(2013) 04 IPAB CK 0005

In the Intellectual Property Appellate Board

Case No : ORA/56/2005/TM/MUM

M/S. Mandom Corporation APPELLANT

Vs

M/S. Fem Care Pharma Limited RESPONDENT

Date of Decision : 05-04-2013

Acts Referred:

Trade And Merchandise Marks Act, 1958 — Section 9, 11, 18(1), 27(1), 46(1)(b), 47(1)(a), 47(1)(b), 47, 57(1)
Constitution Of India, 1950 — Article 226

Citation : (2013) 2 MIPR 201 : (2013) 55 PTC 186 (IPAB)

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

Bench : Division Bench

Advocate : S. Majumdar, M.R. Nair

Final Decision : Dismissed

Judgement

V. Ravi, Technical Member

1. The applicant which is a Japanese company are seeking to expunge from the Register of Trade Marks, the trade mark 'GATSBY' under application

No. 635739 in Class 3 on the following grounds:

a. the said mark was registered without any bonafide intention that it should be in respect of the goods for which it is registered.

b. A continuous period of five years or longer have elapsed during which there is no bonafide use thereof in relation to the goods.

c. The impugned mark neither on the date of the application for cancellation nor on the date of its registration was distinctive of the goods of the

registered proprietor and so barred under Section 9 of the Act in as much as 'GATSBY' was never in fact used.

d. The registration of the impugned mark was granted in contravention of Section

9, 11 and 18(1) of the Act and is an obstruction to the continuance

of the applicants business in India.

e. In view of the foregoing, the entry relating to the impugned trade mark is wrongly remaining in the register.

In the Statement of Case in support of the cancellation proceeding, the applicant have set out detailed justification why the impugned mark requires to

be removed from the register, the content of which is summarized below;

a. the applicants being a Japanese corporation is engaged in the business of manufacturing and trading in cosmetics, perfumeries, toiletries, hair care

products etc. all falling in Class 3 for over a two decades.

b. they claim to be the owner and proprietor of the trade mark 'GATSBY'. They have been using the said mark since July, 1978.

c. the applicants have 13 subsidiaries and 4 affiliates spread out in different countries. They have received ISO 9001 certificate concerning

international standards governing product quality in Japan & China in 1998 and 2002 respectively.

d. The applicants trade mark GATSBY is registered in many countries world wide and the first of such registration was secured way back in 1979.

They entered the Indian market in November, 1998.

e. the applicants are incurring an expenditure of Rs. 6 crores per year in advertisement for the said mark.

f. an application under No. 830235 was made to the Registrar of Trade Marks at Kolkata on 1st December, 1998. In the Examination Report an

objection was raised of an identical prior pending application in the name of M/s. Fem Care Pharma Limited under 635937 in Class 3.

g. as an opposition to such cited mark could be raised only after it is advertised in the TM Journal, the applicant awaited the outcome of the earlier

application. They also filed a request in Form TM-58 on 03.09.2003 to the Registry to intimate the number & date and page number of the journal if

and when the prior application under No. 635739 was published in the Journal to enable them to oppose the same.

h. simultaneously the applicant conducted extensive market research in Mumbai where the proprietor of the cited trade mark is located to find

whether the product of M/s. Fem Care Pharma Limited bearing the impugned mark is in circulation. They came to the conclusion that no such product bearing the trade mark GATSBY was manufactured by either M/s. Fem Care Pharma Limited or M/s. Care Pharma Limited.

i. during the pendency of the applicants trade mark No. 830235, the applicants filed a further application for registration in Class 3 in respect of the

similar and additional goods on 16.11.2004 claiming user of the TM 'GATSBY' since September, 1999 under application No. 1320599.

j. the applicant was shocked to receive an Examination Report dated 1st March, 2005, which cited the impugned trade mark under No. 635739 as a

registered trade mark despite the applicant having tendered form TM-58 and the said mark was registered without notice to the applicant.

k. the second application of the applicant under no. 1320599 was taken up for a Show Cause Hearing and ordered to be Advertised Before

Acceptance by the Registrar subject to association with the earlier application No. 830235.

l. the applicants state that there has never been any use by the registered proprietor of the impugned mark and its claims of use since February 1994 is

totally false. On the contrary the applicants has been continuously using the said mark in the domestic market since November, 1998 and in the

international market since 1978. Therefore, the trade and public associate the trade mark GATSBY exclusively with the applicant and the impugned

mark if allowed to remain in the register would be detrimental to the right of the applicant as well as the public. The applicant would be put to

irreparable loss, injury and damage unless the impugned mark is removed from the register. The continuance of the impugned mark in the register will

cause embarrassment and harm to the business of the applicant and as such he is a 'person aggrieved' within the meaning of the Section 57(1) of the

Act. Further, the registered proprietor was fully aware of the trade mark GATSBY of the applicant and yet adopted the same in bad faith and with

ulterior motive. The use of the impugned mark is likely to cause confusion and deception amongst trade and public and affect the purity of the register.

m. the foregoing constitutes sufficient ground for exercise of the discretion of the Board in favour of the applicant for the removal of the impugned

trade mark from the register.

