

(2014) 06 IPAB CK 0007

In the Intellectual Property Appellate Board

Case No : ORA/246/2009/TM/AMD

Pasco Sports

APPELLANT

Vs

Capital Sports Pvt. Ltd.

RESPONDENT

Date of Decision : 20-06-2014

Acts Referred:

Companies Act, 1956 — Section 46(1)(b)

Citation : (2014) 06 IPAB CK 0007

Hon'ble Judges : S. Usha, J; Sanjeev Kumar Chaswal, Technical Member

Bench : Division Bench

Advocate : Nakul Shredalal, R.P. Modi

Final Decision : Allowed

Judgement

S. Usha, J

1 . The application has been filed for removal/rectification of the trademark "PAMA" registered under No. 1143025 in class 25 under the provisions of the Trade Marks Act, 1999 (hereinafter referred to as Act).

2. The applicants are carrying on business under the name and style M/s. Pasco Sports and are engaged in the business of sports goods, games and play things, gymnastic and sporting articles, fitness equipments, readymade garments and foot wear of all kinds.

3 . The applicants in the year 1994 honestly and bonafidely adopted the trademark "PAMA" in relation to the aforesaid goods. They are the true owners and legitimate proprietors of the said trademark on account of prior adoption and use. The applicants in order to acquire statutory and exclusive rights in the trademark applied and acquired registration for the mark "PAMA" in various classes.

4 . The applicant's trademark "PAMA" is in an artistic manner including its get up, lettering style, placement of words etc. The applicants are also the true and

bonafide owners and proprietors of the copyright in the said mark.

5 . Since the year 1994 the applicants have been honestly, bonafidely, continuously, exclusively using the trademark 'PAMA' in relation to the aforesaid goods. The goods and business carried on by the applicants have been very extensive one and the said goods and business have been practically distributed in major parts of the country. The said mark has thus acquired secondary significance and is distinguishable from those of others.

6. The applicants have clearly achieved handsome trade under the said trademark. The applicant's goods have also attained tremendous goodwill and reputation under the trademark "PAMA". The sales figures of the applicant's goods run to several lakhs of rupees since the date of its inception. They had also been promoting their sales by various modes like advertisement and electronic media.

7. The registered proprietor i.e. the respondent herein had acted as distributor of the applicants from 2002 to 2008 for the trademark "PAMA" in respect of sports goods, games and play things, gymnastic and sporting articles etc. The impugned trademark "PAMA" in relation to hosiery and garments are apparently subsequent and obtained with the fraudulent and malafide intention and is sought to be removed.

8 . The impugned trademark is identical with the applicants said trademark. By the impugned trademark, the respondents are violating the applicant's right and thus would deceive the purchasers to believe that the original goods coming from the applicant's source. The adoption and use of the impugned trademark by the respondent is dishonest, tainted, malafide and fraudulent. The respondent adopted the impugned trademark with a view to take advantage and to trade upon the reputation and goodwill of the applicant. In fact at the time of the impugned registration the respondent was aware of the applicant's proprietary rights.

9 . The adoption and claim of the respondent are tainted with dishonesty who had deliberately not disclosed their association as a distributor of the applicant during the period 2002-2008. The registration has been obtained by malafide and by playing fraud upon the Registrar of Trade marks.

10. The registration is in contravention of the provisions of the Act. The registration is a wrong entry made in the register and is wrongly remaining in the register without sufficient cause.

11. During the second week of December, 2008 the applicant had received an illegal notice from the respondent to cease and desist from using the trademark "PAMA" in respect of games and play things, gymnastic and sporting articles. The next relevant fact is that in the same month the applicant for the first time came across the advertisement of the application of a trademark belonging to the respondent under No. 1689269 with user since 15/07/2002 which is under

opposition before the Registrar of trademarks. The applicant in order to inquire about the status of the application under No. 1689269 made a search in the office of the Trademark Registry and thereafter came to know about the impugned registration.

