

(2008) 12 IPAB CK 0010

In the Intellectual Property Appellate Board

Naresh Kumar Gupta Trading As Mysore Sangam Agarbatti Works APPELLANT

Vs

Sugam Perfumery Products And The Registrar Of Trade Marks, Trade Marks Registry RESPONDENT

Date of Decision : 12-12-2008

Acts Referred:

Trade Marks Act, 1999 — Section 2(1)(h), 9, 11, 12, 18(1)

Citation : (2008) 12 IPAB CK 0010

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

Bench : Division Bench

Final Decision : Disposed Of

Judgement

S. Usha, Technical Member

1. This appeal has arisen out of the order dated 21.9.2007 passed by the Deputy Registrar of Trade Marks dismissing the opposition No. MAS-171900

and allowing the application No. 783584 in class 3 in respect of sambrani preparations being incense (Loban) included in class 3 to proceed for

registration under the provisions of the Trade Marks Act, 1999 (in short the Act).

2. Miscellaneous petition No. 24/2008 has been filed by the appellant to stay the operation of the impugned order dated 21.9.2007 passed by

respondent No. 2 and to restrain the respondent No. 2 from issuing registration certificate to respondent No. 1.

3. Respondent No. 1 herein had filed an application on 26.12.1997 for registration of trade mark SUGAM label under No. 783584B in class 3 in

respect of Sambrani preparations being incense (loban), claiming user since 02.04.1993. The said application was after acceptance advertised in the

Trade Marks Journal No. 1310 dated 01.01.2004 at page 28. The appellant had

filed a notice of opposition on 26.04.2004 on the grounds, inter alia, that the appellant had been using the trade mark SANGAM since the year 1975 in respect of dhoop and agarbatties which fall under the same class 3 of the goods and that their trade mark SANGAM is phonetically and visually similar to that of the impugned trade mark SUGAM. Respondent No. 1 had filed their counter statement on 02.02.2005 denying the various allegations made in the notice of opposition. After the completion of formal procedures, the matter was set down for hearing before the learned Deputy Registrar.

4. The learned Deputy Registrar had passed the impugned order on the findings that the word SUGAM is a Hindi word - meaning easy and the word SANGAM is also a Hindi word and has a definite meaning; that though there is some similarity between the two words phonetically as the meanings are different there can be no similarity; that the respondent No. 1 is using the trade mark SUGAM since 1993 which is evidenced by necessary documents; that however the rival marks are not deceptively similar, no likelihood of confusion; therefore objection under Section 11 of the Act read with Section 12 of the Act was rejected; the respondent No. 1 has been using the trade mark SUGAM since 1993 and thus can claim proprietorship and the objections under Sections 9 and 18(1) of the Act rejected. The Deputy Registrar had heard the respondent No. 1 inspite of the appellant having filed a request for adjournment on Form TM-56.

5. Aggrieved by the said impugned order, the appellants are before us on appeal on the following grounds:

- (i) That the impugned order is contrary to law and facts of the case;
- (ii) that the impugned order suffers from non application of mind;
- (iii) that the Deputy Registrar erred in rejecting the objection under Section 9 of the Act and has held that the marks are distinctive;
- (iv) that the Deputy Registrar has considered the alleged user since 1993 which is beyond the settled principles of law, on the other hand the Registrar should have considered the user subsequent to the filing of the application;
- (v) that the Deputy Registrar ought to have considered that the respondent No. 1 had not filed sufficient documents to prove user since 1993;
- (vi) that the Deputy Registrar erred in rejecting the objections under Section 11 of the Act;

(vii) that the Deputy Registrar having considered the rival marks to be phonetically similar, erred in holding that the marks are not deceptively similar;

(viii) that the Deputy Registrar had failed to appreciate the fact that the appellant had filed sufficient documents to prove their user since 1975;

(ix) that the Deputy Registrar had failed to appreciate the fact that the appellant is a registered proprietor of the trade mark SANGAM under No.