2. The case of the respondent/ registered proprietor is set out as follows:

a. The impugned mark owes its origin to ""The Great GATSBY"" a novel authored by F. Scott Fitzgerald first published in 1925. In the said novel, the

author recounts the rise and fall of J GATSBY who lived an extravagant life from boot legging and other criminal activities. The story takes place in

New York City and Long Island in the 1920s and is often described as the epitome of ""JAZZ AGE"" in American Literature. In time it found wide

readership and the book was republished in 1994 by Penguin Publishers. The story has been filmed four times. In 1994 the applicant Shri Sunil Pophale

who is the MD of the respondent firm conceived the idea of GATSBY as a trade mark in respect of the companies perfumeries and toiletry business.

After doing extensive market survey and conducting a search of the record from the Registry, the respondent had honestly adopted the impugned

mark and started test marketing the same from February, 1994 to October, 1995 the records of which are not readily available. The respondent had

applied on 3rd August, 1994 for the registration of the impugned mark under No. 635739. The application was duly examined and accepted for

registration as there was no conflicting mark on the record and consequently published in TM Journal 1280 dt. 01.10.2002. There was no opposition

and consequently the impugned mark was registered and the registration certificate was issued on 30.04.2003 which was later renewed for a further

period of seven years under repealed TMM Act, 1958.

b. In April, 2004, the respondent decided to revive its products range under the said registered TM GATSBY and manufacture it in its factory at

Nasik. On 16.04.2004, they applied to the Joint Commissioner of Food and Drug Administration for an FDA approval to manufacture perfume,

colognes under the TM GATSBY which was granted on 04.06.2004. Thereafter, clinical trials relating thereto was initiated. The respondent have

made serious efforts and spent considerable amount of money to relaunch its products under the impugned trade mark. In view of the foregoing, the

adoption of the impugned mark is totally honest, bonafide and the respondent are the registered proprietor of the TM GATSBY in India in respect of

which it stands registered.

c. With respect to the various averments and allegations made by the applicant, the respondents have asserted the following grounds in support of the

registration of the impugned mark:-

i. the respondents state that the impugned mark has actually been used with effect from 01.02.1994 which at least 8 months prior to the date of

registration.

ii. a major flaw in the petition is that the impugned mark was entered in the register of trade mark only on 30.04.2003 and the application for

cancellation has been filed on 04.08.2005 i.e. within 28 months from actual date of registration and therefore the applicant's allegation of non-use

under Section 46 1(b) of the Act will automatically fail.

iii. The respondent further denies that the applicants claim having used the TM GATSBY in India since 1998 which is false to their own knowledge.

The respondent further denies the applicants alleged claim of having acquired the status of well known trade mark in India or else where in the world

by virtue of registrations, cross border advertisements or otherwise.

iv. The respondents state that the impugned trade mark GATSBY has been rightly registered in its name and it does not contravene any of the

statutory provision relied on by the applicant. The entire petition is baseless and devoid of any merit.

v. The applicant have raised extraneous issues in their Statement of Case which has no evidentiary or probative value in these proceedings. Most of

the documents in support of the application are highly suspicious and of trumped up nature and there is not an iota of evidence in proof of having spent

huge sums or any sum at all towards advertisement of their goods under the trade mark GATSBY.

vi. Concerning the request on Form TM 58, stated to have been filed on 03.09.2003, it is to be pointed out that this request was filed three months

after the impugned mark was registered which is nothing but a cover up operation or an eye wash to suit the convenience of the applicant.

vii. The applicants are also blissfully silent on the fate of their earlier application under No. 830235 filed on 01.12.1998 whereas the subsequent

application filed 16.11.2004 under No. 1320599 claims use of the trademark GATSBY since 'September 1999'. This clearly shows that the applicant

on their own showing have not used the mark prior to September, 1999. In fact, the respondents even dispute the alleged claim of use even after

September, 1999 in respect of the subsequent application of the applicant under No. 1320599 which is under opposition at the Kolkata Registry (KOL-

204466)

viii. In view of the foregoing, the respondents state that no case has been made out to remove the impugned mark. On the contrary, these proceedings

have been initiated as a counter blast to the opposition proceedings filed by the respondent awaiting adjudication in the Kolkata Registry. The

impugned trade mark of the respondent has been in the Register for many years and the respondents are in the process of relaunching their products

in a big way. Therefore, the removal of the impugned mark at this stage would cause irreparable loss and damage to the respondent. All the grounds

canvassed by the applicants in this petition are frivolous and blatantly false and the documents produced are obviously are flimsy and are forged.

