
(2013) 07 IPAB CK 0014

In the Intellectual Property Appellate Board

Case No : ORA/161/2011/TM/Del, M.P. No. 179/2011 In ORA/161/2011/TM/Del

M/S. P.K. Overseas Pvt. Ltd.

APPELLANT

Vs

M/S. Krbl Ltd.

RESPONDENT

Date of Decision : 12-07-2013

Acts Referred:

Trade Marks Act, 1999 — Section 9, 9(1), 9(1)(a), 9(1)(b), 11, 18(1), 31(1), 30(2), 30(2)(a), 32, 34, 95

Citation : (2014) 57 PTC 129 (IPAB)

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

Bench : Division Bench

Advocate : N.K. Manchanda, Sudershan, Bansal, Saurabh Kapoor

Judgement

V. Ravi, J

The applicant are seeking the removal of the registered trade mark BEMISAL under 868081 in class 30 from the Register. The said mark has been

registered in respect of rice as a ""proposed to be used"" trade mark. The grounds for seeking the cancellation of the impugned mark are summarized

below:-

1. The applicant through its predecessor Shri Prem Manchanda the sole proprietor thereof in 1979 commenced the business under the name and style

of P.K. Enterprises, Delhi and in 1993 adopted BEMISAL in respect of rice goods and considering that the said word convey in HINDI/URDU the

meaning MATHCLESS/HAVING NO COMPARISON to describe and indicate the kind and quality of rice and therefore chose not to file an

application for its registration under the Trade Marks Act. Shri Prem Manchanda in 1994 promoted another company named P.K. Agro Enterprises

Pvt. Ltd. and registered the same with the Registrar of Companies on 16th May,

1994 and with effect from 29th December, 1994 the name of said company was changed as P.K. OVERSEAS PVT. LTD. (the applicant herein)

2. The applicant submit that the trade mark BEMISAL being descriptive as to the nature of goods i.e. rice and other articles, the said word can be

used only to indicate the kind, quality of the goods. Therefore registration granted to the respondent is contrary to the provision of Sections 9 and 30(2)

of the Trade Marks Act. Further, as the said trade mark was adopted by the applicant in 1993 the same is much prior to the respondent's alleged

adoption in 1999. Therefore the impugned registration is contrary to the provisions of Section 11 of the Act and accordingly no exclusive or proprietary

right can be granted to one person in respect of word BEMISAL. The respondent is not the first adopter of the said trade mark BEMISAL and the

impugned trade mark is not distinctive and therefore the respondent is not entitled to claim the proprietary right thereof under Section 18(1) of the Act.

3. After the commencement of present proceedings, the applicant has filed two applications under No. 1120954 and No. 1482415 in class 30 but it

was opposed by the respondent herein to dismiss the applications in respect of the trade mark BEMISAL. The applicant rely upon the following

judgments in support of provision of Section 9 and 30(2) of the Trade Marks Act.

4. The applicant have also filed a petition for stay under Section 95 of the Act from giving effect to the registration of the impugned mark BEMISAL

as it is contrary to the provisions of Section 9 & 30(2)(a) of the Act and the said registration cannot be sustained in law. It is also contrary to the

provision of Section 34 of the Act. Accordingly, the stay petition is to stop the effect and operation of the impugned registration till final disposal of the

case.

5. The case of the answering respondent is as follows:-

i. the respondent is a company incorporated under the Companies Act 1956 at New Delhi. They are engaged in the business of processing, marketing

and exporting rice of various kinds including Basmati Rice. During the course of the business the respondent adopted and started using the trade mark

BEMISAL in 1981 on its packaging with a distinctive get up, colour combination, lettering, style and artistic work. Apart from the impugned mark the

respondent are also the proprietor of the two other pending marks BEMISAL under nos. 1120954 for (Rice) and 1482415 (pulses and food grains).

