

(2008) 05 IPAB CK 0007

In the Intellectual Property Appellate Board

Case No : TRA/16/2005/TM/DEL (C.O. No. 20 Of 2001)

Radhika Trading As Radhika Chemical Works

APPELLANT

Vs

Satish Kumar Lamba Trading As Satish Soap Mills And The
Registrar Of Trade Marks, Trade Marks Registry

RESPONDENT

Date of Decision : 14-05-2008

Acts Referred:

Trade And Merchandise Marks Act, 1958 — Section 46, 46(1), 46(3), 56, 100

Citation : (2008) 05 IPAB CK 0007

Hon'ble Judges : Z.S. Negi, J; Syed Obaidur Rahaman, Technical Member

Bench : Division Bench

Advocate : Kumar Vivek Vibhu, Mohan Vidhani

Final Decision : Dismissed

Judgement

Z.S. Negi, J

1. This is an application filed under Sections 46 and 56 of the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as the Act) before the

High Court of Delhi for cancellation of the trade mark KARAN registered under No. 539786 as of 12.11.1990 in the name of the respondent No. 1

and upon the transfer of the application by the High Court of Delhi to the Intellectual Property Appellate Board in pursuance of Section 100 of the

Trade Marks Act, 1999, the said application is renumbered by the Appellate Board as TRA/16/2005/TM/DEL.

2. As stated in the application, the facts leading to the filing of the application is that the applicant as the sole proprietor of M/s. Radhika Chemical

Works has since 1.1.1994 been continuously using the trade mark KARAN in respect of detergent soaps, washing soaps and cleaning powder. Due to

its continuous and extensive use, the trade mark of the applicant has acquired an

esteemed reputation amongst the traders and the members of the public and the goods bearing the trade mark KARAN are solely and exclusively associated and identified with the goods of the applicant's manufacture. With a view to acquire statutory rights, the applicant made application on 10.1.1994 for registration of the trade mark KARAN and the said application was advertised in the Trade Marks Journal No. 1215 (Supplement) dated 21.1.2000 at page 17. The respondent No. 1 opposed the application by filing notice of opposition dated 22.3.2000 on the ground that the respondent No. 1 is the registered proprietor for an identical trade mark KARAN registered under No. 539786 in class 3 in respect of similar specification of goods. The applicant replied by filing counter-statement stating, inter alia, that the respondent No. 1 never used the trade mark KARAN and that in any case the alleged registration of respondent No. 1 was limited to the State of Punjab alone.

3. It is averred that the impugned registration of the respondent No. 1 under No. 539786 as of 12.11.1990 in class 3 in respect of washing powder, washing soap for the sale in the State of Punjab only is liable to be cancelled on the following amongst other grounds that:

(a) the respondent No. 1 has never manufactured or marketed any goods under the trade mark KARAN and at least there has been no use

whatsoever for a period of more than five years and one month as of the filing of this application;

(b) the respondent No. 1 had no intention to manufacture and market any goods under that trade mark even on the date of filing of the application on

12.11.1990 for the impugned registration; and

(c) the case of the respondent No. 1 does not fall under any of the exceptions provided for under the statute.

It is further averred that the respondent No. 1 has filed the opposition to the grant of trade mark registration to the applicant and thus the applicant is a person aggrieved within the meaning of Sections 46 and 56 of the Act.

4. On a miscellaneous petition No. 5/2008 filed by the applicant herein for consolidation of this application with appeal OA/27/2004/TM/DEL, it was

ordered that this application and appeal be posted for hearing together on 13.3.2008 but on 13.3.2008 the matters were adjourned to 22.4.2008. The

application and the appeal came up for hearing on 22.4.2008 when Shri Kumar

Vivek Vibhu, Advocate appeared for the applicant in this application

for cancellation of the trade mark and respondent No. 1 in the appeal and Shri Mohan Vidhani, Advocate appeared on behalf of the respondent No. 1

in this application for cancellation of the trade mark and appellant in the appeal. Arguments in respect of this application could be concluded and the

appeal was, at the request of one party and no objection from the other party, adjourned to 26.5.2008. It would not be in the interest of justice to defer

the pronouncement of order until 26.5.2008, therefore we are disposing of this application by this order.