3. The applicant have filed a rejoinder. The main points in the rebuttal are indicated below:-

The fact that GATSBY is the name of a character in an English novel does not entitle any person other than the applicant to adopt the same as a

trade mark in respect of perfumes, etc. as GATSBY connotes only the applicants goods all over the world including India. Further, the claim of re

launching the products after extensive clinical trials are bald statements not supported with any documentary evidence. The applicant further denies

that the impugned mark has been ever used by the respondent since February, 1994. The applicant also assert that a search for GATSBY in the

internet using GOOGLE search would show that various products of the applicants are offered for sale online as e-commerce in sites such as ""e-

bay.in"" through an outlet based at Chennai. The rest of the content of the rejoinder is a denial of all the material claims averments of the respondent

which are contrary to the pleadings set out by the applicants.

4. The matter was listed for hearing on 18.10.2012. We have heard the arguments of the both the counsel and gone through the pleadings before us.

CASE LAWS RELIED ON BY THE APPELLANT:

1. ""Shell Transource Limited Vs. Shell International Petroleum Company Ltd.

The respondent submitted that they had registered the mark with a bonafide intention to use the said mark in India in relation to the services for which

it is registered. There is absolutely no pleading that they are using the mark after registration. Unless the respondent had pleaded that they are in fact

using the mark, there is no duty cast on the applicant to prove that they are not using. Without pleading to that effect, the applicant's case is as good as admitted and the respondent cannot in fact let in any evidence of user. The mark remains as a ""proposed to be used mark"". As regards bonafide

intention to use, the respondent must state the facts to show such intention; otherwise it would be difficult for the applicant to let in any evidence or file

affidavits to show bonafide intention i.e. what transpires in the minds of the persons who run the respondent company. For that, there must be intrinsic

evidence on the side of the respondent like internal correspondence or advertisements etc., to show that there was some intention to use. There is no

pleading regarding the user. If so, the applicant need not prove non-user. It is for the respondent to first plead bonafide intention which they have not

done. Therefore, in the absence of pleading regarding use or bonafide intention to use, we have to accept the applicant's case. In this case, we may

look at the order of the Trademark Trial and Appeal Board in Research In Motion limited Vs. NBOR Corporation of 12.2.2009, where it is held that;

In sum, applicant has no documentation to demonstrate that it had the requisite bona fide intent to use the mark BLACK MAIL in commerce when it

filed the present application. As evidenced by its responses to discovery requests, applicant has no plans relating to use of the mark, no plans relating

to trade channels or target customers, and no plans for expansion ~ and growth of its product line to be sold under the mark. The record is completely

devoid of any evidence such as product design efforts, test marketing, correspondence with perspective licenses, preparation or marketing plans or

business plans, creation of labels, marketing or promotional materials, and the like.

This is correct. In this case, there is no pleading rebutting the allegation of non-user. The above passage indicates how bonafide intention is pleaded

and if necessary proved. The mere fact that a mark is registered cannot be evidence of use or bonafide intention to use, for then all Section 47

applications must fail.

2. Mrs. P. Mallika Vs. D.K. Sriramulu"" - CRP (PD) No. 3669 of 2010 - Madras High Court

Procedure has been described to be a hand-maid and not a mistress of law intended to subserve and facilitate the cause of justice and not to govern or

obstruct it. Like all rules of procedure, this rule demands a construction which would promote this cause. It is useful to quote the oft-quoted passage of

Lord Penzance in 1879 (4) AC 504:

'Procedure is but the machinery of the law after all the channel and means whereby law is administered and justice reached. It strongly departs from

its office when in place of facilitating, it is permitted to obstruct and even extinguish legal rights, and is thus made to govern when it ought to subserve'.

It is also useful to reproduce the passage of judgment in the case of Balwant Singh Bhagwansingh v. Firm Raj Singh Baldev Kishen reported in AIR

1969 Pun. & Har. 197.

Promptitude and dispatch in the dispensation of justice is a desirable thing but not at the cost of justice. All rules of procedure are nothing but

handmaids of justice. They cannot be construed in a manner, which would hamper justice. As a general rule, evidence should never be shut out. The

fullest opportunity should always be given to the parties to give evidence if the justice of the case requires it. It is immaterial if the original omission to

give evidence or to deposit process fee arises from negligence or carelessness.

