
(2004) 10 IPAB CK 0020

In the Intellectual Property Appellate Board

Case No : ORA No. 1, 33 to 45/2004/TM/CH

Shanti Sagar And Ors.

APPELLANT

Vs

New Shanthi Sagar

RESPONDENT

Date of Decision : 25-10-2004

Acts Referred:

Trade And Merchandise Marks Act, 1958 — Section 2(1)(v), 11, 12, 81
Trade Marks Act, 1999 — Section 41, 47, 57, 125

Citation : (2005) 31 PTC 476 (IPAB)

Hon'ble Judges : S. Jagadeesan, J;Raghubir Singh, J

Bench : Division Bench

Advocate : T.K. Ramkumar, R.S. Varadarajan, Parthiban, S. Balachandran, K. Rajasekaran

Final Decision : Dismissed

Judgement

S. Jagadeesan, J

1. Since the issues involved in all the rectification applications are the same, both the counsel requested that all the applications be clubbed together and

heard jointly. Hence, we have heard all the applications jointly.

2. All the applications were filed under Sections 47, 57 and 125 of the Trade Marks Act, 1999, for removal of the respondent's trade mark from the Register of Trade Marks Registry.

3. The case of the applicant in ORA 1/2004 is that they are carrying on the business of running a restaurant under the name and style of M/s. Shanti Sagar

since 5.8.1991. The applicant is also running a chain of vegetarian restaurants under the same name and style of Shanti Sagar. The applicant filed an

application on 15.10.2001 for registration of the trade mark Shanti Sagar in application No. 1051236 under the Trade Marks Act, 1999. The applicant sought

registration in class 42. The applicant's mark Shanti Sagar is with particular artistic work, design and get-up and the same became popular in the southern part of Bangalore. The applicant is having branches and is also directly or indirectly associated with seven other restaurants with the same trade name. The applicant, further stated in the application that in the city of Bangalore, about 25 hoteliers adopted the trading style Shanti Sagar for running vegetarian restaurants, particularly, which are selling chats, juices, ice-creams, south Indian and north Indian sweets and savories and as such, the trade mark as well as the trading style Shanti Sagar has become public juris and common to trade. Hence, no one can exclusively claim any right or title and interest in the same.

The Registrar of Trade Marks has also given a search report stating that nearly 13 trade marks were applied for registration by various persons from all over India which are deceptively similar to the applicant's trade mark. The trade mark Shanti Sagar is being used by various persons for trading under food stuffs falling under class 30 of Trade Marks Act, 1999. The applicant also furnished the list of hoteliers using the name Shanti Sagar. The applicant is therefore, adversely affected by the continuation of the respondent's trade mark "'NEW SHANTI SAGAR'" registered under No. 566035 B in class 30. The respondent is claiming to be the proprietor of the trade mark 'NEW SHANTI SAGAR', adopted for the first time in the year 1989. The trade mark was advertised in the Trade Marks Journal No. 1219, dated 16.3.2000. But, the respondent, consequent to obtaining the registration of the said trade mark, has been indulging in misappropriation of the trade mark contrary to the conditions attached to registration and has initiated vexatious litigations against the applicant and others.

The suit O.S. No. 5087/1995 filed against the applicant was dismissed for default. The respondent is having five branches in and around Bangalore in the year 1995. The branches were started by the respondent much later of the adoption of the trade mark Shanti Sagar by the applicant.. The respondent, without disclosing the correct facts has obtained the registration of the trade mark 'NEW SHANTI SAGAR' The respondent was working in the restaurant 'New Shanti Sagar', which was initially started by M/s. T. Rama Bhat and others in the year 1982. The respondent was working in the said hotel for a few years and thereafter, commenced his own restaurant at C.M.H. Road, Indiranagar, Bangalore, in the year 1987. Hence, the trade mark and the trading

style

'New Shanti Sagar', was first conceived and adopted by the said Shri T. Rama Bhat and others, which exists even now, though, the ownership changed

several hands. The respondent clandestinely made an application seeking registration of the impugned trade mark and obtained registration, even though he is

not a proprietor of the said trade mark. The main grounds on which removal of the impugned trade mark is sought for are:

(1) The respondent's mark is without sufficient cause and the same has been wrongly entered in the register;

(2) The impugned mark has not become distinctive with the respondent at a particular point of time since the search report clearly reveals that the applicants'

trade mark Shanti Sagar was being used by various traders in so far as it relates to manufacture and sale of food items falling under class 30 and therefore

the registration of the impugned mark is opposed to Section 11;

(3) The impugned mark was conceived and adopted by Smt. Shanti P. Amin, wife of Shri Babu P. Amin, in the year 1980, which is her own name in

combination of word Sagar and by prefixing the word New Shanti is the personal name of a living person adopted for running a restaurant under the trading

style New Shanti Sagar and as such, the trade mark cannot be registered under Section 14 of the Trade Marks Act, 1999, without the consent of that

person;

(4) The respondent obtained the registration of the impugned trade mark in class 30 for manufacture and sale of food items falling under class 30 of the

Trade and Merchandise Marks Act, 1958. The respondent is using the impugned mark for running vegetarian restaurant which is per se a service mark

falling under class 42 of Trade Marks Act, 1999. Hence, the registration of the trade mark obtained by the respondent is contrary to conditions entered in the

Register and is therefore liable to be cancelled.

