

(2012) 03 IPAB CK 0010

In the Intellectual Property Appellate Board

Case No : ORA/49/2008/TM/DEL

M/s. A.V.R. Engineers D-43, Industrial Focal Point Jalandhar (PB) APPELLANT

Vs

Rajinder Singh, Trading As M/S. Master Metal Industries, 348, J.P. Nagar, Old 317, Lajpat Nagar, Jalandhar (PB) And The Registrar Of Trade Marks Baudhik Sampada Bhawan Plot No. 32, Sector-14, Dwarka, New Delhi-75 RESPONDENT

Date of Decision : 09-03-2012

Acts Referred:

Code Of Civil Procedure, 1908 — Order 8 Rule 3, Order 8 Rule 4, Order 8 Rule 5
Trade Marks Act, 1999 — Section 2(1)(zg), 9, 11, 12, 18, 57(4)

Citation : (2012) 03 IPAB CK 0010

Hon'ble Judges : S. Usha, J;V. Ravi, Technical Member

Bench : Division Bench

Final Decision : Allowed

Judgement

I,

Trade Mark :,EGO

Regd Trade Mark No. :,442765

Class :,7

Goods :,Valves metal cocks (parts of machine) Included in class 7

User :,01.04.1984

Status :,Registered and Renewed

II,

Trade Mark :,EGO

Regd Trade Mark No. :,1314353

Class :,11

Goods :,"Valves & Cocks, Pipe fittings and C.P. Bathroom fittings included in class 11 for use in water supply and sanitary purposes

User :,01.04.1984

Status :,Registered and Renewed

III,

Trade Mark :,EGO

Regd Trade Mark No. :,1314352

Class :,6

Goods :,"Gun Metal Valves & Cocks and Pipe Fittings, included in class 6

User :,01.04.1984

Status :,Registered and Renewed

7 . The respondent No. 1 is an ex-commission agent of the applicant and worked in the applicant firm for a number of years. The respondent No. 1,

also ran M/s. Fairdeal Agencies, M/s. Sterling Agencies and thereunder also booked orders for applicants for a considerable time. The respondent No.",

1 fraudulently and illegally obtained registration of the trade mark EGO under No. 1047896 in class 11 which is the impugned registration. The,

respondent No. 1 obtained the registration illegally, dishonestly and fraudulently. The said application was advertised in the Trade Mark Journal No.",

1339 dated. 15.2.2006. However, the same escaped the attention of the applicant and therefore the applicant could not oppose the same.",

8. By the end of October and beginning of November 2007, the applicant came across the goods of M/s. Sharma Moulding Works, under the trade",

mark EGO in the market. On inquiry, the applicant came to know that M/s. Sharma Moulding Works had started commercially using ECO trade mark",

on its vendible articles. On further inquiry M/s. Sharma Moulding Works revealed that the respondent No. 1 had joined hands with them and had been,

selling the goods under the said trade mark.,

9 . The applicant immediately instituted a civil suit before the Hon'ble Delhi High Court for infringement of trade mark and copyright. The Hon'ble,

Court by order dated 14.12.2007 injuncted the respondent No. 1 and others from using the trade mark ECO.,

10. M/s. Sharma Moulding Works moved an application for vacation of ex-parte of injunction wherein they had mentioned about respondent No. 1,

obtaining registration of the Trade Mark EGO. Because of the impugned entry on the register the applicant is suffering and shall continue to suffer,"

therefore, the applicant herein filed rectification application on these grounds that:",

a. the applicant is a prior adopter and user of the trade mark;;

b. the respondent is wrongly and fraudulently claiming to be the manufacturer and merchant of the impugned trade mark under No. 1047896 in class,

11;;

c. the respondent No. 1 is wrongly claiming to be the proprietor of the trade mark EGO;;

d. the respondent No. 1 is guilty of fraud in alleging user since 01.04.1998;;

e. the impugned trade mark is not distinctive of the impugned goods neither,

at the time of the impugned application was filed nor at the time when the impugned registration was obtained and not till date;;

f. the impugned trade mark would cause confusion and deception and therefore is barred under Section 11 of the Act;;

g. the impugned registration obtained by the respondent No. 1 is only to encash on the tremendous goodwill and reputation earned by the applicant;;

h. the respondent No. 1 was guilty of infringement and passing off;;

i. the respondent No. 1 has not used the trade mark for more than 5 years and 3 months prior to the filing of this application;;

j. there are no special consideration on any factor which exceeds for which the trade mark registration may be sustained;;

k. the trade mark registration is contrary to provisions of Sections 9, 11, 12 & 18 of the Act;;

l. the registration is in violation of the copyright Act; and,

m. in the interest of justice, equity and good conscience the present application be allowed.",