876426 in class 3 in relation to dhoop and agarbatties;

(x) that the respondent No. 1' adoption is dishonest as no explanation given for adoption of the deceptively similar mark which is subsequent to that of

the appellant and the Deputy Registrar, therefore, erred in allowing the application under Section 12 of the Act;

(xi) that the documents filed by the respondent No. 1 are fabricated ones as the CST numbers given in the bills are different;

(xii) that the sales figures are incorrect;

(xiii) that the Deputy Registrar ought to have considered that the registration was barred by virtue of the provisions of Sections 9, 11, 12 and 18 of the

Act;

(xiv) that the Deputy Registrar ought to have given an opportunity to the appellant and

(xv) that the impugned order was against the principles of natural justice.

6. The appellant, therefore, prayed that the impugned order be set aside and the appeal be allowed.

7. The respondent No. 1 filed their counter statement denying all the averments made in the memo of appeal. The respondent No. 1 had further stated

that though the appellants were not heard, their documents were considered by the learned Deputy Registrar while passing the impugned order. The

impugned order was passed based on the documents which were valid. The discrepancy in the CST number was due to the change in the assessment

circle and jurisdiction. The appellants have not made out a prima facie case to allow the appeal and the respondent No. 1, therefore, prayed that the

appeal be dismissed with costs.

8. The matter was taken up for hearing on 7.10.2008. Learned Counsel Shri Ashok Kumar J Daga appeared for the appellants and learned Counsel

Shri M.K. Rao appeared for respondent No. 1.

9. Learned Counsel for the appellant submitted that the rival marks SANGAM and SUGAM were similar in all respects. He also submitted that the

appellant's trade mark was adopted in the year 1975 and had been in continuous use since then. The trade mark SANGAM had been registered under

No. 876426 claiming user since 1975. The counsel further submitted that the impugned trade mark had not acquired distinctiveness and registration

was in contravention of the provisions of Section 9 of the Act.

10. Learned Counsel for the appellant further submitted that the documents were fabricated and stated that CST number mentioned were different in

the cash bills. The learned Registrar had not considered the provisions of Section 11 of the Act as no explanation was rendered by the respondent No.

1/applicant for adopting the mark and also that it was subsequent adoption to that of the appellants.

11. Learned Counsel for the appellant also submitted that despite the fact that a request for adjournment on Form TM-56 was filed, the Registrar had

rejected and heard the respondent No. 1 without affording an opportunity to the appellant. Learned Counsel also pointed out to the finding of the

Registrar and submitted that there were contradictory findings where in one statement he says that the two marks are similar phonetically and in

another statement he says that there is no similarity between the two words. The appellant, therefore prayed that the order be set aside and the appeal

be allowed.

12. Learned Counsel for respondent No. 1 also contended that the appellant had not proved dishonesty as contended in their pleadings. Learned

Counsel for respondent No. 1 denied the allegation that the cash bills were fabricated and submitted that they had clearly mentioned that there was a

variation in the CST number as the place of business was changed and the CST number changed according to the assessment circle and jurisdiction.

He further stated that it was clearly mentioned in the counter statement to the appeal.

13. Learned Counsel for respondent No. 1 further submitted that the Registrar had fixed the date of hearing in the presence of the appellant and to

seek an adjournment at the last minute was rejected and there was no error committed by the Registrar.

14. Learned Counsel for the appellant in rejoinder submitted that there was no

pleading as to change of business place in the counter statement before the Registrar and the same has been mentioned only now in the appeal stage.

15. We have heard the both the counsel and have gone through the pleadings.

16. We shall first deal with the issue as to not providing an opportunity to the appellant to advance their argument. No person is to be deprived of his

property without his having an opportunity of being heard and that this has been applied to many exercise of power which in common understanding

would not be at all a mere judicial proceedings. Lord Diplock in the House of Lords has said that "the right of a man to be given a fair opportunity of

hearing what is alleged against him and of presenting his own case is so fundamental to any civilized legal system that it is to be presumed that

Parliament intended that a failure to observe it should render null and void any decision reached in breach of this requirement.