4. An additional prayer is to restrain the respondent from in any manner making groundless threats and initiating vexatious legal proceedings against the bona

fide use of the trade mark Shanti Sagar by the application is also sought for on the ground that the respondent has instituted various legal proceedings both

civil and criminal against the persons who adopted the trade mark Shanti Sagar.

5. One Shri K. Gopal, proprietor of the respondent New Shanti Sagar, filed the

counter affidavit stating that he has been using the impugned trade mark along with a distinctive logo and letter 'S' written stylishly in a composite fashion since 1.6.1988. He is having six restaurants in Bangalore having a turnover in 1988-89 of a sum of Rs. 7.04 lakhs. He has built up reputation and goodwill attached to the impugned trade mark which is being printed on all packing materials used for packing food items including the containers of ice cream. The impugned trade mark was registered under class 30 with the specification of goods to read as "coffee, tea, cocoa, preparations from cereals, Breads, Biscuits, Cakes, Ice creams, including sweets and savories, being goods included in class 30 and have sale in Bangalore city only. The applicants started the business in 1991 and applied for registration in 2001 under class 30 of the Trade and Merchandise Marks Act, 1958. After the new Act came into force, the applicants filed additional mark application under class 42 and the respondent also made an application for service mark. Hence, the applicant is estopped from taking the plea of registration under class 30 in respect of the impugned trade mark. When the applicant admitted that the name Shanti is being used by many others, it is not open to him to contend that the respondent cannot adopt the name being the personal name of a living person. The applicant is so uncertain as to who is the first adopter of the impugned trade mark which is clear from the averments in the application, wherein, at one place, he claimed that the mark New Shanti Sagar was conceived and adopted by Smt. Shanti P. Amin and in another place, he has stated that the impugned trade mark was conceived and adopted by one Shri T. Rama Bhat. Out of the eleven restaurants mentioned in the application, the applicant himself is associated with six and having started the use of the name of Shanti Sagar subsequent to the respondent, it is not open to him to contend that the trade name has become public juris. The articles specified under the certificate of registration are being manufactured by the respondent in their business premises and being sold to public. Hence, it is contended that the registration granted in favour of the respondent in class 30 is quite legal and in conformity with the provisions of the Act. The impugned trade mark is a composite mark. The present application has been filed only by way of vengeance since the respondent initiated civil and criminal proceedings. If at all the applicant has got any sufficient cause, he could have established his claim for registration under Section 12 of the 1958 Act and without doing so, he has filed these rectification applications and also

set up the others to gain strength.

6. The applicant filed rejoinder denying the statements made by the respondent in the counter. The averments in the other ORAs are almost stereotype and common, except the date of commencement of the business of the respective applicants. We have heard both the counsel.

7. The learned Counsel for the applicant contended that the respondent had registered the impugned trade mark under class 30. Since no service mark was available at the time of registration of the impugned mark, the same was registered under class 30 in respect of the goods mentioned therein. Contrary to the

registration certificate, the respondent is running a restaurant which is in the nature of service. Hence, the registration is not in conformity with the procedure

laid down under the Act and the use of the registered mark in respect of the service is contrary to the condition of registration. When the impugned mark is

not used in respect of any goods for which the certificate of registration was issued, then, the impugned mark cannot be said to be used in respect of the

goods for which the registration of the mark was granted. It is also contended that the impugned mark is not an invented one. The respondent himself

admitted in his counter that the impugned mark was originally adopted by one Shri Babu P. Amin and the use of the impugned mark by the respondent was

not objected by the original proprietor. When the respondent is not the proprietor of the impugned trade mark, he is not entitled to use the same without

obtaining the right in a process known to law. The respondent further claimed that he is the proprietor of the New Shanti Sagar, whereas, the business is

being carried on as partnership concern. Hence, the respondent has made a false claim and also sworn to a false affidavit by which it can be clearly

concluded that the registration was obtained by fraud. Shri K, Gopal, the proprietor of the respondent restaurant sold the business on 9.7.2001 to M/s.

