
(2018) 05 IPAB CK 0003

In the Intellectual Property Appellate Board

Case No : ORA/22/2017/TM/MUM, M.P. No. 17 Of 2017 In ORA/22/2017/TM/MUM

Prajapati Constructions Ltd.

APPELLANT

Vs

Manoj Ramanand Prajapati And Ors.

RESPONDENT

Date of Decision : 16-05-2018

Acts Referred:

Trade Marks Act, 1999 — Section 9, 9(1), 11, 11(1), 11(2), 11(3), 12, 12(3), 18, 19, 57, 57(1)

Citation : (2018) 74 PTC 529 (IPAB)

Hon'ble Judges : Manmohan Singh, J; Sanjeev Kumar Chaswal, Technical Member

Bench : Division Bench

Advocate : S.K. Bansal, M.R. Nair, Sunil N. Nair

Final Decision : Disposed Of

Judgement

Manmohan Singh, J

1. The applicant has filed the present petition for cancellation/removal of the Registered Trade Mark SHIVAM PRAJAPATI LABEL under No.

2347882 in Class-37 the name of Mr. Manoj Ramanand Prajapati, Sole Proprietor trading as M/s. Shivam Prajapati Builders and Developers, Shop

No. 10, Prajapati Cascade, Sector-1, New Panvel-410206, instituted by M/s. Prajapati Construction Ltd., 405/407, Persepolis Building, Plot No. 74,

Sector-17, Vashi, Navi Mumbai-400703. The applicant has also filed the application for stay of registration as the respondent No. 1 is relied upon the

registration in a suit filed by the applicant against the respondent No. 1 which is pending before Hon'ble High Court of Judicature, Mumbai. The

pleadings in the stay application are complete. Both the parties have also made their submissions before us on 27.03.2018. The counsel for the

respondent No. 1 urged that the operation of registration should not be stayed rather the rectification petition be put up for hearing.

2. Mr. Bansal is insisting for interim relief as the respondent No. 1 is relying upon the said registration in the suit for infringement filed by the applicant

against the respondent before the Hon'ble Bombay High Court.

3. Admittedly the applicants are the Registered Proprietors of their trade mark PRAJAPATI LABEL under No. 1261340 in class-37 in respect of

building construction and supervision services. The said trade mark was applied for registration on 16.01.2004 with user of 01.06.1995. The word

PRAJAPATI is also forming material and essential part of the Petitioner's trading style M/s. Prajapati Constructions Ltd.

4. The applicant also claimed that it has been doing their business of building construction and other related services through their sister concern M/s.

Prajapati Developers, M/s. Prajapati Lawns Promises Pvt. Ltd., M/s. Prajapati Gaurav Pvt. Ltd. The partners and the directors of the said firms are

of same family and their such organizations are also single economic unit and herein after referred to "said petitioners". The word PRAJAPATI is

forming material part of the petitioner's and its sister concerns.

5. In order to obtain statutory rights in other trade marks for related services petitioners have applied for registrations under-

In order to establish prior adoption and use, the applicant has filed along with the main rectification petition-

(a). Copy of legal proceedings certificate of applicant's registered trade mark PRAJAPATI LABEL under No. 1261340 in class-37 which is valid

upto 16.01.2024 with user claimed since 01.06.1995.

(b). The annual sale turnover of the applicant company at least since the year 2002. Along with the same, annual sale turnover of the applicant's sister

concerns.

(c). Certificate of Incorporation of applicant's company M/s. Prajapati Constructions Ltd.

(d). The applicant has also been awarded various awards by the Industries and its Associations and one of the said awards was awarded to the

petitioners director Sh. Rajesh Prajapati who is also the winner of the Indian Merchants Chambers way back on 22.04.2003.

(e). The applicant has also filed details of various projects which they are running

under their flagship trade mark PRAJAPATI and other formative trade marks like PRAJAPATI CASCADE, PRAJAPATI GAURAV, PRAJAPATI LAWNS & PRAJAPATI ABODE.

(f). The applicant has also shown advertisement of their projects through various newspapers, publication and trade magazines. One of the such advertiser bill is enclosed of M/s. Ronak Advertising dated 21.02.2007.

(g). In order to establish actual sales of their apartments, applicant has also enclosed an agreement of sale dated 29.04.2004 by the petitioner to one of their buyer Mr. Chandra v. Shetty & Mrs. Sumathi C. Shetty.

6. We have go through the main contentions of the respondent No. 1 made in the counter statement.

7. Having gone through the pleadings as well as the documents placed on record, prima facie at this stage the following issues are emerged from the same:-

i. Whether trade mark PRAJAPATI and SHIVAM PRAJAPATI are deceptively similar or not.

ii. Whether the trade mark of respondent No. 1 is deceptive and/or on the date of application for registration.

iii. Whether the registration granted by the respondent No. 2 in favour of respondent No. 1 is contrary to the provisions of Trade Mark Act, 1999 and Rules 2002.