5. Shri Kumar Vivek Vibhu, learned Counsel for the applicant by referring to para 10 of the application asserted that the respondent No. 1 has filed

opposition to the grant of registration of the applicant's trade mark KARAN and thus the applicant is a person aggrieved and can file and maintain the

present application as a person aggrieved. The learned Counsel relied upon the judgment of the Calcutta High Court in Aktiebolget Jonkoping Vulcan

v. V.S.V. Palanichamy Nadar and Ors. in support of his submission.

6. Shri Vibhu contended that the registration of trade mark KARAN obtained by the respondent No. 1 is liable to be removed from the register of

trade marks because the respondent No. 1 has never manufactured or marketed any goods under the registered trade mark KARAN and at least

there has been no use whatsoever by the respondent No. 1 for a period of more than five years and one month as of the date of filing of the present

application. Reiterating the averments made in paras 7 and 8 of the application, the learned Counsel contended that while inspecting the records in the

Trade Marks Registry, the applicant came to know that Annexure D, E/1 and E/2 were merely bald statements about the alleged sales,

advertisements and costs of printing of packing material without any corroborative evidence to support the same. Factually, the figures related to the

years 1989-90 to 1993-94 which clearly showed that there was no use of the mark or any expenditure incurred by the respondent No. 1 towards

advertisement in the subsequent years and more so in the last five years and one month before the date of filing of this application. It was asserted

that the applicant on its own had conducted enquiries about the sale and manufacture of goods by the respondent No. 1 and was informed that it had

since the very beginning never manufactured and marked any washing soaps,

etc. under the impugned trade mark. Learned Counsel further contended that the respondent No. 1 had no intention of using the trade mark at the time of making the application for registration of the impugned trade mark.

7. Shri Vibhu further contended that the non-use of trade mark by the respondent does not fall under any exceptions provided under Sub-section (3) of Section 46 of the Act. Relying upon the judgment in Aktiebolaget Jonkoping Vulcan's case (supra) it was contended that in order to apply Section 46(3) of the Act, the actual non-use must firstly be shown to have been due to existence of special circumstances for all the trade and secondly it must not be due to any intension to abandon or not to use the trade in relation to the goods to which the application relates but in the present case these reasons for the non-use of trade mark by the respondent No. 1 do not exist. He submitted that the respondent No. 1 had not used the trade mark even in respect to the territory of Punjab for a period of more than five years proves that the respondent No. 1 had no intention to use the trade mark even at the time of filing application on 12.11.1990 for registration and having regard to the pleadings of the applicant, the trade mark No. 539786 dated 12.11.1990 in class 3 be cancelled and the respondent No. 2 be directed to remove the entry relating to that trade mark from the Register of Trade Marks.

8. On the other hand, Shri Mohan Vidhani, learned Counsel for the respondent No. 1 submitted that the respondent No. 1 is the registered proprietor of the trade mark KARAN as of 12.11.1990 in respect of washing powder and washing soap for sale in the State of Punjab and the said trade mark is renewed on 12.11.1997 and in force. The respondent No. 1 is the exclusive owner of the trade mark by virtue of prior adoption coupled with its long and continuous user. The respondent No. 1 has promoted and popularised its trade mark by spending a huge amount on advertisements and publicity through different media and thus has earned a commanding reputation and goodwill in the trade and its goods under the trade mark KARAN are extensively sold, practically throughout India through its dealers. Learned Counsel took us to the Annexure 'B' and 'C' of the affidavit evidence dated 3.10.2007 of Shri Satish Kumar Lamba in support of registration and submitted that the respondent No. 1 is also the registered proprietor of trade

mark KARAN under No. 995450 as of 9.3.2001, without any restriction, in class 3 in respect of washing powder, washing soap, detergent cake and

bleaching powder and it owns the valid and subsisting copyright in label KARAN registered under the Copyright Act, 1957 under No. A-69679/2005.

9. Shri Vidhani submitted that the applicant is not a person aggrieved as the respondent No. 1 is in the market much prior to the applicant and that Ms.

