

(1970) 10 AHC CK 0010

In the Allahabad High Court

Case No : Special Appeal No's. 557 of 1961 and 145 of 1962

Pt. Ram Avtar Sharma and Others

APPELLANT

Vs

Pt. Chakradhar Saran Sharma and Others

RESPONDENT

Date of Decision : 21-10-1970

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 6 Rule 4
Trade and Merchandise Marks Act, 1958 — Section 32, 56
Trade Marks Act, 1940 — Section 24, 27(2), 46, 6, 74A

Citation : AIR 1971 All 157

Hon'ble Judges : S.N. Dwivedi, J;C.D. Parekh, J

Bench : Division Bench

Advocate : B.C. Dey, Ambika Prasad and K.B. Garg, for the Appellant; K.B. Mathur, K.N. Tripathi, K.L. Misra and S.N. Misra, for the Respondent

Final Decision : Dismissed

Judgement

Parekh, J.—This appeal arises out of the decree and judgment dated September, 12, 1961, passed by a learned Single Judge of this Court dismissing application u/s 46. Trade Marks Act, 1940.

2. The petitioners-appellants filed application u/s 46 of the Trade Marks Act, 1940, and prayed that the two entries of registration of Trade Mark under Registration Nos. 93543 and 108250 favouring respondents be expunged. Entry No. 93543 is a label bearing the picture of Gadadhar Prasad (father of respondents Nos. 1 and 2) and the words "Himkalyan Tail" (in Deonagri script) and the words "Him Kalyan" in English. Entry No. 108250 is an associated trade mark of the former and relates to registration of the word "Himkalyan" per se. These entries in the register of Trade Marks will henceforth be referred by us as TM 1 and TM 2.

3. The case of the appellant was that the registration of trade marks of TM 1 and TM 2 was obtained by Gadadhar Prasad by practising fraud on the Registrar of Trade Marks, It was the further case of the appellants that the words "Him" and

"Kalyan" are words widely used in Ayurved and for purposes of hair oils and cannot be said to have been invented by Gadadhar Prasad. It is also stated by the appellants that the two trade marks were the joint family property of Gadadhar Prasad his sons and grand-sons. For these reasons the appellants' case has been that these two trade marks could not have been registered exclusively in the name of Chakradhar Saran respondent No. 1.

4. Respondents Nos. 1 and 2 inter se have put different claims of ownership of TM 1 and TM 2. Chakradhar Saran, respondent No. 1, claims that the business and trade marks were the self-acquired property of Gadadhar Prasad and not joint family or ancestral property. According to respondent No. 1, he obtained the two trade marks on the application of Gadadhar Prasad. He based his claim on a gift deed executed by Gadadhar Prasad in his favour. He further pleaded that no fraud was practised in obtaining registration of the two trade marks and he claimed that "Himkalyan" is a single word invented by Gadadhar Prasad. Badri Prasad claimed that the business and the trade mark being ancestral properties could not have been gifted by Gadhadhar Prasad to Chakradhar Saran.

5. The Registrar of Trade mark, being a party to the proceedings, also filed a written statement wherein it has been stated that Gadadhar Prasad gave two applications for registration of trade mark. The first was dated 4th March, 1944, and the subsequent application was a joint application by Chakradhar Saran and Gadadhar Prasad. On the subsequent application the name of Chakradhar Saran was substituted and all the formalities were completed for the publication of the trade marks in the Trade Mark Journal. The Registrar has further stated that these two trade marks were thus registered, which registration is effective from the date of the application and has further been renewed for a further period of 15 years.

6. The learned Single Judge has held on the basis of the pleadings of the parties and evidence on the record that Gadadhar Prasad Sharma was manufacturing and selling Him Kalyan Tail since 1909. He has further held that the appellants failed to prove that Gadadhar Prasad or Chakradhar Saran committed any fraud in obtaining the two trade marks. He further held that respondents Nos. 1 and 2 were joint proprietors of the trade marks at the time of the application for registration (i.e. in the year 1944 and 1945) but on the date of the passing of the decree respondent No. 1 alone was the proprietor of the two trade marks. As for the trade mark being public juris, the learned Single Judge held that Gadadhar Prasad had the exclusive right to use the word "Himkalyan Tail" which was distinctively recognised. He held that although the two words "Him" and "Kalyan" have become public juris the combination "Himkalyan" has not become public juris. In connection with these two words separately, i. e., Him and Kalyan, the learned Judge was of the view that these two words are separately found in the Hindi Dictionary and these two words separately have been in common use in Ayurved for a long time, and held that the two words are of common use. He went on to find that it has not been proved in the case that Gadadhar Prasad

