

(2013) 07 IPAB CK 0001

In the Intellectual Property Appellate Board

Case No : ORA/59/2005/TM/DEL, ORA/155/2009/TM/MUM

M/S. Hab Pharmaceuticals & Research Limited

APPELLANT

Vs

Vee Excel Drugs & Pharmaceuticals Pvt. Ltd., The Registrar Of
Trade Marks Mumbai And The Registrar Of Trade Marks New
Delhi

RESPONDENT

Date of Decision : 31-07-2013

Acts Referred:

Copyright Act, 1957 — Section 9

Citation : (2014) 57 PTC 123 (IPAB)

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

Bench : Division Bench

Final Decision : Allowed

Judgement

JUDGMENTTAG-JUDGMENT

S. Usha, J

1. The original rectification application is filed for removal of the trade mark VEGA ASIA registered under No. 1079405 in Class 5. The applicants

conceived and adopted the trade mark VEGA/VEGAH, VEGA 50, VEGA 100 in respect of pharmaceuticals and medicinal preparations in or about

the 2001 and used the same since then. The applicants are the registered proprietors of the trade mark VEGA Tablets under No. 1098288 in Class

5. The applicants are the proprietors of the trade marks VEGA 50, VEGA TABETS, SUPER VEGA, VEGA, VEGA 100(L), VEGA, VIGA,

VEEGA, VIGORA, VIGORA.

2. The artistic labels VEGA 50 and VEGA 100 are registered under Nos. A-73948/05 and A-71710/05 respectively.

3. The registered trade mark VEGA ASIA is similar to the applicants trade mark

VEGA, VEGA 50, VEGA 100 and VEGAH. The impugned registration has been registered fraudulently as the applicants are registered proprietors of the trade mark VEGAH. On account of long and continuous use, the applicants goods bearing the trade mark VEGA has come to be associated with the applicants only, among the public. The impugned trade mark was not inherently adopted to distinguish nor capable of being distinguished on the date of application for registration as it was proposed to be used and therefore contrary to the provisions of Section 9 of the Act. The respondents have no reason for the adoption of the trade mark VEGA ASIA.

4. The registration is in contravention of the provisions of the Act. The registration was made without sufficient cause and the mark is wrongly remaining on the register. The trade mark is therefore liable to be removed.

5. The respondents filed their counter statement denying the various averments and allegations made in the application for rectification. The respondent, a pharmaceutical company manufacturing tablets, capsules, dry syrups etc. is an internationally reputed company exporting and selling the medicine under the trade mark VEGA ASIA to various countries in the world.

6. The trade mark VEGA ASIA was bonafidely conceived and adopted by the respondent in the year 2002. The drug under the trade mark VEGA ASIA has become widely used for treatment of Erectile Dysfunction. The annual sales turnover in the year 2002-03 was Rs. 39,82,759 and it increased to Rs. 1,25,65,498 in the year 2004-05. They have spent a substantial amount of money on the publicity of the trade mark.

7. The respondent had disclosed all the material facts to the Registrar and obtained the registration, therefore the validity cannot be challenged. The applicant is not the bonafide user of the trade mark. The respondent is the prior user of the trade mark. The applicant is not the proprietor of the trade mark VEGA. The rest of the contentions were denied.

ORA/155/2009/TM/MUM

8. Application to remove/rectify/expunge the trade mark VEGAH TABLETS registered under No. 1098288 in Class 5.

9. The applicant is engaged in the business of manufacturing and marketing of pharmaceuticals and medicinal preparations i.e. tablets, capsules etc.

The applicant carries on business in India and abroad. They have introduced huge range of allopathic and non-allopathic medicines for the treatment of various ailments and diseases of human beings.

10. In the year, 2000, the applicant adopted and started using the expression VEGA and VEGA formative trade marks. Over a period of time, the applicant has been using the mark VEGA ASIA and Device of Rocket in a stylized and artistic manner. In the year 2002, the applicant adopted the trade mark Vega, VEGA 100 and VEGA ASIA. In 2002, the applicant adopted and started using the trade mark VEGA 100 and VEGA ASIA. In 2003, the applicant adopted and started using the trade mark VEGA ASIA alongwith the Device Rocket. The mark VEGA, VEGA ASIA, VEGA 100 and Device of Rocket forms the essential key material and distinguishing feature of the applicant's trade mark label.

11. The applicant is the registered proprietor of the artistic labels under the Copyright Act. The applicant has been continuously, extensively using the trade mark in the course of their business. The applicant holds a valid and subsisting license for manufacturing and selling its products.