12. The applicant also informed the public through caution notice in the prominent newspapers about their right in the trademark "PAMA". The respondent herein immediately filed a civil suit before the Hon'ble District Court of Gandhinagar on 21/05/2009. The respondent had stated in their plaint that they had been using the mark since the year 2002, whereas the said firm Capital Sports Pvt. Ltd. is claiming use from the year 1993 under false documents which are not admissible in the Court of law.

13. It came to the knowledge of the applicant that the respondents have also filed an application for rectification of registration of the trademark "PAMA" under No. 1305764 before the Trade Mark Registry.

14. The applicants have an exclusive right to use the mark "PAMA", the respondents have no locus standi to use the trademark "PAMA".

15. The applicant submits that the impugned registration is prejudicial and interferes with the applicant's business and also statutory and common law rights. The applicants are thus aggrieved person by the impugned registration for identical trademark for identical goods.

16. The respondent herein filed their counter statement denying the various averments made in the application for rectification. The respondents submitted that they were incorporated in the year 2002. The mark "PAMA" with a distinctive logo was honestly and bonafidely adopted by the Capital Sports a partnership firm of the Directors of the first respondent in the year 1993. In the year 2002, the partners of the Capital Sports also started the company namely Capital Sports Private Limited.

17. The respondent has come a long way since its beginning in the year 1993. The respondent is engaged in the business of manufacturing, marketing, advertisement and selling a wide range of sports articles and thus the trademark has become a well known trademark "PAMA" which has been in the continuous use since the year 1993. It has thus acquired a secondary meaning and is instantly associated with the first respondent. The respondents have been using the said trademark in respect of various goods.

18. The respondent has undertaken a number of promotion measures to promote the sale of goods under the trademark "PAMA". By virtue of excellent quality, the same has become popular, and commands large sales. The products under the trademark "PAMA" have been marketed through wide network of distributors throughout the country.

19. The respondent's sales turn over runs to several lakhs of rupees. The goods of the first respondent are used by higher authority of Sports governed by

Central Government as well as the Government of Gujarat and some well known schools and colleges. The respondents have also received best compliments/comments for their goods under the trademark "PAMA". They are pioneer and leader in sports articles and sports goods industries and are engaged in the business of manufacturing and marketing foot wears, readymade garments and sports goods etc.

20 . The respondent have adopted and extensively used the trademark "PAMA". By virtue of its continuous and extensive use the trademark 'PAMA' has acquired a secondary meaning and is instantly associated with the respondent and no one else. Besides acquiring valuable common law rights they have applied for registration of the trademark in class 1 to 42. The respondent have also applied for copyright registration and obtained the same.

21. The respondents have also reiterated in the counter statement that they have been using the trademark since the year 1993.

22. The respondent further stated that the applicants are not entitled to oppose the respondent's registration in the business of proprietary right over the alleged trademark as the respondents are prior adopter, user and lawful proprietor of the said trademark "PAMA". The rest of the averments are categorically denied by the respondent.

23. On completion of the pleadings, the matter was heard and Mr. Nakul Sharedalal, learned counsel for the applicant and Mr. R.P. Modi, learned counsel for the respondent appeared.

24 . The learned counsel for the applicant submitted that the trademark "PAMA" registered under No. 1143025 in class 25 is liable to be rectified for various reasons. The applicants have adopted the trademark "PAMA" and had been using the same since the year 1994. The learned counsel for the applicant further contended that the impugned application was filed on 14/10/2002 claiming user since 15/07/2002. The other contention was that within a period of three months the mark could not have acquired distinctiveness and therefore was liable to be rectified.