The respondents through their predecessors since 1999 have honestly, bonafidely, continuously, commercially, openly, exclusively, uninterruptedly and in the course of trade have been using the impugned trade mark and have therefore acquired proprietary right on the same.

ii. The respondent's predecessor in title M/s. Khushi Ram Behari Lal (Export Division) adopted the trade mark INDIA GATE in relation to rice in

1993 and used the same. By an agreement dated 1.04.1996, this partnership firm was taken over as a going concern with all assets and liabilities

including the trade mark INDIA GATE. M/s. Khushi Ram Behari Lal Limited in 1999 adopted the trade mark BEMISAL for all kind of rices and

started using the same. The name of M/s. Khushi Ram Behari Lal was subsequently changed to M/s. KRBL Limited. The respondent's is also the

proprietor of the artwork contained in the impugned mark BEMISAL registered under the Copyright Act. The respondent's have built valuable

goodwill in the use of the trade mark BEMISAL and thus it has become distinctive of their goods and acquired secondary significance indicating high

quality rice originating from the respondent. The respondent is a global player in the rice trade.

iii. The applicant herein allegedly engaged in the same or similar business as that of the respondent have started using the same mark BEMISAL

which is phonetically, visually and structurally in its basic ideas the same and its essential features are identical with and deceptively similar to the

trade mark label BEMISAL of the respondent. This fact came to the knowledge of the respondent only in the second week of June, 2010. Being

aggrieved by the activities of the applicant the respondent filed a civil suit C.S. (OS) 946/2010 for the infringement and passing off of their trade mark

by the applicant before the District Court, Saket, New Delhi and the Hon'ble Court was pleased to grant ex parte interim injunction against the

defendant on 6th July, 2010 restraining the applicant from the using the trade mark BEMISAL.

iv. In order to wriggle out from the restraint order dated 06.07.2010, the applicant filed application for vacation of stay under Order 39 Rule 4 of CPC

in the said suit, on the basis of forged and fabricated documents regarding use of the trademark BEMISAAL by them claiming user since 1993. The

applicant and the respondent are in the same line of business and are from same location. The respondent has never heard of any sale, advertisement

etc. showing use of the trademark BEMISAL by the applicant before 2nd week of June, 2010, whereas the respondent's trademark is registered and

extensive advertisement and sale have been made under the said trademark. The applicant's instant petition is only a step further to wriggle out from

the restraint order on the basis of forged, fabricated and manipulated documents.

6. As regards the MP for stay of the effect and operation of the registration that has been granted in favour of the respondent, the respondents have

strongly objected to the same on the following grounds:

a. the applicants are not the proprietor of the trade mark BEMISAAL as its adoption and use is dishonest, fraudulent, born out of greed to take

advantage of the established goodwill of the respondent's impugned trade mark. The applicant is very much aware of the rights, goodwill, reputation,

user and registration of the respondent's registered trade mark. Neither the applicant nor its alleged predecessor are family concern that has used the

trade mark BEMISAL in respect of rice till June, 2010. The invoices placed on record by the applicant are forged, fabricated and manufactured

document. The respondents state that in view of the detailed averments and claims made in the counter statement, deposition, documents & exhibits

placed on records, the instant MP is liable to be dismissed.

7. The matter came up before us on 12.02.2013. We have heard the detailed arguments of both the learned counsel, perused the documents, pleadings

and other record.

8. Brief summary of the applicant's arguments:

The learned counsel submitted that the impugned mark BEMISAL was on the date of filing only a 'proposed to be used' trade mark. It means

matchless or incomparable in Hindi/Urdu. Such a word cannot be used as a trade mark. In any event, the applicants are the prior adopter of the

impugned mark which was adopted way back in 1994. The documents in support of their registration furnished by the respondent are all subsequent to

the filing date. The subject application is objectionable under Section 9(1)(a) & (b) and Section 30(2)(a).