11. The respondent herein filed their counter statement stating that they are an old established firm engaged in the business of marketing valves and,

cocks, pipes fittings for use in water supply and sanitary purpose. The respondent No. 1 is a sole proprietary concern trading under the name of M/s.",

HI EGO valves, Coimbatore since the year 1968 who had been pioneer and providing consultancy service in regard to technology associated with", valves and cocks to various countries. They have honestly and bonafidely adopted the trade mark EGO. The said proprietor Mr. Rajender Singh who, is carrying on business in Coimbatore shifted to Jalander and another firm known as M/s. Master Metal Industries in the year 1980, after which the", firm had got registered with the sales tax Registration No. 0885-CJA-15-31084. Both these firms namely M/s. HI EGO Valves and M/s. Master, Metal Industries are in existence as on date.,

12. The respondent No. 1 has made substantial business under the trade mark EGO and had made voluminous sales under the said trade mark. The, sales figures from the year 1980-81 to 2000-01 are not available as they have been misplaced during their shifting address and FIR is pending before, the concerned police station since the year 2008.,

13. The respondent No. 1 has given wide publicity to its trade mark and has thus acquired wide reputation and goodwill in the market. The public and, trade person associate the trade mark EGO exclusively with the respondent No. 1 and with none else.,

14. The respondent No. 1 had also filed another application No. 1222521 for the trade mark EGO under class 6 in August 2003. The said application, was filed by M/s. Mahatta Trade Mark Co., Ludhiana. The said application was advertised in the Trade Marks Journal. The said application was", opposed by the applicant herein through M/s. Mahatta Trade Mark Company, Ludhiana and the respondent No. 1 was kept in dark about the fact that", the application has been opposed. The office of M/s. Mahatta Trade Mark Company avoided the prosecution of the trade mark application and, consequently, the application was abandoned due to non prosecution. As the respondent was not aware of the status of the application, he filed an", application under RTI Act. It was then revealed that the office of M/s. Mahatta Trade Mark Company in connivance with the applicant filed an, opposition against application No. 1222521. It was submitted that M/s. Mahatta Trade Mark Company played fraud with the respondent No. 1 by, filing an opposition to the respondent No. 1 application which was filed by them. It was also further revealed that M/s. Mahatta Trade Mark Company, had deliberately mentioned the wrong user of the applicant trade mark EGO as

01.04.1998 and 01.04.2000 in both the application No. 1047896 in class, 11 and No. 1222521 in class 6 instead of user since 1980.,

15. The registration is valid and is subsisting. The respondent No. 1 is first and prior adopter of the trade mark EGO. Hence the respondent No. 1 is, entitled to protection. The rectification application has been filed on false and frivolous grounds. The application is not maintainable under the law. The, alleged adoption of the trade mark EGO by the applicant is dishonest and tainted. The application is otherwise barred by delay, acquiescence and", laches.,

16. The applicant herein filed their rejoinder denying the various averments made in the counter statement.,

17 . We have heard Shri S.K. Bansal, Learned counsel for the applicant and Shri Shailen Bhatia, counsel for the respondent No. 1 during the Circuit", Bench Sitting at New Delhi on 9th January, 2012.",

18. The learned counsel for the applicant contended that the impugned trade mark application under No. 1047896 in class 11 was filed on 27.09.2001, claiming user since 01.04.1998 in the name of Rajender Singh trading as Master Metal Industries.,

The applicants are engaged in the business of manufacturing, marketing and selling of C.P. Bathroom fittings, valves etc. The applicants had adopted", the trade mark EGO and label mark in 1984. They had been continuously and extensively using the same without any interruption. They had obtained, registration. The respondent was the ex-commission agent of the applicant who used to books orders for the applicant. The respondent was also, running M/s. Fairdeal Agencies and M/s. Sterling Agencies thereunder also booked orders for applicants said goods.,

19. The applicant on coming to know filed a civil suit before the Hon'ble Delhi High Court and obtained an order of injunction. M/s. Sharma Moulding,

Works filed an application for vacating the order of injunction in which they had stated about the registration. The applicant has thereafter filed this,

application for rectification. The counsel referred to annexure P.5 and submitted the sales figures will prove their reputation and use. In Annexure P.9,

at page 45, the copy of the approval of the EGO Brand issued by the Municipal Corporation of Greater Bombay dated 16.04.1998 was relied on to",

prove their user. The applicant had also produced various purchase orders and

invoices.,

20. The counsel then pointed out that in the counter statement, the respondent has stated that they had been using the mark since 1968 whereas in the",

application for registration they have stated to have been using since 1998. In para 6 of the counter statement, the respondents state that the",

statements of account for the period from 1980-81 to 2000-01 are not available, whereas in para 12 of the counter statement they state that they had",

been using since 1980 by mistake their agents had mentioned as 1998 the user date. The counsel therefore submitted that there are contradictory,

statements given as to the date of user.,

21. The counsel for the applicant further stated that the respondents had not denied the statement as to the respondents were the ex-commission agent,

of the applicant. The counsel then pointed out about the change in the name of the place Jalandhar. The place was earlier known as Jullandhar and,

now changed to Jullandhar. Some of the invoices had the name Jallandhar which seems to be in anticipation which was nothing but created invoices.,