12. The trade mark VEGA ASIA is a fanciful and a coined word having no descriptive meaning. The applicants applied for and obtained registration of the trade mark VEGA ASIA under application No. 1079405 in Class 5.

13. The respondent has obtained registration of the trade mark VEGAH TABLETS having full knowledge of the applicants use only with a view to trade upon the tremendous goodwill and reputation of the said trade mark.

14. The applicant coming to know of the respondent's registration impugned herein had written a letter to the Drugs and Cosmetics Authority. Later had issued a legal notice to the respondent.

15. The respondent thereafter filed a rectification application (ORA/59/2005/TM/MUM). On 2008, the respondent filed a civil suit before the Hon'ble High Court of Mumbai against Saviour Biotech Pvt. Ltd. one of the licensee of the applicant and obtained an interim order. The applicant filed a suit against the respondent and obtained an interim order which subsequently came to be vacated. The applicant preferred an appeal against the order of vacation. The appeal was withdrawn on the ground that they were moving for amending the suit.

16. The impugned registration is contrary to law. The registration has been

obtained by fraud and concealment of material facts. The impugned registration is bad in law.

17. The respondent filed the counter statement. In the counter statement, the respondent had stated that the respondent is one of the leading producers of medicinal and pharmaceutical preparations and substances in India. The respondents range of medicinal and pharmaceuticals preparations especially in the male erectile dysfunction products is one of the widest in the country.

18. The respondent conceived and adopted the trade mark VEGA in the year 2000 and obtained permission to export the Sildenafil Citrate Tablets under the trade mark VEGA on 17/08/2001. The first batch was manufactured in October 2001. The goods bearing the trade mark VEGA and VEGAH are being used by the respondent continuously and extensively. The respondents have registered their artistic labels under the Copyright Act.

19. The artistic label was designed by one Mr. Kishor B. Mathkar on behalf of Mr. Sanjiv Garg, Director of the respondent company. Mr. Sanjiv Garg initially licenced to the respondent and thereafter assigned all rights in the artistic work to the respondent.

20. The respondent is the registered proprietor of the trade mark VEGAH under No. 1098288 in class 5. Aurochem Pharmaceuticals (I) Private Limited is the owner of the mark VEGA under No. 732414 in class 5. The respondent is the exclusive licensee to use the mark VEGA by virtue of deed of cross licensing dated 07/11/2007 with Aurochem Pharmaceuticals (I) Private Limited.

21. The respondent is the honest concurrent user of the trade mark VEGA and VEGAH since the year 2001 and 2002 respectively.

22. By virtue of continuous, extensive and long use the trade mark VEGA and VEGAH have become distinctive with the applicants products and are exclusively associated with the respondent also and with none else. The respondent had sold tablets under the trade mark to the tune of Rs. 700 lakhs in the year 2007-08.

23. The respondent filed a civil suit against one ""Saviour Biotech Private Limited"" for infringement of trade mark. They also filed an application to take possession of the infringed goods. The director of Saviour Biotech Private Limited informed the respondents that they were manufacturing the goods

under the license from the applicant herein. The applicants are therefore impleaded in the application for rectification.

24. The rest of the averments and allegations were denied.

25. We heard Ms. Pratibha M. Singh, learned counsel for the applicant and Shri S.K. Bansal, learned counsel for the respondent in

ORA/59/2005/TM/DEL and Shri S.K. Bansal, learned counsel for the applicant and Ms. Pratibha M. Singh, learned counsel for the respondent in

ORA/155/2009/TM/MUM during the Circuit Bench Sitting at Delhi held on 19/12/2012. Both these matters were cross rectification applications. As

the issues and the parties were one and the same in both the matters, common arguments were advanced.

26. The counsel for HAB Ms. Prathiba Singh submitted that the impugned trade mark under No. 1079405 in class 5 was applied for registration on

08/02/2002 as proposed to be used and obtained registration on 31/03/2005.

27. HAB applied for registration on 24/04/2002 and obtained registration on 19/12/2003. They had claimed user since 01/04/2002, M/s. Vee Excel

issued a cease and desist notice as early as 07/02/2005 where there was no mention of their use. In fact, HAB has been using since 2001 whereas

Vee Excel has applied for registration in the year 2002 as proposing to use the said mark.

28. Vee Excel have not given the date of adoption or use. In the counter statement at para 2 and 3 to the application for rectification they have stated

to be adopted the trade mark in the year 2002 which is subsequent to the HAB use. HAB in their application have claimed user since 2001.