Akshay Enterprises and as such, the respondent has no right to continue the proceedings since he has not interest in the trading of the respondent firm. More

than 20 persons are using the name Shanti Sagar and as such, the trade name has become public juris. The registration of the impugned mark cannot be

continued to remain in the register of Trade Marks Registry and as such, the impugned mark is liable to be removed.

8. Per contra, the learned Counsel for the respondent contended that the user claimed by the applicant is subsequent to the use by the respondent. In fact,

prior to the commencement of the use by the applicant, the respondent had applied for registration. None of the applicants filed any objection when the application of the respondent for registration was advertised. Hence, it is not open to the applicants to put forth any objection at this point of time. Further, whether the mark sought to be registered is a public juris or not has to be considered with respect to the date of application. The use of the same mark unauthorisedly by a few traders or the manufacturers will not make the impugned mark public juries. The impugned mark was registered under class 30 and

the certificate was issued in respect of certain food articles which are being prepared and sold by the respondent in the restaurant. Hence, it cannot be said that the respondent is in no way connected with the goods specified in the certificate of registration and by running the restaurant he has converted the impugned mark into one for service. The applicants, on their admission that they started the business subsequent to the respondent cannot claim any proprietary right in the trade mark affecting the earlier right created in favour of the respondent by use of the impugned mark. Consequently, the applications are liable to be dismissed.

9. We have carefully considered the respective contentions of both the counsel.

10. Though voluminous documents are filed by way of evidence, there absolutely no need to discuss the same. As the admitted facts are that the respondent had obtained the registration of the impugned mark by filing an application on 22.6.1992 and the same was renewed with effect from 22.6.1999 and the validity was extended upto 22.6.2006. The respondent's use of the impugned trade mark from 1.6.1988 is also undisputed. The applicant has mentioned to various users of the trade name and style Shanti Sagar as follows:

11. The date of establishment furnished by the respective applicant clearly establishes that all the users have commenced the business subsequent to the respondent. The respondent has also obtained the registration and all these applications are for rectification. When the impugned trade mark was registered as early as in 1992 and had been subsequently renewed, it is for us to scrutinize the reasons given by the applicants for rectification.

12. The following grounds are stated by the applicants for removal of the impugned trade mark.

(1) The mark has become public juris;

(2) Though the mark had been registered under class 30, the respondent is running a restaurant whereby converting the mark into one for service, the registration of the mark for service was not available under the 1958 Act and as such, the mark is liable to be removed;

(3) The respondent has contravened the condition of registration by running the restaurant instead of using the mark on his goods. Hence, liable to be removed;

(4) The respondent not being the proprietor of the trade mark and not being the proprietor of the respondent firm, claimed proprietorship before the Registrar and obtained the registration. Hence, the registration is by fraud and as such is liable to be removed;

(5) The respondent sold the business to a third party and hence cannot contest the proceedings as he has no interest at present in the trade mark.

13. So far as the first ground is concerned, the plea of public juris was set in motion on the ground that a number of persons are using the trade name and

style Shanti Sagar which is almost identical to the respondent's registered trade mark. As already pointed out, all the applicants in these applications have

commenced the business with the trade name and style Shanti Sagar subsequent to the respondent. The respondent commenced the use of the trade name

New Shanti Sagar in 1988 and got the registration in 1992. Admittedly, when the respondent is the earlier user and also applied for registration and got the

registration of the impugned mark, in our view, it is not open to the applicants to contend that by their subsequent use, the impugned mark became public

juris. Whenever the respondent came to know about the use of the identical mark, he has initiated civil as well as criminal proceedings, which aspect was

admitted by the applicants themselves in their applications. The second portion of the relief seeking an injunction restrain in the respondent from initiating any

proceeding against any one using the identical mark itself clearly establishes that the respondent never failed to safeguard his rights in respect of the

impugned mark. Hence, we are of the view that there is absolutely no substance in this plea of the applicants.

14. Coming to the second and third grounds that the impugned mark was registered under class 30 in respect of coffee, Tea, cocoa, preparations made from

cereals, Breads, Biscuits, cakes, Ice creams including sweets and savories in the city of Bangalore only, the condition imposed in the registration certificate is

that the registration of the mark shall give no right to the exclusive use of the letter 'S' and expression 'NEW and 'Vegetarian Restaurant'. No case has been made out by any of the applicants with regard to the contravention of the conditions imposed in the registration. The only contention is that by running the restaurant, the respondent had converted the trade mark into one for service and the respondent never used the trade mark in respect of the goods. It may be pertinent to note that in para 9 of the counter affidavit, the respondent has stated as follows:

I state that the registration of my mark under class 30 is restricted for the city of Bangalore only. The specification of goods in the registration reads as

coffee, Tea, cocoa, including sweets and savories being goods included in class 30 for sale in the city of Bangalore. The above said vendable goods are being

manufactured by me in my business premises and being sold to public. I also state that as per the terms of registration, I have been using the trade mark

'NEW SHANTI SAGAR' in Bangalore city and hence the condition laid down by the Hon'ble Registry while granting registration are strictly adhered to.