Radhika, sole proprietor of Radhika Chemical Works has in para 6 of her affidavit evidence dated 29.12.2007 admitted that the applicant filed

application on 10.1.1994 for registration of trade mark KARAN and the opposition No. DEL-T1779/5553 filed by the respondent No. 1 was dismissed

on 31.12.2002 by the Registrar. On the face of the facts of the case, where the area of sale of goods of the respondent No. 1 is restricted to the State

of Punjab, respondent No. 1 is the prior user as well as the prior registered proprietor of the mark KARAN and the opposition filed by the respondent

No. 1 has been dismissed, the applicant cannot claim to be a person aggrieved within the purview of Sections 46 and 56 of the Act and in view of this

the applicant be put to strict proof of the averment.

10. Shri Vidhani refuting the contention of the applicant regarding non-use of trade mark by the respondent No. 1 for more than five years submitted

that the respondent No. 1 is using the trade mark from January, 1990 and he took us to the para 5 of the affidavit evidence of Shri Satish Kumar

Lamba, wherein sale and advertisement figures 1989-90 to 2006-07 of the respondent No. 1, and Annexure 'A' colly (containing copies of few bills) to

the said affidavit to show that the contention of the applicant is baseless and malafide. Asserting the averments made in para C and para 6 of the

counter-statement, the learned Counsel submitted that the respondent has been continuously using the trade mark since 1990, when the first

commercial sale was made, till the present and although the registration of the trade mark of respondent No. 1 is limited to the State of Punjab but the

goods of respondent No. 1 are being sold through out India through its dealers but no direct sale has ever been made by the respondent No. 1 in the

territories other than Punjab. Regarding the contention of the applicant that the inspection of records in the Trade Marks Registry revealed that the

Annexure D, E/1 and E/2 filed by the respondent No. 1 were nothing but bald statement and that on enquiries, the applicant was informed that the

respondent has never manufactured and marketed the goods, the learned Counsel submitted that the sales bills after the year 1993-94 were not filed with the affidavit as the same were not readily available at that time and the alleged enquiries made by the applicant is a bald claim of the applicant without any material on record to prove the same.

11. Shri Vidhani submitted that he has earlier made submission that the respondent No. 1 has been using the trade mark continuously ever since 1990 when the first commercial sale commenced, up to now and as such the respondent is not required to set up a defence of special circumstances as contemplated under Section 46(3) of the Act. He pointed out that the respondent No. 1 has nowhere raised the defence of special circumstances in its pleadings. In fact the respondent No. 1 in its counter-statement at sub-para (c) of para 9 has averred that its registration is protected under the statute, namely Trade Marks Act, 1999 and it has every right to protect it and it does not need any exceptions in any statute to protect it since, it is using the trade mark continuously. The learned Counsel urged that there exists no ground to cancel the registration of respondent No. 1 and the present application is, therefore, liable to be dismissed.

12. After having heard the arguments of both the learned Counsel and going through the records, the first question to be decided is whether the applicant can file the present application as the statutory requirement is that any person filing a rectification application must be the person aggrieved so to do. The Courts have given liberal construction to the expression person aggrieved. The test to determine person aggrieved is laid down in Powell's Trade Marks (1894) 11 RPC 4 which was relied in para 7 of the judgment in Aktiebolaget Jonkoping Vulcan's case (supra):

7. I am satisfied on these facts that the respondent Madras Match Company is a "person aggrieved" within the meaning of Section 46 of the Trade and Merchandise Marks Act, 1958. In support of this conclusion I rely on the principle laid down In re Powell's Trade Marks, (1894) 11 RPC 4 and In re Talbot's Trade Mark (1894) 11 RPC 77 that any person whose legal rights are limited by the existence of the entry on the register so that he could not lawfully do that which but for the existence of the mark upon the register, he could lawfully do. In deed, it has been held in In Re: Batt's Trade Mark Case (1889) 6 RPC 493 and In Marshall's application in (1843) 60 RPC 147

specially at page 151 that an applicant for registration whose trade mark has been refused by reason of prior registration by the respondent of the same or similar or identical mark for the same goods or description of the goods or whose application for registration is opposed on the basis of prior registration of the same or similar mark by the respondent, has been regarded as a "person aggrieved". See also *In re Appollinaris Co.'s Trade Marks*, (1891) 2 Ch 186 corresponding to 8 RPC 137 and *In Re: Rivire's Trade Marks* (1884) 26 Ch D 48. On the facts stated above, I am therefore convinced that the Madras Match Company satisfies the tests laid down by these authorities to come within the meaning of the expression "any person aggrieved" in Section 46 of the Trade and Merchandise Marks Act, 1958.