22. The counsel further submitted that the respondent had not denied the statement that they are the ex-commission agents and relied on the judgment,

reported in 2006 (33) PTC 574 (Del) - S. Oliver Bernd Freier GmbH & Co KG Vs. Karni Enterprises & Anr. If there is no specific denial it is to be,

taken as admitted.,

23. The licensee cannot be the proprietor of the trade mark and relied on the judgment reported in 1998 PTC (18) - Ziff Davis Inc. Vs. Dr. D.K.,

Jain and Ors. and 2000 PTC 244 (DB) - J.K. Jain & Others Vs. Ziff Davies Inc.,

24. When a trade mark has acquired a secondary meaning by the applicants use, the respondent's use cannot be said to be a bonafide use - PTC",

(Suppl) (2) 177 (Del) - Prakash Roadline Ltd. Vs. Prakash Parcel Service (P) Ltd. and 1997 PTC 17 - Kirloskar Diesel Recon. (P) Ltd. & Ors. Vs.,

Kirloskar Proprietary Ltd. & Ors.,

25. The judgments - 2007 (34) PTC 731 (IPAB) - Jain Doors Pvt. Ltd. Vs. Suresh Kumar Jain and 2000 PTC 326 - Om Prakash Gupta Vs. Parveen,

Kumar & Anr. were relied on to say that if the registration has been obtained by false statement or mis-statement the registration cannot be allowed,

to continue on the register.,

26. Prior adopter and user has a better right than the subsequent adoption - PTC (Suppl) (2) 564 (Del) - L.D. Malhotra Industries Vs. Ropi Industries.,

27. In reply, the counsel for the respondent submitted that the applicants trade mark was proposed to be used on the date of application i.e. on",

09.09.1985. The counsel then relied on the document as page 39 of the counter statement and submitted that they had been using the trade mark since,

1975. He also relied on the Central Sales Tax returns since 1988.,

28. The counsel then submitted that the applicants were using the trade mark AVR & not EGO. If the respondents were commission agents then they,

could not have obtained sales tax registration. The counsel then pointed to the applicant's document at P-6 and submitted that the date of production,

was 29/05/1984 and therefore the date of user since 4.1.1984 is wrong. From the Central Sales Tax registration certificate, it is seen the registration is",

for re-sale and not for manufacturing. The applicants have not produced any documents to show that the respondents are their ex-commission agents.,

29 . The counsel finally relied on two judgments 2008 (8) Scale 354 - Kabushiki Kaisha Toshiba Vs. Toshiba Appliances Co. & Ors., and AIR 1959",

Cal 56 - London Rubber Co. Ltd. Vs. Dure Products (Incorporated and Anr. in support of his case.,

30. In rejoinder, the counsel for the applicant submitted that the trade mark EGO was mentioned for which the respondent was the ex-commission",

agent which plea has not been specifically denied by the respondent. The counsel then relied on AIR 1979 Gau 52 - R.K. Angousana Singh & Ors.,

Vs. Laisra Ningol Ningthemcha Ongbi Leinambi Devi and Ors.,

31. 1985 Arb LR 478 (Del) - The Wimco Ltd. Vs. M/s. Meena Match Industries - No amount of evidence or argument can be considered on a plea,

not raised in the plaint. 1999 (4) SCC 403 - Prataprai N. Kothari Vs. John Braganz and 2011 (8) SCC 613 - Ramesh Kumar and Anr. Vs. Furu Ram,

and Anr. were also relied on.,

3 2 . The counsel then relied on two order forms at page 353 and 354 of the application where Fairdeal Agencies - (respondent herein) are the sole,

selling agents of EGO and AVR with JBR, NSC etc.",

33. In reply to the respondent's contention that the applicants were not in existence as of 01.04.1984, the counsel submitted that a partnership deed",

was executed on 15. 03.1984 with effect from 06.03.1984. Regarding the notice

issued under Section 57(4) of the Act for the application under No.,
1314354 in class 11 the counsel submitted it was pertaining to the trade mark ECO and not EGO. Respondents use is contradictory is the issue to be,
decided and not the applicants use. The counsel therefore prayed that the application for rectification be allowed removing the registered trade mark.,

