
(2010) 10 IPAB CK 0001

In the Intellectual Property Appellate Board

Case No : M.P. No. 53 Of 2007 In OA/18/2007/TM/KOL

Superior Industries Ltd.

APPELLANT

Vs

Shah Wallace And Company And Ors.

RESPONDENT

Date of Decision : 22-10-2010

Acts Referred:

Trade Marks Act, 1999 — Section 9, 11, 12, 16, 18, 18(1), 18(4), 22, 45(2), 58

Citation : (2010) 10 IPAB CK 0001

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

Bench : Division Bench

Judgement

S. Usha, J

1. The appeal arising out of the order dated 19.01.2007 disallowing the opposition No. 199508 and allowing the application No. 941704 in class 31 for registration.

2. The brief facts of the case are as follows:

The first Respondent filed an application for registration of the trade mark HAYWARDS 5000 under No. 941704 B on 24.07.2000 claiming to be the

proprietor as per Section 18(1) of the Trade Marks Act, 1999 (hereinafter referred to as the Act) with the claim of proposed to be used. The

registration sought was in respect of agricultural, horticultural and forestry products and grains not included in other classes, living animals, fresh fruits

and vegetable seeds, live plant flower foodstuffs for animal, malt mushrooms, plant nutrients and all similar goods included in class 31. The said

application was thereafter advertised in the Trade Marks Journal No. 1328 (supplementary 2) dated 14.02.2005 at pages 2754 and 2755. The

Appellant herein had filed a notice of opposition objecting to the registration

being granted under Sections 9, 11 and 18 of the Act.

3. The Respondent No. 1 filed their counter statement denying the allegations made in the notice of opposition and on various other grounds. On

completion of the formal procedure, the learned Deputy Registrar heard the matter and passed the impugned order on the finding that the opponent i.e.

the Appellants have already been restrained by the Hon'ble High Court of Delhi from using their trade mark Superior 5000 and on account of this

injunction order and in the special circumstances allowed the application for registration. That apart the first Respondent has been using the trade

mark through their predecessors, right from the year 1983 and as such being the prior user of the trade mark are entitled to have their trade mark

registered as per the Act.

4. The Appellant have not come with clean hands and on this ground alone the opposition deserves to be dismissed. On the basis of the special

circumstances in favour of the first Respondent on the strength of registration of similar marks in their favour in various classes including in class 31,

the Respondent No. 1 is entitled to have their trade mark registered.

5. Aggrieved by the said order, the Appellants are before us on appeal on the following grounds:

(i) the order dated 19.01.2007 is contrary to the provisions of the act;

(ii) the learned Registrar has failed to take into consideration the material fact that the mark sought to be registered was devoid of any distinctive

character and was covered under Section 9 of the Act which is a ground of absolute refusal for registration;

(iii) the learned Registrar further failed to appreciate the fact that the advertisement of the application was made before acceptance;

(iv) the learned Registrar failed to appreciate that there was no use of the mark before the filing of the application;

(v) the learned Registrar had no jurisdiction to over-look and shut his eyes from the absolute ground of registration under Section 9 of the Act;

(vi) the learned Registrar failed to appreciate and follow the law laid down by the Hon'ble High Court wherein it has been specifically held that the

onus to prove that the applicant/Respondent is entitled to registration of a trade mark;

(vii) the learned Registrar also fell into error of law by not dealing with the

objections raised by the Appellant under Section 11 of the Act. The

Registrar also committed an error of law by not deleting the disclaimed portion of the mark i.e. Numeral 5000 before putting the application to

advertisement before acceptance;

(viii) the learned Registrar also erred in considering the counter-statement filed by the applicant on 20.09.2005 when the Respondent No. 2 who was

not an applicant;

(ix) the learned Registrar failed in to an error of law while considering the Respondent No. 2 as applicant on the basis of the alleged assignment

purported to be made on 27.05.2005;

(x) the learned Registrar had no jurisdiction to consider the Respondent No. 2 as the applicant and to grant registration in his favour on the basis of an

alleged assignment;

(xi) the learned Registrar was duty bound to serve a copy of request on Form TM 16 along with supporting documents to the Appellant as the same

was alleged to have been filed during the pendency of the opposition proceedings;

(xii) non-supply of the request on Form TM-16 and depriving the Appellant of their right to object to the same violated the principles of natural justice;

(xiii) the learned Registrar fell into an error of law by considering the alleged deed of assignment dated 27.05.2005 as evidence of title;

(xiv) the evidence recorded by the learned Registrar on the basis of an inadmissible evidence is illegal and is liable to be set aside;

(xv) the learned Registrar did not deal with or consider the objections raised by the Appellant about the non-applicability of Section 18(4), 22 and 58 of

the Act;

(xvi) the learned Registrar fell into an error of law while considering the Respondent No. 2 to be the proprietor of the trade mark sought to be

registered under Section 18 of the Act;

(xvii) the learned Registrar erred while considering the order of interim injunction passed by the Hon'ble High Court of Delhi as a final decision

determining the rights of the parties;

(xviii) the learned Registrar erred in law while considering the Respondent No. 2 to be entitled to registration of the impugned mark on the basis of

special circumstances;

(xix) the learned Registrar considered the special circumstances to grant in favour of the Respondent No. 2 on the basis of non-existent fact and

material on record;

(xx) the impugned order being illegal, contrary to the provisions of law and violative of the principles of natural justice is liable to be set aside.