invented or coined the word "Himkalyan". The learned Single Judge has further observed that the word "Himkalyan" has directed reference to the quality of the goods. The word "Him" means "cool" and "Kalyan" means "beneficial". According to the learned Judge the continuous use of the word "Himkalyan" from the year 1909 by Gadadhar Prasad, non-user of this word with or without any prefix by their rival traders, naming of his business premises as "Himkalyan Bhavan" and use of the word in Hindi at the top and centre of the label with photograph of Gadadhar Prasad, go to show that the label and the word have acquired distinctiveness and Gadadhar Prasad had exclusive right to use the word. In the opinion of the learned Judge the case of the respondent No. 1 was covered by clause (3) of Section 6 (1) read with proviso to Section 6 (3) of the Trade Marks Act and Gadadhar Prasad was entitled to get both the trade marks registered.

7. The learned Single Judge also considered the bar of Section 24 of the Trade Marks Act on the filing of the application u/s 46 of the Act and held that the proceeding involving alteration or rectification of the registration is a legal proceeding and the present application was moved more than seven years after the date of the two registrations, which were "not obtained by fraud. The trade marks do not offend Section 8 of the Act, so the registration was valid in all respects and it was not open to the appellants to challenge the validity of the two trade marks and the defendants respondents are not liable to any disclaimer. The learned Single Judge dealt with the case of Badri Prasad and held that Badri Prasad did not claim rectification of register in his favour and in the year 1958 he executed an agreement relinquishing all his interest in the "Himkalyan" business which necessarily included his interest in the two trade-marks and therefore he held that the claim of Badri Prasad defendant No. 2 is also barred by Section 24 of the Act.

8. Two appeals have been filed against the judgment and decree of the learned Single Judge. One of the appeals has been filed by the plaintiffs, and the other by Badri Prasad, defendant No. 2. We propose to decide both the appeals by a single judgment.

9. Shri Ambika Prasad, learned counsel appearing for the plaintiffs-appellants, pressed the following grounds :--

(1) That Section 24 of the Trade Marks Act is not a bar to the proceeding's u/s 46 of the Act because Section 24 applies to legal proceedings and not to all proceedings;

(2) That the registration in the instant case was obtained by fraud; and

(3) That the two trade marks offend against the provisions of Section 8 (c) of the Act as they are contrary to law.

10. Shri K.N. Tripathi, learned counsel for Badri Prasad, argued that the trade marks being the property of the joint Hindu family and Badri Prasad being also interested in that property it was a case of rectification of register and the name

of Badri Prasad should be entered in the register as a joint proprietor.

11. In our opinion, none of the points raised on behalf of either of the appellants has any force, and both the appeals must fail.

12. We would first deal with the points raised on behalf of the petitioner-appellants.

Point No. 1; Section 24 of the Trade Marks Act, 1940, reads thus:

"In all legal proceedings relating to a registered trade mark, the original registration of the trade mark shall after the expiration of seven years from the date of such original registration be taken to be valid in all respects unless such registration was obtained by fraud, or unless the trade mark offends against the provisions of Section 8."

Shri Ambika Prasad's contention is that expression "all legal proceedings" used in the section does not cover the proceedings u/s 46 of the Act. The argument is that a High Court while hearing an application for rectification acts as a Tribunal and not as a Court and the proceedings before it are proceedings before the Tribunal as contemplated by Section 46 of the Act and they are in the nature of administrative proceedings. Reference was made to Sub-section (2) of Section 4G and Clause (n) of Sub-section (1) of Section 2 of the Trade Marks Act. Both these provisions are quoted below :

"46 (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 a High Court or to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as it may think fit."

"2 (1) (n). "tribunal" means the Registrar or, as the case may be, the Court before which the proceeding concerned is pending."

Ram Rakhpal Vs. Amrit Dhara Pharmacy and Others, supports this argument.