This statement of the respondent was not controverted by the applicants even though they have chosen to file a rejoinder.

15. It is further contended that since the service mark was not available under the old Act, the use of the impugned mark for service would be liable for

removal of the mark. For this, we have to look into the definition of trade mark under the old Act. Section 2(1)(v) defines the trade mark as follows:

'trade mark' means:

(i) in relation to chapter X (other than Section 81), a registered trade mark or a mark used in relation to goods for the purpose of indicating or so as to

indicate a connection in the course of trade between the goods and some persons having the right as proprietor to use the mark; and

(ii) in relation to the other provisions of this Act, a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a

connection in the course of trade between the goods and some person having the right, either as proprietor or as registered user, to use the mark whether

with or without any indication of the identity of that person, and includes a certification trade mark registered as such under the provisions of Chapter VIII.

16. The Sub clause (ii) of Section 2(1) (v) of the 1958 Act 2(1)(v) of the 1958 Act makes it clear that a mark used to indicate a connection in the course of

the trade between the goods and some person having the right, either as proprietor or as registered user, to use the mark whether with or without any indication of the identity of that person and includes a certification trade mark registered as such under the provisions of Chapter VIII. This provision

explicitly explains the concept of the trade mark and the relationship with the goods or the person involved with the goods. It is a fundamental principle of the trade mark law that the function of a trade mark is to indicate the origin of the goods to which it is applied. The connection in the course of trade mentioned

in Sub clause (ii) should therefore, mean any kind of connection consistent with this principle. Trade has a wide term. But its meaning must vary with and be

controlled by its context. A connection with goods in the course of trade means in the definition section, an association with the goods in the course of their

production and preparation for the market. The expression would appear to include any connection in the course of trade by which the proprietor retains the

ability to specify or control the nature or quality of the goods sold under the mark, and the principle that a trade mark should indicate the origin of goods must

be understood as including such a connection. It is from such connection that the proprietor derives his goodwill in the goods and it is this connection, so long

as it exists in fact, which enables the public to rely upon the goods of the proprietor being of the nature and quality which has to be determined. On this

principle, it is clear that the respondent being the manufacturer of the goods specified in the certificate of registration is entitled for the protection of the

same. The restaurant may be a distributing channel for those who want to consume the respondent's products immediately. For those who want parcel, the

goods are being supplied through packing and the packing material would contain the trade name of the respondent. In such circumstances, it cannot be said

that the respondent had either contravened the condition of registration or converted the mark into a service. Hence, these contentions also fail.

17. So far as the fourth ground disputing the proprietorship is concerned, in para, 18(c) of the application, the applicant himself has admitted that New Shanti

Sagar was conceived and adopted by Smt. Shanti P. Amin, wife of Shri Babu P. Amin, the name being of a living person adopted for running the restaurant,

the trade mark cannot be registered under Section 14 of the Trade Marks Act, 1999. When once the registration was under the old Act, it cannot be set at

naught for the regulations imposed under the amended new Act unless the

amended Act specifies for such an eventuality. So far as the proprietorship is concerned, the original proprietors have not initiated any action. The records disclose that Shri Babu P. Amin had filed an affidavit before the Police Station giving concurrence for the use of the impugned mark by the respondent. Hence, there is not merit in this contention also.

18. So far as the last ground that the respondent had alienated the business is concerned, the respondent had admitted that out of his six concerns, one was alienated and the remaining five are with the respondent himself. When the respondent still owns the other business concerns with the registered trade mark, he is entitled to defend the action in order to safeguard his rights in respect of the impugned mark connecting his business. Hence, this ground also fails.

Consequently, we do not find any merit in this application and accordingly ORA/1/2004/TM/CH is dismissed.

19. So far as the other applications ORAs/33-45/2004/TM/CH are concerned, as already stated, the learned Counsel for the applicants said that the same argument will hold good since the averments made are the same except the date of commencement of the business by the respective applicants. Since the commencement of the business of the respective applicants have also been discussed earlier which are subsequent to the adoption of the impugned mark by the respondent, we are of the view that the reasoning given for dismissal of ORA/1/2004/TM/CH will be applicable for these applications also. However, this is without prejudice to applicants pursuing their applications for registration filed with the Registrar on their merit.

20. Following the same, these applications are also dismissed. Finally all the ORAs are dismissed. No costs.