9. Summary of the respondent's arguments:

The learned counsel Shri Bansal submitted that before taking away the right of the respondent a very heavy onus is cast on the applicant to establish a

case for the removal of the impugned mark. The applicant herein have never availed the opposition proceedings before the Registrar. In fact the basic pleading of the applicant is full of deficiencies. There is no supporting document such as assignment or license agreement to show that the applicants are the subsequent proprietors. The impugned rectification proceeding petition was filed on 15.06.2011 whereas the registration certificate of the impugned mark was issued by the Registrar of Trade Marks in 2005. The respondent's have also questioned the bonafide of the applicants including the absence of Articles and Memorandum of Association which are not on record. The alleged use of the trade mark BEMISAL by the applicant is sought to be established by hand written invoices that are untrustworthy documents. The export bills do not contain supporting document such as bill of lading, shipping bills, vessel no. etc. Evidence in support of the application at page 39 & 40 are in respect of unbranded products and in many invoices there is no mention of the brand name. Some of the invoices and bills are merely computer generated. The conduct of the applicant's are suspicious and there is contradictory pleading. The applicants are not 'person aggrieved'. Further, even if the impugned mark was descriptive on the date of its adoption by the respondent, the test is whether in fact it has acquired distinctiveness on the date of rectification and on the date of adjudication. The objection raised under Section 9 fails and the hurdles under provisions of the Section 31(1) were crossed at the time of registration. The respondents are also protected by virtue of Section 32 of the Act. The evidence filed by the respondent of use since September, 1999 are credible and sustainable in law. The objection raised under Section 30(2) is not valid as the Board is not an infringement Court or a Civil Court. The balance of convenience is in favour of allowing the existing mark to continue to remain in the Register and this has legal support due to the use of the impugned mark on a continuous basis since 1999 and therefore this application for rectification should be dismissed with exemplary costs.

10. Rebuttal arguments.

The applicant became aware of the registration of the impugned mark only in July 2010 when notice of the civil suit was served on them and therefore the applicant filed for the cancellation of the impugned mark forthwith. As regards the allegation of the applicant being a different entity, P.K.

Enterprise became P.K. Overseas by virtue of a family arrangement and these loopholes should not be used as an instrument to cause doubt on the applicant. The counsel once again reiterated that the impugned mark deserves to be removed from the Register for all the reasons mentioned in the pleadings and arguments submitted to the Board.

11. The applicant have been sued by the respondent for infringement of trade mark in a Civil Suit at Saket, New Delhi and that gives them the required locus to question the continuation of the impugned mark on the register and are accordingly 'person aggrieved'.

12. On the question of objection under Section 9, there is little doubt that the impugned mark is highly laudatory and should never have been registered in the first place. Even so, the respondent have invoked provisions of Section 32 as a defence which is reproduced below:

Section 32: ""Protection of registration on ground of distinctiveness in certain cases._ Where a trade mark is registered in breach of sub-section (1) of section 9, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration and before commencement of any legal proceedings challenging the validity of such registration, acquired a distinctive character in relation to the goods or services for which it is registered.

13. On a perusal of the invoices filed by the respondent it is clear that it has massive sale under the impugned mark BEMISAL since 1999 - aggregating domestic sale figure of over Rs. 69 crores (Exhibit R-6). They claim to be the world's largest rice miller and basmati rice exporter. In addition, sample invoices of rice export to Kuwait (Exhibit-R-8); Bahrain (Page 47); New Zealand (Page 52); Saudi Arabia (Page 73); Canada (page 87) etc. have been furnished. These clearly establish that the impugned mark has acquired secondary significance. The balance of convenience is in allowing the mark to continue to remain on the register, in part because the respondent are valuable foreign exchange earner for the country. The old theory that some trade marks are incapable of distinguishing the goods/services and can never serve as a badge of origin has been now relaxed under the current Act. It is the market place that determines what is good trade mark subject only to the limitation that the name of goods or services can never be regarded as a trade mark - example apple for apple (goods) or hotel for

hotel (services). The threshold test under Section 9 is very minimal indeed.

14. Concerning prior use of BEMISAL since 1993 allegedly claimed by the applicant, we have no comments to offer and the applicant can try his luck before the Registrar to secure registration under Section 12 if indeed he has a strong case. The allegation of fabricated bills, invoices etc. by the applicant made by respondent can be agitated before other forums. In the result, ORA/161/11/TM/DEL is dismissed as without merit. There is no order as to costs. M.P. No. 179/2011 is closed.