13. The term "legal proceedings" is not defined in the Trade Marks Act. It is of wide import. It will ordinarily mean any proceedings authorised by law for redressal of a legal grievance or for vindication of a legal right. (Words and Phrases, Permanent Edition, Vol. 24, p. 589). The term is defined in the Bankers Book Evidence Act (Act No. 18 of 1891). There it means any proceeding or enquiry in which evidence is or may be given and includes an arbitration. On this wide coverage, a proceeding u/s 46 will be a legal proceeding. Section 9 of Act materially reads:--

"No word which is the commonly used and accepted name of any single chemical element or single chemical compound (as distinguished from a mixture) shall be registered as a trade mark in respect of a chemical substance or preparation, and any such registration shall, notwithstanding anything in Section 24, be deemed

for the purposes of Section 46 to be an entry made in the register without sufficient cause or an entry wrongly remaining on the register, as the circumstances may require....."

14. It is evident from the non obstinate clause in Section 9 that the bar of Section 24 cannot be set up in proceedings u/s 46 where the word used in the trade mark may be such a word as is commonly used and accepted name of any single chemical element or single chemical compound, in other cases Section 24 may be pleaded as a bar if the trade mark has not been obtained by fraud or is not contrary to any law for the time being in force or to morality. The argument of Sri Ambika Prasad makes the non obstinate clause otiose. But this is not a legitimate method of statutory construction. Nor can it be, properly assumed that the clause is an instance of the legislature's casual slip. Section 9 clearly implies that the proceeding u/s 46 is a legal proceeding.

15. Sections 27 (2) (b) and 74-A of the Trade Marks Act also support our construction (Sona Ana Pana Baulraj and Another Vs. S.P. Vadiveu Nadar and Sons and Others, It may be mentioned here that Sections 32 and 56 of the Trade and Merchandise Marks Act, 1958, which correspond to Sections 24 and 46 of the Trade Marks Act, unambiguously show that the proceeding is a legal proceeding.

16. It has next been contended by Shri Ambika Prasad that the registration in the instant case was obtained by fraud. In this connection he invited our attention to paragraphs 23 to 27, 41 and 42 of the affidavit of Shri Kashinath Tewari, one of the applicants, filed in support of the application. It has been argued that the word "Himkalyan" being public juris could not be registered because the word has direct reference to the character and quality of the hair-oil. The argument is that by this word the Registrar was deceived. It was first deceitfully put in the design of the label and thereafter the word itself was sought to be registered as an associate trade mark, Secondly, it was argued that the period of user in the initial application given in the year 1944 was falsely given as 60 years while in the subsequent application the period of user has been given as 40 years. Thirdly, it was argued that the trade mark in the relevant year, when the two applications were filed, was the property of the joint Hindu family of Gadadhar Prasad and it was falsely stated in the application dated 4th March, 1944, that Gadadhar Prasad was the proprietor of the trade mark.

17. None of these arguments can be accepted. The word "Himkalyan" when split up may be public juris but the combination of the two words "Him" and "Kalyan" had acquired a distinctive-ness, in the trade of the respondent. It has an association of at least 40 years with the hair-oil prepared by Gadadhar Prasad. Evidence supports the finding of the learned Single Judge that Gadadhar Prasad had been manufacturing and selling "Himkalyan" oil since 1909. This compound word does not appear to have been used by any other rival trader in this trade. It also appears from evidence that Gadadhar Prasad was the person who for the first time used this compound word in connection with hair-oil trade. It also

appears that he adopted this name for his business and the place of his business. The compound word, there fore, distinguishes the goods of Gadadhar; Prasad and it had acquired distinctiveness much prior to the date of application for registration of the trade mark, and was not public juris

18. Courts do not take any notice" of general allegations of fraud unless the particulars are also given in the pleadings. A charge of fraud is a very serious charge and when one kind of fraud is pleaded another kind of fraud cannot be permitted to be proved. The appellant has pleaded in paragraphs 59, 60 and 61 of the affidavit of Kashi Nath that Sri Gadadhar Prasad made a deliberate false statement that he was the sole proprietor of the trade marks whereas in fact the said trade marks were the property of the joint Hindu family consisting of Gadadhar Prasad, his sons and grandsons. It has further been alleged that Gadadhar Prasad had knowingly failed to show to the Registrar the fact that his complaint against Shri Bawanji Sharma resulted in acquittal and that Gadadhar Prasad gave a letter dated 25th November, 1924, to Ran) Autar Sharma, the plaintiff-appellant, that prior to 4-12-1923 the trade mark of Gadadhar Prasad was only a label containing inter alia the image of Ganeshji.

