecting to the registration on the ground that the appellants / opponents are registered proprietors of the trade mark, that the registration of the impugned mark would be in contravention to the provisions of Sections 9, 11, 12 and 18 of the Act, the marks being identical and that there is a close nexus between the goods which would definitely cause confusion and deception among the public.

4. The respondents in reply to the notice of opposition filed their counter statement denying the contentions of the appellant / opponent. The appellant did not file their affidavit of evidence in support of opposition and the Registrar of Trade Marks had directed the respondents to file their evidence in support of the application. On 03.08.1990 the respondents filed their affidavit of evidence in support of the application along with exhibits. On 08.09.1990 the appellants were directed to file affidavit of evidence in reply and the time was extended till 08.02.1991 for filing evidence in reply. The appellant had not filed their evidence in reply and further time sought by the appellant was rejected and the matter was set down for hearing on

27.03.1991.

5. The appellant herein had filed an interlocutory petition on 22.03.1991 praying that the affidavit of evidence in support of opposition and the affidavit of evidence in reply be taken on record. The interlocutory petition was refused and the evidence was not taken on record for the reason as sufficient time was granted but the opponents had not filed evidence within the stipulated time and apart from that the opponents had not given any valid reason for the delay.

6. The learned Registrar had passed the impugned order on the finding that as the mark was not descriptive of the goods of the appellant, the objection under Section 9 of the Act was not sustained. The objection under Section 11(a) was also rejected as the appellants did not establish the use and reputation of their mark to prove that the respondents' mark on the register would cause any confusion or deception among the public. Even though the appellants have stated that they are the registered proprietors of the trade mark 'ZODIAC', no registration number, trade mark journal number and the date was given and so the objection under Section 12(1) of the Act was rejected. As the respondent's adoption was from their trading style, the adoption was honest and hence eligible for registration under Section 12(3) of the Act and also that the respondents being proprietors of the trade mark 'ZODIAC' as per Section 18(1) of the Act were entitled to have their mark registered. Aggrieved by the said order the appellants are before us on appeal.

7. The appeal was taken up for hearing on 17.9.2007 at the Circuit Bench in Mumbai. We have heard learned Counsel Shri Vinod Bhagat for the appellant and Ms. S.R. Khumbat for R1 to R3.

8. The learned Counsel for the appellant submitted that the application for registration of the trade mark 'ZODIAC' was filed on 20.06.1986 under No. 455790 claiming user since 29.04.1983 in class 24 in respect of shirtings, suitings and dress materials.

9. The learned Counsel for the appellant drew our attention to the findings of the learned Deputy Registrar of Trade Marks that the onus was on the appellant to prove that the use of respondent's mark would cause confusion and deception. The appellant's counsel also submitted that the Registrar had passed an order rejecting the interlocutory petition to taking on record the

affidavit of evidence in support of opposition and affidavit of evidence in reply for which he had also written a letter dated 27.03.1991 to the Registrar in this regard. The counsel also submitted that the respondent's main objection was that there had been a long delay and that the evidence should not be taken on record for consideration. He also submitted that the Registrar should have taken up and decided the interlocutory petition and then should have dealt the main matter by which the order could have been tested in the higher court.

10. The learned Counsel for the appellant drew our attention to the impugned order wherein the Deputy Registrar had recorded the contention of the learned Counsel for the respondent, ""He contended that the word ZODIAC...and that ZODIAC refers to an imaginary belt in heaven divided into 12 rasis."" He submitted that there was no such pleading by the respondent and this has been from the mouth of the Registrar.

11. The appellant also submitted that the onus to prove that the registration of the mark will not cause confusion was on respondent and not on the appellants. He further submitted that the list annexed as Exhibit 'A' along with the notice of opposition will go to prove that the appellants have not only been using the trade mark 'ZODIAC' since 1961 under various classes but are registered proprietors of the mark. The appellant also pointed out that if the respondents had made a search in the trade mark registry, they would have known about the appellants registration. He further submitted that the respondents had made a wrong submission in their counter statement that they had made a search and no conflicting mark was shown in the Register.

The appellant further pointed out to the statement made in the affidavit of evidence in support of application wherein it was stated that the respondents were selling textile piece goods to which arbitrary and fanciful term 'ZODIAC' was applied.

12. The appellant also submitted that when the instant appeal was filed with a miscellaneous petition for stay the issuance of the Registration certificate, before the Hon'ble High Court Bombay the Hon'ble Court was pleased to grant a stay on 10.03.1992, despite this fact, the Registration certificate was issued on 31.03.1992.