25. The learned counsel also submitted that though the respondent have claimed user since 2002 in their application for registration, they have in their counter statement to the application for rectification stated that they have adopted and used the trademark since the year 1993. The learned counsel further brought to our notice at pages 145 and 146 where the certificate of the distribution has been filed, along with the application for rectification. The learned counsel further submitted that the respondent had been using since the year 2002 to 2008 which is subsequent to the applicant's use and therefore they cannot claim proprietorship to the trademark "PAMA". The learned counsel further pointed out that even though it was stated in the application for rectification that the respondents are the applicant's dealer there has been no specific denial of the statement except for a bald statement. The learned counsel submitted that the

respondents are not sure as to the date of use as there has been various date of use given namely 1993, 2000, 2002 etc. The applicants claimed use since 1994 and their first invoice dated 19/12/1994. Thus it proves that they are prior in use and there can be no denial by the respondent of the fact that the applicants are prior in adoption and use.

26. The learned counsel for the applicants also brought to our notice about the cash memos at pages 151 and 154 wherein it has been clearly stated that the goods have been supplied to the respondent and therefore on the date of application i.e. on 15/07/2002 the respondent were very much aware of the applicant's use of trademark "PAMA".

27. The learned counsel for the applicant also pointed out to the Gujarat Sales Tax registration certificate filed by the respondent along with the counter statement and stated that the certificate very clearly states that they are retailer of the goods and the learned counsel also pointed out that the date of incorporation of the company was on 09/07/2002 and therefore they cannot be said to be prior user to that of the applicants.

28. The learned counsel for the applicant also pointed out that in all the bills produced by the respondent, there was no CST or GST number given. The learned counsel relied on-

(1) 2012 (50) PTC 21 (Del) (DB)-RC Oswal Hosiery Industries vs. Union of India & Ors.

(2) 2011 (46) PTC 508 (IPAB)-Shyam Traders vs. Spatial Commercial (P) Ltd.

(3): 2011 (47) PTC 580 (IPAB)-Liberty Footwear Co. vs. Force Footwear Co. & Anr.

(4) 2010 (43) PTC 185 (IPAB)-Thayar Foot Products vs. M. Sundaram

(5) 2009 (40) PTC 287 (IPAB)-Donaldson Filtration Deutschland GmbH vs. Ultrafilter (India) Pvt. Ltd.

These were relied on the issue of fraud and the learned counsel submitted that the registration has been obtained by fraud and therefore the mark ought not to continue on the register.

(6) 2012 (51) PTC 643 (IPAB) - Tirupathi Foam Ltd. & Anr. Vs. R.P. Foam Home Pvt. Ltd. & Anr. - The learned counsel relied on this judgment to say that the prior user gets a valid right than that of the subsequent registrant.

29. In reply, the learned counsel for the respondent submitted that though the applicant claimed use since the year 1994 they had applied for registration only in the year 2004 whereas the respondent have applied for registration as early as 2002 and therefore their rights are to be protected and the mark to continue in the register. The learned counsel further submitted that the certificate of the distribution filed along with the application is not a valid document as there is no

signature of the respondent in the certificate. The learned counsel therefore submitted that as a prior applicant their rights are to be protected. The learned counsel also relied on few judgments in support of their case.

1. 2004 (28) PTC 59 (Bom) - Ayushakti Ayurved Pvt. Ltd. & Ors. Vs. Hindustan Lever Limited-- Had search been done, the applicant would have had the knowledge that the mark was already in existence and that would be the proper procedure.

2 . 2008 (36) PTC 610 (Del) - Safari International & Another vs. Subhash Gupta & Others - The plea of fraud should be established by cogent evidence and just pleading will not help the person to get the relief prayed for.

3 . 2013 (55) PTC 186 (IPAB) - Mandom Corporation vs. FEM Care Pharma Limited - The adoption of a trademark has to be proved by cogent evidence and just pleading alone will not help the person claiming any relief.

4 . 2007 (34) PTC 481 (Bom)-- Sun Pharmaceutical Industries Limited Vs. Cipla Limited - Application for registration in respect of the same name pending. Search report not produced and therefore injunction refused even though they are prior user.

5 . 2005 (31) PTC 306 (IPAB) - Gurdeep Kaur & Ors. Vs. Navrattan Singh & Ors.-- The counsel relied on this judgment to say that the limitation act applies and there has been a delay in filing the rectification application. The limitation act is applicable to this Board also and therefore on the question of limitation the application is liable to be dismissed.