8. We are inclined to take issue No. 1 and 2 together. Admittedly, the respondent No. 1 has filed the application for registration of the Trade Mark

No. 2347882 in Class-37 on 14th of June, 2012, TM applied for - SHIVAM PRAJAPATI (DEVICE OF HOUSE), claiming user - 01.06.2012.

9. It is admitted position that on the date of registration filed, the respondent had a user of 14 days. In para 12 of the counter statement, it is admitted

by the respondent No. 1 that the word PRAJPATI belongs to its community/caste members and all are free to describe this word while adopting such common surname for their respective business/trade/profession etc.

10. In view of the admission made by the respondent No. 1 in para 12 and 13 of the counter statement, the registration obtained by the respondent No.

1 prima facie may contrary to Section 9 of the Act, which prohibits the registration of a mark which is devoid of any distinctive character, and not

capable of distinguishing the goods or service of one person from those of another person. Section 9(1) of the Trade Mark Act., 1999 read as under:-

9. Absolute grounds for refusal of registration. - (1) The trade marks

(a) which are devoid of any distinctive character that is to say, not capable of distinguishing the goods or services of one person from those of another

person;

(b) which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values,

geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service;

(c) which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established

practices of the trade, shall not be registered.

11. There cannot be any dispute that on the date of application, the respondent No. 1 has only used the trade mark for 14 days, therefore, on the face

of it, the mark was not distinctive. Exception of Section 9(1) is Section 12, which reads as under:

12. Registration in the case of honest concurrent use, etc. - In the case of honest concurrent use or of other special circumstances which in the

opinion of the Registrar, make it proper so to do, he may permit the registration by more than one proprietor of the trade marks which are identical or

similar (whether any such trade mark is already registered or not) in respect of the same or similar goods or services, subject to such conditions and

limitations, if any, as the Registrar may think fit to impose.

12. In the present case, admittedly the applicant is holding trade mark PRAJAPATI which is a part of registration of the respondent No. 1. The

registration of identical or similar trade mark can only be granted if the parties have the honest concurrent use or of other special circumstances. In

the present case, the question of concurrent use does not arise as on the date of application for registration, there was only a user of 14 days.

Therefore, the respondent No. 1 cannot derive the benefit of section 12 of the Act.

13. Now, the issue before us is as to whether the two trade marks- PRAJAPATI and SHIVAM PRAJAPATI with the device of house are

deceptively similar or not. The mark PRAJAPATI is used by the respondent No. 1

in prominent manner, no doubt, it is a label mark. The device of

house and a word SHWAM are mentioned in the prefix and suffix portion. The law in this regard is quite settled in the case of K.R. Chinna Krishna

Chetiar v. Sri Ambal and Co. & anther. The Judgement reported in AIR 1970 SC 146 : 1970(1) : 1950-2000 (22) PTC(Suppl)(1) 256 (SC)'. The facts

of this case are read as under:-

a) The respondents as also the appellant are manufacturers and dealers in snuff carrying on business at Madras and having business activities inside

and outside the State of Madras. On March 10, 1958 the appellant filed application No. 183961 for registration of a trade mark in class 34 in respect

of ""small manufactured in Madras"", The respondent filed a notice of opposition. The main ground of opposition was that the proposed mark was

deceptively similar to their registered trade marks. The respondents were the proprietors of the registered trade marks Nos. 126808 and 146291.

Trade Marks No. 126808 consists of a label containing a device of a goddess Sri Ambal seated on a globe floating on water enclosed in a circular

frame with the legend ""Sri Ambal Primala Snuff"" at the top of the label, and the name and address ""Sri Ambal and Co., Madras"" at the bottom. Trade

Mark No. 146291 consists of the expression ""Sri Ambal"". The mark of which the appellant seeks registration consists of a label containing three

panels. The first and third panels contain in Tamil, Devangri, Telugu and Kannada the equivalents of the words ""Sri Andal Madras Snuff". The central

panel contains the picture of goddess Sri Andal and the legend ""Sri Andal.

b) The Registrar held, the sound of ""Ambal"" does not so nearly resemble the sound of ""Andal"", in spite of certain letters being common to both the

marks, as to be likely to cause confusion or deception among a substantial number of persons.

c) The respondents filed an appeal in the Madras High Court, Jagadishan J., observed:

It is settled law that a trade mark comprehends not merely the picture, design or symbol but also its descriptive name. A copy of colourable imitation

of the name would constitute an infringement of the mark containing the name. Nobody can abstract the name or use a phonetical equivalent of it and

escape the charge of piracy of the mark pleading that the visual aspect of his mark is different from the mark of the person opposing its registration.