13. The appellant relied on various judgments in support of his arguments. He relied on

1. National Sewing Thread Co. Ltd., v. James Chadwick and Bros. Ltd.
2. 1982 PTC 239 (Calcutta) and
3. Chancery Division Vol. XIII 1877 - 434 to support his argument that the onus of proving that the trade mark if registered will not lead to confusion or deception is only upon the applicants and if he fails to discharge the same, registration will be a bar.

The appellant relied on a passage from the Laws of Trade Marks (Trade Marks Act, 1999) and Passing Off by P. Narayanan Fifth Edition which reads as:

6.21 Onus in opposition proceedings - It is well settled that in an opposition proceedings the onus is ultimately upon the applicant to establish that he is entitled to registration of the trade mark applied for.

The Rules do not enjoin a shifting of the onus from the applicant to the opponent at any stage of the proceedings. The onus of proving that the mark, if registered, will not lead to confusion or deception, is squarely upon the applicant.

The learned Counsel for the appellant also submitted that the Registrar had powers to extend time to the opponent to file his evidence and relied on the judgment reported in

1. 1981 IPLR 93 (Bombay),
2. 2005 (30) PTC 444 (IPAB) Asian Paints Ltd. v. Registrar of Trade Marks and Anr.
3. The State of Punjab v. Shamlal Murari and Anr. and
4. 1989 PTC 270 (Bombay)

14. The learned Counsel for the appellant, therefore, prayed that the appeal be allowed setting aside the order of the Deputy Registrar dated 23.10.1991.

15. The learned Counsel for respondents 1-3 mainly contended that the suit and the appeal cannot go together. The suit for infringement and the registration being with regard to the same trade mark 'ZODIAC' cannot be decided simultaneously.

16. The next contention of the learned Counsel for the respondent was that the appeal had abated as no steps were taken to bring on record the legal

heirs of the deceased respondent 1A i.e. Sri Ram Baboo Garg. She relied on the judgment reported in AIR 1975 SC 733 in this regard.

17. Learned Counsel for the respondents further submitted that the goods were different and she brought to our notice the certificate for use in legal proceedings. She referred to the above certificate and submitted that the appellants' goods were kerchiefs whereas the respondents' goods were shirtings and suitings. She further submitted that the appellants did not produce any evidence to prove their user. The list of marks registered were given and no certificate were produced in proof of the same. She also submitted that sufficient time was granted to the appellants to file their affidavit of evidence wherein the appellant had not made use of the opportunity granted.

18. Learned Counsel for the respondents stated that they had produced sufficient documents to prove their user whereas the appellants had not produced. The other contention of the respondents was that the trade mark of the appellants and the respondents were totally different. She further contended that their trade mark 'ZODIAC' had a monogram 'ZS' and device of concentric circles with a flag whereas the appellants' trade mark 'ZODIAC' was word per se.

19. The respondents' counsel relied on Vishnudas Trading as Vishnudas Kishendas v. Vazir Sultan Tobacco Co. Ltd. in support of her contention that the appellants were only registered proprietors of the trade mark 'ZODIAC' in respect of kerchief and as the goods were different the appellants cannot oppose the registration of the respondents. The learned Counsel for the respondent, therefore, concluded by praying that the appeal be dismissed.

20. The appellants counsel in reply to the respondents' counsel sated that there was a delay in filing the evidence not only for the reason that the representative was out of the country but also that there was settlement talks going on between the parties. In reply to the contention that the appeal stands abated as no steps were taken to implead the legal heirs he submitted that the judgment relied on cannot be considered as it was with regard to a different subject and not a trade mark case. He also submitted that as the mark was registered in the name of partners of the partnership firm, it was not necessary to bring on record the legal heirs of the deceased respondent.

21. We have heard the arguments of the counsel and have also perused the documents filed by the parties.

22. We will first take up the issue regarding the interlocutory petition. As has

been held in various matters, the Registrar has powers to extend time for filing evidence in support of opposition. Based on the principles of natural justice and the well settled proposition of law laid by various High Courts and the Supreme Court, the Assistant Registrar should have considered the documents and should have taken the same on record. The Registrar has committed an error by not considering the same. We have to decide as to whether the matter is to be remanded back for fresh consideration by taking on record the documents filed as evidence or to decide the matter on merits. Taking into consideration the time factor, we are of the view that the appeal can be decided on merits instead of remanding back so that a second round is avoided.