The Madras High Court in *Prestige Housewares (India) Ltd. and Anr. v. Prestige and Ors.* 200 PTC 513 (Mad), has observed that whenever it is shown that the applicant is in the same trade as the person who has registered the trade mark, and wherever the trade mark, if remaining on the register would 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, he has a locus standi to be heard as a person aggrieved. In *Wright, Crossley and Co. S.T.M.* 1898 (15) R.P.C. 131, it was held as under:

I further accept the statement of the Court of Appeal, that a man in the same trade as the one who had wrongfully registered a Trade mark and who desires to deal in the article in question is prima facie an aggrieved person but only prima facie; and the circumstances of the case may show that an individual applicant is not a person aggrieved. I think, notwithstanding what was said in that case, and has been said in other cases dealing with Trade Marks, that an applicant, in order to show that he is a person aggrieved, must show that in some possible way he may be damaged or injured if the Trade Mark is allowed to stand and by possible I mean possible in a practical sense; and not merely in a fantastic view.

In *Jadayappa Mudaliar v. Venkatachalam* the High Court of Madras has observed as under:

In order, to show that he is a person aggrieved, the petitioner must establish in a practical sense that he may be damaged or injured if the Trade Mark

is allowed to stand. He is not an aggrieved person or a person substantially interested in having the mark removed from the register. The petitioner has not proved what is his substantial interest in having the mark removed nor has he made out a case that he is substantially damaged by the respondent's registered mark remaining on the register. The petitioner has his own mark as stated by him in Ex.R.45 and he could now may be prejudiced by the respondent's mark remaining on the register. Hence I hold that the petitioner is not an aggrieved person as per the yardsticks adopted by the various rulings and passages referred to above and hence could not sustain this petition for rectification, and could not be granted the prayers asked for.

In *Hardie Trading Ltd. v. Addisons Paint and Chemicals Ltd.* it was held that the phrase "person aggrieved" for the purposes of removal on the ground of non-use under Section 46 has a different connotation from the phrase used in Section 56 for cancelling or expunging or varying an entry wrongly made or remaining in the Register. In the latter case the locus standi would be ascertained liberally, since it would not only be against the interest of other persons carrying on the same trade but also in the interest of the public to have such wrongful entry removed.

13. Now, in the light of above mentioned tests laid down by various Courts, we would see if the applicant is the person aggrieved within the meaning of Sections 46 and 56 of the Act. In the rectification application, the applicant has averred that the respondent No. 1 has opposed its application for registration. There is no averment that the applicant is under legal threat or that by reason of existence of trade mark of the respondent No. 1, the applicant had suffered or likely to suffer damage to its reputation or any other damage nor it is alleged that the registration of trade mark of the respondent No. 1 is erroneously made. There is no doubt that both the parties are in the same trade, the marks are identical and the class of goods are same but the records reveal that the respondent No. 1 has area restriction for sale of its goods to be made in the State of Punjab only and it is the prior adopter and user of the trade mark KARAN, since 12.11.1990. It is also not shown as to how the registration of trade mark of the respondent No. 1 will limit the legal rights of the applicant or how the applicant is substantially interested to remove the mark. The averment made in the application and the submission made by the counsel reiterating the said averment has some force as the respondent has filed opposition to application of the applicant

for registration and the present application dated 17.9.2001 for rectification has been filed before the date of dismissal (31.12.2002) of opposition by the Registrar. There is no doubt that the opposition was dismissed subsequent to the filing of the rectification application but at the time of filing application for rectification, the opposition proceedings was pending. In the facts and circumstances and tests laid down by various Courts, we are prima facie of the view that the applicant was the person aggrieved on the date of filing of such application.