17. In this context we would quote some observations of the Apex Court and various other courts.

The Delhi High Court in the decision in a trade marks case reported in *Radha Kishan Khandelwal v. Assistant Registrar of Trade Marks*, the learned

Judge held thus;

I am firmly of the view that a proceedings for making an alteration of this nature in the Register of Trade Marks can by no means be regarded as a

purely administrative proceedings and that the Registrar while discharging his duties in that behalf performed quasi judicial functions whereby he

decided *prima facie* at least, the rights of the parties. It is, therefore, of the essence of the procedure required for performing that duty that the party

whose rights are going to be adversely affected by the decision taken by the Registrar should have a notice of those proceedings and the decision

should also be supported by reasons. The necessity for reasons in support of the decision arises also from the fact that the Registrar's decision is open

to an appeal before the High Court. Assuming I am wrong there and it is held that the function performed by the Registrar is of an administrative

character the necessity for a notice and same kind of inquiry will still be there and since the order made by the Registrar is open to appeal before the

High Court, the party aggrieved by his decision will obviously be entitled to a copy of the order being supplied to him on payment of usual charges. It is

true that the rules do not expressly require a notice to be issued or a hearing to

be given to the party adversely affected by the order when an application on Form TM 24 is made before the Registrar but there is in the eye of law a necessary implication that the party adversely affected should be heard before an order for the removal of his name can be made against him. ...

In *Swadeshi Cotton Mills v. Union of India*), their Lordship of the Supreme Court had occasion to consider the scope of "natural justice" and held thus:

A quasi judicial or administrative decision rendered in violation of the audi alteram partem rule, wherever it can be read as an implied requirement of

law, is null and void. In the facts and circumstances of the instant case, there has been a non compliance with such implied requirement of the audi

alteram partem rule of natural justice at the pre-decisional stage. The impugned order, therefore, could be struck down as invalid on that score alone.

In *(A.R. Antulay v. R.S. Nayak)* in paragraph 55 (at page 660) their Lordships have said thus:

...No prejudice need be proved for enforcing the fundamental rights. Violation of a fundamental right itself renders the impugned action void. So also

the violation of the principles of natural justice render the act a nullity.

In *Administrative Law* by P. P. Craig - 2nd Edition (1993), it is stated this at page 337 and 338:

The problem whether decisions are void or voidable has been particularly prevalent in the context of natural justice.

(1) Hearings: The view taken by the majority in *Ridge v. Baldwin*, that failure to comply with the rules as to hearings makes a decision void, accords

with precedent and principle. The rationale for regarding such a failure as leading to a decision which is void is expressed by Lord Salborne L C,

There would be no decision within the meaning of the statute, if there were anything of that sort done contrary to the essence of justice." There have

been many other cases where the courts have stated that a failure to hear renders the decision void or a nullity. Thus, the action of a committee which

purported to expel a person from a club without a hearing was held to be null and void, as was the refusal of a pension to a policeman who has

resigned from the force. Cases of collateral attack are also instructive. A number of these cases explicitly state that a failure to hear renders the

decision void. Even where this is not so stated it is implied in the ability to attack

the decision collaterally; if a failure to hear constituted only an error within jurisdiction the decision could not be attacked collaterally.

18. In the case on hand, the Registrar had observed that a request for adjournment on Form TM 56 was received but as the respondent No. 1 had objected to the same, the matter was heard in the absence of the appellant. In the light of the above observations, we are also of the view that both sides shall be heard on the principle of audi alteram partem as it may be permitted to describe it as part of natural justice which relates to the administration of justice. We are, therefore, of the opinion that the Deputy Registrar should not have denied the opportunity to the appellant of being heard.

19. The findings of the Deputy Registrar is contrary to one another.

the word SUGAM is a Hindi word meaning easy. Opponent's mark SANGAM is also a Hindi word and has a definite meaning. Though there is some similarity between the two words phonetically, but keeping in view the different and distinct meanings of each of these words, these cannot be held to be deceptively similar under Section 2(1) (h) of the Act. Moreover applicants are using their mark right from the year 1993 as is evidenced by them in these proceedings by filing necessary documents and affidavits in support thereof. However, when rival marks are not held to be deceptively similar, there is no likelihood of confusion or deception and therefore there is no basis for opponents' objection to the registrability of the impugned mark under Sections 11 read with Section 12 of the Act.

On account of such contention and other circumstances we are of the opinion that the matter has to be heard afresh affording an opportunity to the appellants to be heard.

20. We, therefore, set aside the impugned order dated 21.09.2007 and remand the matter back to the Deputy Registrar of Trade Marks for hearing the matter afresh and to dispose the same within a period of six months from the date of receipt of this order. There shall be no order as to costs. As the main appeal itself has been disposed of, the MP does not survive.