He held:-

The words, Ambal and Andal, have such great phonetic similarity that they are undistinguishable having the same sound and pronunciation. In

whatever way they are uttered or spoken, slowly or quickly, perfectly or imperfectly, meticulously or carelessly and whoever utters them, a foreigner

or a native of India, wherever they are uttered in the noisy market place or in a claim an scheduled area, over the phone or in person, the danger of

confusion between the two phonetically allied names is imminent and unavoidable.

Accordingly, he allowed the appeal and dismissed the appellant's application for registration of the trade mark.

d) The appellant filed a letters patent appeal. The Divisional Bench of the High Court dismissed the appeal. The learned Registrar and the two Courts

concurrently found that the appellant failed to prove honest concurrent use as to bring his case within Section 12(3).

The appeal was filed by the appellant after obtaining special leave before the Supreme Court, where it was held

The Registrar was of the view that the appellants mark was not deceptively similar to the respondents' trade marks. He has expert knowledge of such

matters and his decision should not be lightly disturbed. But both the Courts have found that he was clearly wrong and held that there is deceptive

similarity between the two marks. The Supreme Court after discussion of law on the subject held that there is no evidence of actual confusion, but that

might be due to the fact that the appellant's trade is not of long standing. There is no visual resemblance between the two marks, but ocular

comparison is not always the decisive test. The resemblance between the two marks must be considered with reference to the ear as well as the eye.

There is a close affinity of sound between Ambal and Andal. The customers who use the respondent's goods will have a recollection that they are

known by the word Ambal. They may also have a vague recollection of the portrait of a benign Goddess used in connection with the mark. They are

not likely to remember the fine distinctions between a Vaishnavita Goddess and a Shivaite deity.

14. The appeal was dismissed. It was also informed that the appellant filed another application No. 212575 seeking registration of labels of which the

expression "'Radha's Sri Andal Madras Snuff' forms a part. The learned Registrar has disposed of the application in favour of the appellant. However,

the appeal was later on allowed and it was held that even "'Radha's Sri Andal Madras Snuff wherein the similar mark was formed part of it is still

phonetic similar. The said Judgement was reported in AIR 1973 Mysore 74.

The facts in the present case are almost similar to the case of K.R. Chinna Krishna Chetiar v. Sri Amba and Co. (supra), thus, prime facie we are of

the considered view that the trade mark of the applicant as well as trade mark of the respondent No. 1 are deceptively similar.

15. Prima facie, it also appears to us that the registration obtained by the respondent No. 1 is also contrary to the section 11.1, 11.2 & 11.3 of the Act,

which are reproduced below:-

11. Relative grounds for refusal of registration -

(1) Save as provided in section 12, a trade mark shall not be registered if, because of-

(a) its identify with an earlier trade mark and similarity of goods or services covered by the trade mark; or

(b) its similarity to an earlier trade mark and the identity or similarity of the goods or services covered by the trade mark,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

(2) A trademark which -

(a) is identical with or similar to an earlier trade mark; and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered in the name of a different

proprietor,

shall not be registered, if or to the extent, the earlier trade mark is a well-known trade mark in India and the use of the later mark without due cause

would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.

+that, its use in India is liable to be prevented -

(a) by virtue of any law in particular the law of passing off protecting an unregistered trade mark used in the course of trade; or

(b) by virtue of law of copyright.

16. Section 11 is the mandatory provision which has the grounds for refusal of registration are mentioned. Admittedly, the trade mark of respondent

No. 1 is not identical but as held by us that the trade mark of the respondent is prime facie deceptively similar because the respondent No. 1 used the

registered trade mark of the applicant in the mark applied by the respondent No. 1. Thus, it cannot be ruled out that the mark used by the respondent

No. 1 cannot cause confusion and deception.

17. The most important and crucial issue in the present case involved is that when the application for registration was filed on 14th of June, 2012, the

trade mark and pending applications of the applicant in the Examiner Report were not cited as conflicted marks by the respondent No. 2. There is a

complete procedure which has been ignored by the respondent No. 2 while accepting the application of the respondent No. 1. It is true under section

18 of the Trade Mark Act, 1999, any person claiming to be the proprietor of the trade mark, if he desired for registration, can file the application in the

office of Trade Mark Registry. But at the same time after filing the application, the search is to be conducted by the respondent No. 2 as to whether

any earlier trademark is registered or pending applications, those are mandatorily to be cited/referred in the Examiner Report.

18. Rule 37 has a procedure on receipt of application for registration of the trade mark, the same is read as under:-

Acknowledgement and Search - (1) Every application for the registration of a trade mark in respect of any goods or services shall on receipt, be

acknowledged by the Registrar. The acknowledgement shall be by way of return of one of the additional representations of the trade mark filed by the

applicant along with his application, with the official number of the application duly entered thereon.