14. A proprietor of trade mark can keep the mark alive so long he continues its use otherwise the non-use will lead to its eventual death. The use should not be merely token in order to preserve the rights conferred by the mark but should be a consistent use with a view to achieve the essential function of a trade mark. Therefore, it is for the applicant who seeks to remove the mark from the register to prove the alleged non-use by the registered proprietor. Once a prima facie case of non-use is established, the onus shifts to the registered proprietor to prove the actual user by him. In the case of *Hardie Trading Ltd. v. Addisons Paint and Chemicals Ltd.* (supra) wherein Addisons' applications for removal of trade marks were only under Section 46(1), the Apex Court held that ""The onus to establish the first two conditions obviously lies with the applicant, whereas the burden of proving the existence of special circumstances is on the proprietor of the trade marks. These conditions are not to be cumulatively proved but established seriatim. There is no question of the third condition on being established unless the second one has already been proved and there is no question of second one even being considered unless the High Court or the Registrar is satisfied as to the locus standi of the applicant."" The Court in the same case further held that ""It is moot point whether the onus to prove this aspect of non-user is on the applicant or on the registered user. Irrespective of the onus of proof, the question is: Was there any evidence of such intention on Hardies' part either not to use the trade mark itself or through registered user during the relevant period? The evidence certainly does not support any such intention."" The power under Section 46 of the Act is discretionary power of the Court or the Registrar and the question of whether to order rectification or not to do so is not so much between the applicant and the respondent but between the public and the respondent. In the case of *Aktiebolaget Jonkoping Vulcan* (supra) the High Court of

Calcutta at para 46 observed as under:

46. The discretion of the Court or the Registrar under Section 46 of the Trade and Merchandise Marks Act, 1958 entitles the Court or the Registrar

either to order the rectification or not to do so, and the question is not so much between the applicant and the respondent on the other but between the

public and the respondent. See Kerley, 9th Edition on the Law of trade Marks and Trade names, paragraph 383 and the decisions noted thereof

Noblitt-Sparks Industry's application (1950) 68 RPC 168. It is therefore not necessary or relevant to examine the conduct of the respondent Madras

Match Company. Were I to do so, I would hold against their act or conduct except perhaps that they chose a mark which happened to be similar to

the mark of the appellant Swedish Match Co.

15. The applicant, except making averment of non-use of mark by the respondent No. 1 and no intension to use the mark by the respondent No. 1 has

not produced an iota of proof to prove its contentions. Even the applicant has not furnished the details of its enquiries stated to be made by it in respect

of non-manufacture and non-marketing of goods for which registration had been obtained by the respondent No. 1 and what information were given to

it and who informed that the respondent No. 1 has not manufactured and marketed its goods from the very beginning. The respondent, on the other

hand, has given the figures of sales and advertisement expenditure from the year 1989-90 to 2006-07 and few photocopies of bills from 13.1.1990 to

27.8.2007 (A 1 to A 64). The sales figure of Rs. 3023940.10 in 1989-90 has risen to Rs. 22271606.06 in 2006-07 and all the bills pertain to sale of

Karan soap along with other brand of soaps of the respondent No. 1. The respondent has given the figures of expenditure towards advertisement but

there is not a single copy of advertisement filed in support of its claim. Though inference can be drawn on account of non production of copies of

advertisement, that the respondent No. 1 has no evidence to prove its claim of huge amount of expenditure incurred by it but it will not be fatal to its

user proof on account of availability of copies of bills to prove the user. The applicant has miserably failed to discharge its onus but the respondent No.

1 has filed adequate material to establish its user since January, 1990 to August, 2007. Since the respondent No. 1 has successfully proved user of its

mark, we are not required to go into the applicant's contention that the

respondent has no intention to use the impugned trade mark.

16. The respondent No. 1 has not raised defence under Sub-section (3) of Section 46 of the Act in its pleadings, it is, therefore, not necessary for us to

go to the question of existence of the special circumstances to defend the non-use of the trade mark KARAN. Further, it is evident from the records

that the respondent No. 1 is prior adopter and prior user of the impugned trade mark. Apart from this, the respondent No. 1 is the prior registered

proprietor thereof and is prior in the market than the applicant. In view of these coupled with our findings above, the question of exercise of discretion

in favour of the applicant does not arise.

17. In view of the above, there is no merit in the rectification application and the same must fail. The trade mark of the respondent No. 1 is not liable

for cancellation under Section 46 of the Act.

18. Accordingly, the rectification application is dismissed. There shall be no order as to costs.