3. ""Jolen Inc. Vs. Shobanlal Jain and Ors."" 2010 (2) MIPR 176 & 170 : (2010) DLT 244

Ratio Decidendi:

Indian law concerning trademarks does not permit a brazen and slavish imitation of a well known international mark by an Indian mark.

High Court should not interfere under Article 226 of the Constitution with the concurrent findings of quasi-judicial authorities unless there is

manifestation of gross injustice.

4. ""M/s. Manish Masala Food Products Vs. M/s. Radha Sarveshwar & Co.""- IPAB ORDER NO. 10/2012

In the case of rectification applications, we will have to decide whether the applicant is a person aggrieved within the meaning of the provisions of the

Act. Any person who will be injured or affected by the registration will be a person aggrieved. ""Powells"" Trade Mark is a classic definition of the

person aggrieved. Lord Herschell held as follows:

Wherever it can be shown, as here, that the Applicant is in the same trade as the person who has registered the trade marks, and wherever the trade

mark if remaining on the register, would, or might limit the legal rights of the Applicant, so that by reason of the existence of the entry on the register he could not lawfully do that which, but for the existence of the mark upon the register, he could lawfully do, it appears to me, he has a locus standi to

be heard as a person aggrieved

5. ""Power Control Appliances and Ors. Vs Sumeet Machines Pvt. Ltd. With M/s. Sumeet Research and Holdings Vs Sumeet Machines and Anr."" -

SCC Civil Appeal Nos. 2551-2552 and 2553 of 1993; (1994) 2 SCC 448 : (1994) 1 SCR 708

It is a settled principle of law relating to trade mark that there can be only one mark, one source and one proprietor. It cannot have two origins.

Where, therefore, the first defendant/respondent has proclaimed himself as a rival of the plaintiffs and as joint owner it is impermissible in law. Even

then, the joint proprietors must use the trade mark jointly for the benefit of all. It cannot be used in rivalry and in competition with each other.

5. The respondent relied on the following decisions:-

1. ""K.L. Rajakrishnan Vs. Parthas Textiles, Kottayam"" -1997 PTC (17) (DB)- Madras High Court

When this court is exercising the appellate power against the order of Registrar of Trade Marks, we must also take into consideration the discretion

exercised by him. The discretion, even if it is fanciful, this Court will be reluctant to interfere with the same, if it is exercised judiciously - vide 49

R.P.C. 306 (Union Carbide & Carbon Corporations Application to Register a trade mark). We may also note that the Registrar is by experience in a

unique position to reach a sensible conclusion and is of great advantage to a tribunal hearing an appeal from the Registrar, and if the Registrar has

reached the conclusion after taking into consideration all relevant circumstances and in accordance with law, such a discretion should not be lightly

interfered with vide 1977 R.P.C. 594(supra).

2. ""PELICAN TRADE MARK"" -1974 - RPC

The applicant traded in America and devised a plastics bib for children. He invented a trade mark (under which he sold the bib extensively in

America) which consisted of a device of a pelican with the word PELICAN. He advertised the bib in magazines, a few of which were available in the

U.K. in 1960 and also claimed to have sold a substantial number of PELICAN bibs to people living in the U.K. The evidence did not in fact establish

this, though some bibs were in the possession of persons living in the U.K.

In 1963 one of the applicant's bibs was obtained from North America by the respondents, a British company. Enquiries were made and as a result the

respondents believed that no use of the pelican mark had been made in the U.K. for bibs. They registered as of 1965, marks consisting of a pelican

device with and without the word PELICAN.

The applicant wished the mark to be expunged from the Register on the grounds that the respondents had falsely claimed proprietorship of the mark,

and that its use would lead to deception or confusion. It was contended that the Registrar's discretion ought to be exercised in the applicant's favour

because of the respondent's behaviour in appropriating the mark.

Held, refusing the application to rectify, that the British company had not been aware of any prior claim to proprietorship.

6. We first take up the issue of 'Person Aggrieved' which is an essential pre-requisite to lodge a revocation petition under Section 57(1). Both the

competing marks and goods are identical. The applicant would be deprived of his legal rights and would face obvious business harm or injury and

losses by the continued presence of the impugned mark in the register. Naturally he feels right to challenge the legality of impugned registered trade

mark. Courts have liberally interpreted this concept. It is apparent that the applicant are indeed 'person aggrieved' going by past precedents on such

cases and have the required locus to seek removal of the impugned mark.