19. From the pleadings it would appear that Gadadhar Prasad alone has been charged for practising fraud and there are no allegations of fraud against Chakradhar Saran. From Annexures D and D-1 to the affidavit it will appear that certificates u/s 75 of the Trade Marks Act have been granted by the Registrar to Chakradhar Saran and not to Gadadhar Prasad.

20. The particulars of fraud as furnished in the pleadings do not make out fraud. It is true that Gadadhar Prasad made the statement in the application dated 4th March, 1944, that the trade mark was being used by him as a proprietor thereof for the last 60 years, but subsequently on 9th March, 1945, he corrected himself and stated that the trade mark was being used for the last 40 years by him "and/or as a Karta or the manager of a joint Hindu family in the joint Hindu family business". Admittedly these applications and amendments thereof were filed by Gadadhar Prasad u/s 14 of the Trade Marks Act. The Registrar was acquainted with the two statements of facts contained therein. It cannot accordingly be held that the Registrar was defrauded in any manner. The facts given in the earlier application may have been mentioned by oversight or casual slip but later facts were corrected. The facts subsequently stated in the application dated 9th March, 1945, have been supported by the petitioners themselves. The Registrar has also in his written statement supported them. That may amount to an admission on behalf of the Registrar that he has not been led away by the statement made in the earlier application dated 4th March, 1944.

21. u/s 14 of the Trade Marks Act Gadadhar Prasad was not required to mention the facts that he had filed a complaint against Shri Bawanji which resulted in his acquittal. The alleged letter dated 25-11-1924, Annexure C to the affidavit of Shri Kashi Nath, is a highly disputed document and the learned Single Judge has rightly not relied upon it as evidence supporting the case of fraud. Even

assuming that the writing is that of Gadadhar Prasad it does not make out a case of fraud. This letter, in our opinion goes against the appellant. From this letter, it is clear that Gadadhar Prasad named the oil manufactured by him as "Ilimkalyan" and this information was given to Ram Autar Sharroa, one of the appellants in this case. He could properly claim the proprietorship in the acquired distinctive name of his oil.

22. From the above discussion it will appear that from the pleadings and the evidence adduced in the case the appellants failed to make out a case of fraud even against Gadadhar Prasad.

23. It was next argued by Shri Ambika Prasad that both the trade marks offend against the provisions of Section 8 (c) of the Act. Section 8 (c) is reproduced below:--

"8. No trade mark nor part of a trade mark shall be registered which consists of, or contains, any scandalous design or any matter the use of which would-

(c) be contrary to any law for the time being in force or to morality."

The argument is that as the word " Himkalyan" being public juris could not be registered u/s 6 of the Act, it was a matter the use of which was contrary to law for the time being in force. We do not agree with the argument advanced by the learned counsel. As we have already held that the word distinguishes the oil of Gadadhar Prasad and it had acquired distinctiveness in his trade, it could be lawfully registered.

24. Again the expression "contrary to any law for the time being in force" in Section 8 (c) means any law other than the Trade Marks Act. Section 6 of the Trade Marks Act is not covered by the wordings of Section 8 (c) of the Act. (See Ram Rakhpal's case supra).

25. In view of the foregoing discussion we agree with the learned Single Judge that the application u/s 46 of the Trade Marks Act having been filed on 23-8-1956, i. e., after seven years of the date of registration is not maintainable.

26. On behalf of Badri Prasad only one point has been raised. It has been contended that the trade mark was the property of the joint Hindu family and Badri Prasad being one of its members his name should have been entered in the register as a joint proprietor thereof. It has been urged that the learned Single Judge erred in not ordering the rectification of the register.