(2) Upon receipt of the application for registration of trade mark, the Registrar shall cause a search to be made amongst the registered trade marks

and amongst the pending applications for the purpose of ascertaining whether there are on record in respect of the same goods or services or similar

goods or services any mark identical with or deceptively similar to the mark sought to be registered and the Registrar may cause the search to be

renewed at any time before the acceptance of the application but shall not be bound to do so.

19. We have seen the Examiner Report dated 13th June, 2013 issued to the Respondent No. 1 by the Respondent No. 2. It is evident from the

Examiner Report that the registered trademark and the pending applications of the applicant have not been cited in the Examiner Report. It appears

from the said report that the Examiner has examined the application of the respondent No. 1 of the mark as SHIVAM and not PRAJAPATI.

20. It is clear that there is a lapse on the part of the respondent no, 2 in Examiner Report. We failed to understand why the registered trade mark and

pending applications have been ignored by the respondent No. 2. Had the said trade marks and pending applications of the applicant been referred in

the Examiner Report, the application of the respondent No. 1 ought not to have been allowed. Despite of grave lapse on the part of respondent No. 2,

the application of the respondent No. 1 was proceeded further and the same was registered. The respondent No. 2 has even after acceptance of

mark (if wrongly) has got the power to withdraw the acceptance in case of an error in view of the mandatory provision of section 19 of the Act, the

said provision is read as under:-

Withdrawal of acceptance-Where, after the acceptance of an application for registration of a trade mark but before its registration, the Registrar is

satisfied-

(a) that the application has been accepted in error; or

(b) that in the circumstances of the case the trade mark should not be registered or should be registered subject to the conditions or limitations or to

conditions additional to or different from the conditions or limitations subject to which the application has been accepted,

the Registrar may, after hearing the applicant if he so desires, withdraw the acceptance and proceed as if the application had not been accepted.

21. However, in the present case, it has not happened, it may be that it has not come in the notice of respondent No. 2 and the mark was got

registered.

22. Even under Section 57 of the Trade Mark Act, 1999, this Appellate Board as well as the Registrar is in power to make correction in the Register

in favour of any aggrieved party if the registration is granted in contravention, or failure to observe a condition entered on the register in relation

thereto. Section 57 of the Trade Mark Act, 1999 is read as under:-

57. Power to cancel or vary registration and to rectify the register:-

(1) On application made in the prescribed manner to the Appellate Board or to the Registrar by any person aggrieved, the tribunal may make such

order as it may think fit for cancelling or varying the registration of a trade mark on the ground of any contravention, or failure to observe a condition

entered on the register in relation thereto.

(2) Any person aggrieved by the absence or omission from the register of any entry, or by any entry made in the register without sufficient cause, or

by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to the

Appellate Board or to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as it may think fit.

(3) The tribunal may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the

rectification of the register.

(4) The tribunal, of its own motion, may, after giving notice in the prescribed manner to the parties concerned and after giving them an opportunity of

being heard, make any order referred to in sub-section (1) or sub-section (2).

(5) Any order of the Appellate Board rectifying the register shall direct that notice of the rectification shall be served upon the Registrar in the

prescribed manner who shall upon receipt of such notice rectify the register accordingly.

23. In the present case, such power has not been exercised by the respondent No. 2 under section 57(1) of the Act. The applicant has no option but to

file the present application. We are of the view that a glaring error has been happened on the part of respondent No. 2 while accepting the trade mark

of respondent No. 1. It is the duty of respondent No. 2 to examine the earlier registered trade marks as well as the pending applications otherwise the

rights of the owner/registered owner shall be effected and entire system will be collapsed. The respondent No. 2 is bound to comply the mandatory

provisions of section 9, section 11, 12 and section 18 of the Act very strictly so as the rule 37 of the Act. In many cases, we have been noticing from

rectification proceedings that in the Examiner Report, the registered trade mark and pending applications of the owners have not been cited as

conflicting marks. It is a matter of serious concern, lakhs of oppositions are

pending in the office of respondent No. 2. Trade Mark Act is a Special Act., All these provisions are mandatory and cannot be ignored as the valuable rights are involved of the owners of trademarks. Different meaning of these mandatory provisions cannot be given despite of settled law for more than five decades.

24. Prima facie we are of the considered opinion that the prayer made in the application is liable to be allowed. The respondent No. 1 is restrained not to rely upon the impugned registration 2347882 in class-37 registered in the respondent No. 1 in any proceeding till the rectification proceedings are finally decided. List the main petition for direction on 10th August, 2018. Under these circumstances, the stay application is disposed of. No order to costs.