7. The main grounds for cancellation are based on 9, 11, and 18(1) of the Act. This case has to be examined somewhat differently from routine

rectification proceedings. Why? Here is a foreign company which claims to have adopted a trade mark in 1979. The same mark for the same goods

has been adopted by an Indian entity in 1994. Was this adoption honest is the nub of the matter on which the fate of the rectification application

hinges? Section 18(1) of both old and current TM Act provides that "" any person claiming to be the proprietor of a trade mark"" may apply for its

registration. The applicant of their own showing have registered and used the impugned mark in a number of East Asian and Far Eastern countries

through the eighties. But they did not enter in the Indian market at that time. Records furnished indicate transit sale of applicants cosmetic products

under the impugned mark only from 2003 onwards. But the fact remains they were the first adopters of the impugned mark in the international market a good 15 years before the respondent mark was born. In these circumstances, the material question is had the respondent prior knowledge of the

applicant trade mark GATSBY in 1994? If this covet or overt knowledge can be established beyond reasonable doubt then without doubt the

impugned mark is vulnerable for eviction from the register. That is the one thing totally lacking in the entire pleading or over 700 pages of copious

supporting documents tendered to support their cancellation petition. The details and exhaustive explanation for adoption of GATSBY by the

respondent appears to be reasonably justified and convincing. It may appear as an extraordinary co-incidence that an identical mark for identical goods

was opportunistically adopted by the respondent competitor. It gives rise to obvious suspicion that it has been copied anticipating prospective gold mine

to dig at. But suspicion alone cannot be the basis to oust a registered trade mark. There is not a single bill, invoice or documents of any sort to show

that the applicants mark GATSBY is in use or even available in India prior to 2003. Trade Marks law have no extra-territorial application. The

respondent had applied for the impugned mark in 1994 and it was later registered in 2003. The applicant had applied for the GATSBY only in

December, 1998. In the absence of cogent documentary evidence it is wrong to deduce that the respondent intentionally adopted the applicants mark.

Such pleading must be supported by unimpeachable proof. Everything that the applicant allege may be literally true. But law acts on the basis of

record. In these circumstances we have to give the benefit of honest adoption of the impugned mark in favour of the respondent. Even the then

nascent concept of protection of well known mark asserted by the applicant during the 1990s has not been established to be so in India in 1994 when

the impugned mark was applied for by the respondent.

8. However, there are important takeaway from this episode. The Examiners of Trade Mark now have the benefit of computers at their desk. The

current practice is to conduct search amongst the registered and pending marks in the register to track identical or similar mark. The veracity of claim

to the proprietorship of the mark laid down under Section 18(1) must also be checked at the Examination and Show Cause Stage itself through a

proper internet search to eliminate suspicious of copying someone else trade mark not in the register. With increasing integration of our economy with the global economy countless trade marks from BRICS, ASEAN and other important trading partners will seek trade mark protection in India in due

course. It is therefore critical for the image of the registry and the quality of services rendered by it, not to be caught unaware of the dangers of

reckless registration of marks without a global perspective of its action. Hence an internet search of every application may throw light on the bona fide

of adoption and use claimed thereof, apart from the current search of the register. This will also send positive signals to international brand owners

desirous of entering the Indian market more particularly if it not the category of well-known mark.

9. It is apparent from applicant's conduct that they have missed the bus in this particular case. The filing of TM-58 was clearly an afterthought. The

factum of mala fide or tainted adoption; non-use from 1995 to 2005. (year of cancellation petition); the bogus theory of re launch after clinical trial in

2008, of impugned mark may all be quite true in parts but are not based on sound legal footings. The question of looking into objections under Section 9

and 11 will also arise only if a prima facie case to remove the impugned mark has been made out. In fact the applicant's own trade mark GATSBY is

currently under opposition at the Kolkata registry and opposed by the respondent herein. A ruling at this stage on Section 9 and 11 would needlessly

influence the outcome of the pending opposition.

10. But all these are merely of academic interest in the light of respondent main contention that the impugned mark which was registered only in 2003,

is sought to be removed within 28 months which is contrary to the requirement of Section 47(1)(b). Even Section 47(1)(a) cannot come to the rescue

of the applicant in as much as the bona fide intention to use the mark was established beyond doubt when the respondent applied for FDA

manufacturing license in April, 2004 which is prior to the date of rectification petition.

11. All things considered, this rectification petition fails. But we must record our unease with the registry current practice of accepting claim of

proprietorship of the mark at face value and only from the narrow prism of the register of trade mark which in the long run needlessly sullies the

image of registry. If the suggestions made is adopted it will send a strong signal of a robust brand protection regime prevailing in the country. In the result ORA/56/2005/TM/MUM is dismissed. There is no order as to costs.