27. For the appreciation of the point it is necessary to refer to the plea of Badri Prasad raised in defence to the plea raised by Ram Autar Sharma and others. Badri Prasad, filed a separate written statement and disassociated with Chakradhar Saran. He has pleaded that "Himkalyan" business is ancestral business started from the time of his grandfather Babu Lal. His further plea is that Gadadhar Prasad was incompetent to make a gift in favour of Chakradhar Saran because the property was that of the joint Hindu family. On this basis he

claimed that he was a joint proprietor of the two trade marks in March, 1944 and 1945 when the applications for registration were filed by Gadadhar Prasad.

28. The evidence on record establishes that Babu Lal father of Gadadhar Prasad was trading in medicine and oil on a small scale. After his death Gadadhar Prasad continued with this business and from 1909 began manufacturing "Himkalyan" hair oil. It is also in evidence that Badri Prasad and Chakradhar Saran helped their father during his life time till Badri Prasad started his business at Lucknow as a separate unit. It is also in evidence that the profit and loss of the Lucknow unit was not combined with that of "Himkalyan" business of Gadadhar Prasad. There is also the admission of Gadadhar Prasad in the application dated 9th March, 1945, that the property in the two trade marks was that of the joint Hindu family. On the basis of this evidence it has been argued that till the date of the application and thereafter the property in the two trade marks remained the joint family property and Badri Prasad was the joint owner of the two trade marks. It may be observed that there is evidence on record, Ex. A 29, which goes to show that Gadadhar Prasad as the sole owner of the two trade marks and that of the business "Himkalyan" executed a gift deed in favour of Chakradhar Saran. It has been argued that that statement made in the gift deed about the sole proprietorship is an incorrect statement and that should not be relied upon.

In our opinion although Gadadhar Prasad described the two trade marks as the property of joint Hindu family in the year 1945, he had a desire from the very beginning as will appear from the application of 4th of March, 1944, to claim sole ownership in these two trade marks and for the reason he described himself as the sole owner of the two trade marks in gift deed Ex. A-21, executed on 12th April 1949. But Badri Prasad appears to have executed an agreement in favour of Chakradhar Saran whereby he has surrendered his interest in favour of Chakradhar Saran. Badri Prasad admitted in his statement before the Court that after the execution of the agreement in the year 1958 between himself and Chakradhar Saran the sole ownership of "Himkalyan" business was given to Chakradhar Saran. This will certainly mean that whatever was given to Chakradhar Saran in pursuance of the gift deed was impliedly correct. The sole ownership transferred by Gadadhar Prasad in favour of Chakradhar Saran in 1949 was confirmed by Badri Prasad. No other person could claim any interest in the property of the joint Hindu family except Badri Prasad, and once he conceded that Chakradhar Saran was the sole proprietor of the two trade marks and "Himkalyan" business, he cannot turn round in these proceedings and say that Chakradhar Saran was not the sole owner of the two trade marks and he has some interest therein. Badri Prasad tried to explain the circumstances in which he executed the agreement in favour of Chakradhar Saran in the year 1958, In our opinion this explanation is an after-thought. Learned counsel for Badri Prasad pointed out that since neither party to the dispute filed the agreement in question the learned Single Judge should not have relied upon the same. It may be stated that the terms of agreement were not in dispute. The

only point was whether the explanation given by Badri Prasad should be relied upon or not. In our opinion the learned Single Judge rightly rejected the explanation and laid stress on the fact that by the agreement in writing Badri Prasad admitted the sole ownership of Chakradhar Saran in the business of "Himkalyan" and in the two trade marks in dispute. Learned Single Judge, in our opinion, rightly relied upon the admission made by Badri Prasad. In our opinion, therefore, whatever may have been the interests of the rival proprietors, viz., Badri Prasad and Chakradhar Sarun before 1958, after the execution of the agreement in the year 1958 Chakradhar Saran is the sole proprietor. No other person could, therefore, challenge the right of Chakradhar Saran as, the sole proprietor of the two trade marks.

29. We have already held that there was no flaw in getting the two trade marks registered and Badri Prasad not being a joint proprietor his name could not remain on the register of the trade marks. Again, Badri Prasad has not challenged the register nor has he claimed the rectification of the register. Further, if he has any claim, that claim too is not maintainable in view of the provisions of Section 24 of the Trade Marks Act,

30. In the result the two appeals fail and are hereby dismissed. Respondent No. 1 will set his costs from the appellant in Special Appeal No. 557 of 1961.

31. The cross objection of the Respondent No. 1 is dismissed as not maintainable.