23. In order to qualify for registration, the mark should be distinctive of the goods and if not distinctive should be capable of being distinguished from others goods. In this case, it is seen that the appellants have been using the mark since the year 1960 and by use for a period of more than three decades the mark has acquired distinctiveness, whereas the respondents have been using the trade mark 'ZODIAC' since 29.4.1983 and have made an application for registration on 20.06.1986. On perusal of the affidavit of evidence in support of the application it is seen that the invoice marked as exhibit 'A' is dated 27.4.1983 but the invoice number is 922 whereas the user claimed in the application is 29.4.1983. This itself raises a doubt about the use of the mark by the respondents. We are of the view that by a short period of user the mark has not acquired distinctiveness and therefore does not qualify for the registration under Section 9 of the Act. We also disagree with the finding of the learned Registrar that as the trade mark 'ZODIAC' is not descriptive of the goods of the respondent, the objection under Section 9 of the Act by the opponent / appellant is not sustained.

24. The next issue is regarding confusion and deception as the marks 'ZODIAC' are identical. We disagree with the contention of the respondent that the trade mark is 'ZODIAC' a composite mark comprising a monogram ZS, device of a concentric circle with a flag and the mark written in a stylized manner, whereas the appellants' mark is word per se and possibility of confusion does not arise. It is a settled principle of law that the marks are to be considered as a whole. When the marks are identical the possibility of confusion and deception is always there. In such cases as had been held by

various courts, the burden will be on the opponent to prove that by allowing registration there will be confusion or deception. We also observe that the initial onus of proof is upon the opponents to establish prior use of the trade mark. Once the opponents have proved the same then the burden shifts on to the applicant to prove that there will be no confusion or deception. In the instant case, the opponents/ appellants have proved by documents that they have been using the mark since the year 1960. On perusal of records it is seen that the respondents have produced invoices dated 27.4.1983 which creates a doubt whereas the appellants have given the list of registration certificates and also the legal proceedings certificate. Though the respondents contended that only the list of registrations were given and no certificate produced, did not challenge the validity of legal proceedings certificate nor have they challenged the use by the appellants. We are, therefore, of the view that the respondents have not proved that there has been no instance of confusion or deception as their user was only for a short period and hence the objection under Section 11 of the Act is upheld.

25. We also do not agree with the other contention of the respondent that the goods are different, namely, that their goods is suitings and shirtings whereas the appellants is that of kerchief. In fact all the goods fall under the same class of goods - class 24 of the Fourth Schedule of the Act. The appellants have their goods registered in various classes including class 24 and 25 of the IV Schedule of the Act. The goods emanate from the same sources and as such are sold across the same counter. The goods being sold through the same trade channels and the consumers being the same, there is every possibility of confusion and deception and is disqualified for registration under Section 11 of the Act.

26. We disagree with the finding of the Registrar that the respondents have filed documents from 1983 and that their adoption is honest and are eligible for registration under Section 12(3) of the Act. The first invoice dated 27.4.1983 bearing No. 922 is found to be not valid as the user claimed is since 29.4.1983 whereas the invoice No. 922 is dated 27.4.1983, even assuming that the date has been wrongly mentioned the number cannot be taken to be correct as seen from the sales turnover, in a day there could not have been such a huge sale. When such is the case, the adoption cannot be said to be honest and the eligibility for registration under Section 12(3) of the Act does not sustain.

27. The appellants have been using the trade mark 'ZODIAC' since 1960 and as such by way of long, continuous and extensive user the appellants

are the proprietors of the mark under Section 18 of the Act.

28. The main contention by the respondent was that there cannot be any two proceedings at the same time does not sustain. The two proceedings of

the respondents was that a suit for infringement and passing off and the opposition proceedings cannot be heard together. We are of the opinion that

suit for infringement and opposition proceedings are separate and they cannot be said to be one and the same. Suit is one for restraining a person from

using the trade mark and whereas the opposition proceedings is for registration of a trade mark. The submission of the respondent is therefore

rejected.

29. The other contention of the respondent is that the appeal itself is abated as no steps were taken to bring on record the legal representatives of the

deceased respondent 1A i.e. Sri Ram Baboo Garg. The appellants contention in this regard was that the registration application has been in the names

of partners of the partnership firm and also that in the deed of reconstitution of partnership, names of the partners were not mentioned and so by not

impleading the legal heirs will not affect his case. Assuming the legal heirs of the deceased respondent 1A has not been impleaded and the appeal

should fail, the appeal against the deceased respondent will abate and not the appeal in total.

30. With the above findings, we, therefore, disagree with the findings of the Registrar and set aside the same. The appeal is allowed setting aside the

order dated 23.10.1991. However, there shall be no order as to costs.