34. We have heard and considered the arguments of both the counsel and have gone through the pleadings and documents.,

35 . The applicants have adopted and used the trade mark EGO since 1984. The applicant whose legal rights are limited by the existence of the trade,

mark on the register and he could not do one who lawfully could do is an aggrieved person. In the case on hand, no doubt the applicant is the prior",

adopter and user of the trade mark. The applicant adopted the trade mark EGO as early as 1984 and are the registered proprietors of the trade mark.,

The respondent's own admission is that they applied for registration of the impugned trade mark in the year 2001 claiming user since 01.04.1998. The,

applicant who is the registered proprietor of the trade mark prior to the respondents are aggrieved by the registered impugned trade mark and,

therefore have the locus standi to file this application for rectification.,

36 . The next issue was regarding the respondent's proprietorship. The applicants main contention was that the respondents were their ex-commission,

agent for a number of years, who used to procure orders for the applicants for the goods bearing the trade mark EGO. The applicants had also placed",

two order forms of the year 1985 which states that ""M/s. Fairdeal Agencies are the sole selling agents for AVR and EGO Valves with IBR, NSC,"

TAPS, PAUL VALVES & MASTER VALVES"". The responden have not specifically denied the above contention except for a bald denial. In this",

context, it is worth quoting the observations of the Apex Court in AIR 2004 SC 230 - Sushil Kumar Vs. Rakesh Kumar at para 74 at page 243 of the",

Report:-,

74. In Badat and Co. (supra) this Court upon referring to Order VIII, Rules 3, 4 and 5 of the Code of Civil Procedure, observed:"

These three rules form an integrated code dealing with the manner in which allegations of fact in the plaint should be traversed and the legal,

consequences flowing from its non-compliance. The written statement must deal specifically with each allegation of fact in the plaint and when a,

defendant denies any such fact, he must not do so evasively, but answer the point of substance. If his denial of a fact is not specific but evasive, the",

said fact shall be taken to the admitted. In such a event, the admission itself being proof, no other proof is necessary....",

37. The respondent has just denied the averment made in para 17 of the application for rectification at para 43 of the counter statement thus,

43. Para 17 of the statement of case as stated is wrong, incorrect and is denied. Each and every averment made in paragraph 17 of the statement of",

case as stated is wrong, incorrect and is denied. It is stated that the respondent No. 1 adopted the trade mark EGO honestly and is the first and prior",

adopter of the trade mark EGO. Hence, the rights of the respondent No. 1 merit protection. The petitioner is making false and incorrect averments.",

The petitioner has made false and incorrect averments in respect of its alleged user. The petitioner has no locus standi to challenge the registration of,

the respondent No. 1. The petitioner has failed to state its case. The petition merits dismissal. It is most vehemently denied that the Registered,

Proprietor / respondent obtained registration of the trade mark in any wrongful manner. The respondent No. 1 did not make any misstatement of any,

kind before the Registrar of Trade Marks. It is most vehemently denied that the respondent No. 1 suppressed any material / information /,

documentary evidence from the Registrar of Trade Marks. The petitioner has made averments which are unsubstantiated and unsupported by any,

evidence. The petitioner has made all false and incorrect averments. Petition is bogus and is even barred by law. The petitioner has no locus standi to,

seek any relief against the respondent No. 1. Hence, the respondent No. 1 is entitled to protection and there is no merits in the case of the petitioner.",

38 . Considering the above, we think that the respondent cannot claim to be the proprietor of the trade mark. The registration therefore is in",

contravention of the provision of Section 18 of the Act.,

39. That apart, the respondents are not clear as to the date of user. In the counter statement at para 2 the respondents claim user of the impugned",

trade mark since 1968, whereas in para 12 they claim user since 1980 and state that their agent deliberately made a mistake while filing the impugned",

application claiming user since 1. 04.1998. Even if we are to consider the respondents statement that the mistake was because of the attorney, the",

respondent has not given any details as to any steps taken for amending the same by producing the necessary evidence. In that case, we are of the",
view that the date of user can only be since 1998 and not earlier.,

40. The other arguments made by the applicants as regards the date of change in the name of the place, the missing documents and about the",

evidence and the respondents arguments as regards the applicant registration and the various trade marks used by the applicant are not gone into, as",

we are concerned only with the impugned trade mark registration and therefore the other arguments are not dealt.,

41. For the reasons stated above, we are of the view that the impugned trade mark deserves to be removed. Consequently, the original rectification",

application is allowed with a direction to the Registrar to remove the trade mark EGO registered under No. 1047894 in class 11 from the register of,

Trade Marks. No order as to costs.,