29. From the documents filed by Vee Excel along with the counter statement, it is seen that the bill is dated 04/10/2002 and not earlier. That apart the

drug license has been issued only on 14/08/2002. In Ex. D of the documents filed along with reply to counter statement by the applicant the invoice is

dated 23/10/2001 which proves use of the trade mark since 2001.

30. When the mark was applied for registration in the year 2002 by Vee Excel as proposed to be used then the user claimed since 2000 is false

statement. The counsel in this context referred to the judgment reported in MIPR 2012(1)184 and submitted that the mark ought to be cancelled for

wrong date of user.

31. In reply learned counsel for Vee Excel Mr. Bansal replied that the marks are

VEGA and VEGA ASIA. The issue would be to see as to who is the prior user of the trade mark. Though HAB claim to have been using since 2001 there is no proof of the same. In the invoices relied on by HAB no signature is seen and therefore they are of no evidentiary value.

32. Vee Excel had granted license to one Ma Gayathri with an agreement that Magayathri will have no right in the trade mark. The licensor had filed an application for registration of the trade mark VEGA which was opposed by HAB and Vee Excel.

33. HAB claim user since 2001 for the trade mark VEGAH but have not produced any document in proof of the same.

34. The following judgments were relied on:

ILR (1976) 1 Del 278 - L.D. Malhotra Industries Vs. M/s. Ropi Industries - Registration under the statute does not confer any new right to the mark

claimed or any greater rights than what already existed at common law and at equity without registration. It merely affords protection under the statute.

2009 (41) PTC 362 (Del) (DB) - Pioneer Nuts and Bolts Pvt. Ltd. Vs. Goodwill Enterprises - Advertisement in newspaper does not constitute proof of use of the trade mark.

2009 (39) PTC 358 (Del) (DB) - Pfizer Enterprises Sarl Vs. Cipla Ltd. - Even in the absence of an admission facts can be proved by means of documentary evidence.

35. In rejoinder, the counsel for HAB submitted that the trade mark VEGAH was 1st published in 2001 which is seen in the copyright registration certificate filed on 27/02/2006. Copyright application is a prior documents and it is not fabricated.

36. The trade mark, copyright and the civil suit are all prior to HAB. The judgment relied on by Vee Excel were distinguished and it was submitted that they were not relevant to this case on hand.

37. We have heard both the counsel and have gone through the pleadings and documents.

38. We shall first deal with the trade mark VEGA ASIA registered under No. 1079405 in class 5 by Vee Excel. The application has been filed on 08/02/2002 as proposing to use the mark. The respondents have obtained drug

license on 12/09/2002. So the goods i.e. the drugs could have been sold after 12/09/2002 only. The bills produced of the year 2000 therefore shall not be considered for deciding the issue of use as the goods could have been sold only after the issuance of the drug license.

39. The other trade mark is VEGAH TABLETS under No. 1098288 in class 5 by HAB Pharmaceuticals & Research Limited. The application has been filed on 24/04/2002 claiming user since 01/04/2002. HAB has been using the trade mark VEGA, VEGA 50 etc. since 2001 whereas this mark namely VEGAH TABLET is being used since 2002.

40. The issue as to whether HAB and Vee Excel are aggrieved and have the locus standi to file the rectification application has to be decided. The applicants and the respondents i.e. HAB and Vee Excel have filed cross suits against each other based on the impugned registration granted. The impugned trade marks are VEGA ASIA and VEGAH TABLET. Both HAB and Vee Excel are aggrieved and therefore have the locus standi to file the rectification application.

41. HAB's main argument was that they are prior user of the trade mark. On perusal of the documents it is seen that the trade mark VEGA is alone used and not VEGAH the impugned trade mark. There is no dispute as regards the date of user as of the year 2001 by the HAB for the trade mark VEGA. In respect of this HAB is prior in use. But here, we are concerned with the trade mark VEGAH TABLETS impugned herein for which there is no user proved.

42. For this reasons, we are of the view that the trade mark VEGAH TABLET shall not continue on the register.

43. The trade mark VEGA ASIA as on the date of application i.e. on 08/02/2002 was proposed to be used. The first invoice is of the date 04/10/2002.

The drug license is dated 12/09/2002. The registered proprietor could have manufactured and sold only after the drug license was granted.

44. The Vee Excel have admitted user since the year 2002 whereas HAB has been using it since 2001. It's also an admitted case of Vee Excel that

the marks are deceptively similar and is likely to cause confusion and deception. In such a case the prior user has the better right. The mark which is

in subsequent use shall not remain on the register. Accordingly, ORA/59/2005 and ORA/155/2009 are allowed with a direction to the Registrar to

remove the trade marks from the register.