6. 1996 (16) PTC 537 (SC)-Cycle Corporation of India Ltd. Vs. T.I. Raleigh Industries Pvt. Ltd.-The question of non use as per section 46(1)(b) of the Old Act (1956) should not be restricted to user by registered user who should also include bonafide or authorized user. The expression therefore should not be restricted to user by the proprietor himself or any registered user but should also take into account bonafide authorized user.

7 . 2008 (37) PTC 680 (IPAB)-Hassan Bricks Field Vs. Shri Faim Khan-- The production of proof is on the applicant to prove that the applicant is an aggrieved person and also that the ground of non use on which the application is based. Here the respondent's contention is that the applicant has not proved that he is the person aggrieved nor has he proved the respondent has not used the trademark.

30. In rejoinder to the reply submitted by the learned counsel for the respondent the applicant submitted that the issue of distributorship has not been specifically denied and therefore, the documents at page 145 and 146 and at page 151 and 154 will prove the statement that the respondent had been their distributor.

31. We have carefully considered the arguments of both the counsel and have gone through the pleadings and documents.

32. A person is said to be aggrieved to file an application for rectification if he is any way injured or restrained in his business by the registration of the trademark. In *Powell's Trade Mark* (1894) 11 RPC 4 at 7 Lord Herschel held "wherever it can be shown, as here, that the applicant is in the same trade as the person who has registered the trademark, and wherever the trademark, 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."

33. In the instant case, no doubt, the applicants are aggrieved as they are prior adopters and user of the trademark "PAMA" for identical goods. The respondents have filed a suit against the applicant based on the registration. Applying the principles laid down in *Powell's* case it is clear that the legal rights of the applicants are limited because of the mark on the register. Therefore, the applicant is a person aggrieved and has a locus standi to file an application for rectification.

34. The impugned trade mark application under No. 1143025 in class 25 was filed on 14/10/2002 claiming user since 15/07/2002. The mark "PAMA" which is impugned herein is a label mark with an artistic letters P and A. The respondent's own claim is that they had been using the trademark since 2002 whereas the applicants are using the trademark "PAMA" since the year 1994.

35. The applicants vehemently contested that they are the prior user of the trademark "PAMA" since the year 1994 and produced the bills in support of the same. That apart it is the applicants case that the respondents are their authorized dealers since the year 2002 to 2008. The applicants have in fact clearly stated so in their application for rectification. They have also filed two certificates of dealerships of the year 2002 to 2008. The cash memos dated 28/01/2002, 28/01/2002, 06/06/2002 and 07/06/2002 at pages 148, 149, 150 and 151 respectively filed along with the application for rectification show that the goods were supplied to the respondents. It is pertinent to mention that the respondents were aware of the applicant's use of the trademark "PAMA" even on the date of the application for registration i.e. on 15/07/2002. The cash memos are dated 28/01/2002, 28/01/2002, 06/06/2002 and 07/06/2002 which are all earlier to the application for registration i.e. 15/07/2002.

36. On the above findings it is made clear that the respondent's adoption cannot be said to be bonafide. When the respondent's adoption is not bonafide then whatever user has been placed cannot be said to be of any help.

37. The respondent's main contention was that they are the prior applicant for the registration i.e. on 15/07/2002 whereas the applicant has filed the application for registration only in the year 2004. Therefore they are prior registrants and their rights are to be protected. The settled principle of law is

that priority prevails over the registered proprietor's right. In view of this, we do not find any merits in this contention.

38. The other contention of the respondent was that search should have been made before the applicants filed an application for registration. We think this argument is not of any relevance to this case on hand. In our considered opinion we are not on the applicant's registration and that issue will be dealt at the appropriate time and proceedings.

39. Considering all the facts and circumstances, we find that the respondent's adoption is not honest and bonafide and therefore the mark deserves to be rectified. Accordingly, the application is allowed with a direction to the Registrar to remove the impugned trademark. No order as to costs.