6. The Respondent No. 1 herein filed their counter-statement to the grounds of appeal. The Respondent No. 2 stated that they are engaged in the

business of manufacture of alcoholic beverages for the last several decades. They have recently acquired several trade mark including HAYWARDS

Larger Beer, HAYWARDS Diet, HAYWARDS2000 and HAYWARDS 5000 and other marks forming part of HAYWARDS series from the

Respondent No. 1 herein who were the original applicant before the Registrar of Trade Marks by deed of assignment dated 27.05.2005. Appropriate

request for recordal of the same has already been filed before the concerned authorities. This Respondent had adopted and commenced use of

HAYWARDS 5000 in the year 1983. The earliest application for HAYWARDS 5000 was filed on 19.04.1985 under application No. 436744 in class

32 and the same is valid and subsisting. The initial launch of beer under the mark HAYWARDS 5000 was a success and the said brand has become

one of the largest selling brands in India under the said trade mark. They have been recording extensive sale of products ever since their launch in the

year 1983, the sales revenue crossing several crores of rupees. It is also pertinent to note that HAYWARDS 5000 series of trade mark which was

originally in the name of the Respondent No. 1 was licensed to the group company Shah Wallace Breweries Company.

7. Due to prior adoption and use of the mark HAYWARDS 5000 and extensive sales records and enormous efforts towards promotion and

advertisement the mark HAYWARDS 5000 has come to be exclusively associated with the Respondent No. 2 only and with none else. The mark has

thus acquired a status of a well known trade mark among the Indian consuming public.

8. Apart from the common law rights accrued in favour of the Respondent, they have also acquired several registrations incorporating the word

HAYWARDS and/or the numerals 5000 in several classes in India. The

registrations have been granted in recognition of the Respondent's proprietorship in the mark HAYWARDS 5000.

9. The Respondent have also been vigilant enough in safeguarding their rights and interests in the mark HAYWARDS 5000 by instituting several legal proceedings against third parties from infringing their well known trade mark HAYWARDS 5000 and have also been successful in obtaining injunction order against various infringers. The rest of the grounds made in the appeal are denied and the Respondents pray that the appeal be dismissed and the application be allowed to proceed for registration.

10. The matter came up before this Appellate Board at the Circuit Bench Sitting at Kolkata on 22.06.2010. Learned Counsel Shri Amarjit Singh appeared for the Appellant and Shri M.S. Bharath, learned Counsel appeared on behalf of the Respondent No. 1. We have heard the arguments of both counsel.

11. The learned Counsel for the Appellant submitted that the impugned order was passed on 19.01.2007. The application for registration under No. 941704 B was advertised before acceptance in the Trade Marks Journal. The application was filed on 24.07.2000 claiming to be proposed to be used as on the date of application for registration. The trade mark is HAYWARDS 5000 in which the numeral 5000 was not distinctive.

12. On 27.05.2005, a deed of assignment was executed between the Respondents No. 1 and 2. The Respondent No. 1 had assigned the trade mark to the Respondent No. 2. The Respondent No. 1 was the applicant before the Registrar and the counter-statement on Form TM 6 has been filed by the

Respondent No. 2. The assignment has been made on 27.05.2005 after the impugned trade mark was published in the Trade Marks Journal dated

1.02.2005 which was made available to the public on 15.04.2005. In such a case the name change cannot be made in the Form TM 16 after the trade

mark was advertised in the Trade Marks Journal. The notice of opposition has been filed on 12.07.2005 and the same was served on 19.09.2005 on

the Respondent. The counter-statement has been filed by the Respondent No. 2. The Respondent has stated in para 1 of the counter-statement that

the assignment was executed on 27.05.2005 and they have filed a request before the Registrar for recordal which had not been served on the

Appellant which fact was also stated in the affidavit of evidence in support of

opposition before the Registrar in the opposition proceedings. The counter-statement filed by the Respondent No. 2 is not valid as they are not the applicant.

13. The application was advertised before acceptance. The mark though said to be used since 1983 was only in respect of goods falling in class 32 and not in class 31. The counsel drew our attention to the list of trade marks mentioned by the Respondent in the counter-statement and submitted that the registrations were either in class 32 or class 33 and not in class 31.

14. The Registrar's observation of special circumstances was not pleaded by the Respondent either in the counter-statement before the Registrar or before the Board. The order of the Hon'ble High Court has no relevance to this case on hand as the issues and goods are different. The onus of showing that the impugned trade mark is distinctive is on the Respondent and not on the Appellant. The impugned trade mark was advertised before acceptance and not accepted as it was only proposed to be used as on the date of application. The request for change of name was not served and called for the comments of the Appellant. When the request is yet to be allowed then the counter-statement filed by the Respondent No. 2 is not legally valid. The counsel relied on the provisions of Sections 18 (4), 22, 45(2) and 58 of the Act.

15. The learned Counsel for the Respondent submitted that the special circumstances is not limited to a particular class. The mark is entitled to registration as per the provisions of Section 12 under special circumstances as well under Section 16 as associated trade mark. The recordal was allowed in January 2008, whereas the impugned order was passed in January 2007. The Appellant had suppressed the material fact that an order of injunction was confirmed by the Hon'ble High Court on 20.06.2003 while filing the notice of opposition in the year 2005. The counsel also stated that they had been taking steps against various infringers and had been successful in obtaining interim orders. The counsel finally relied on the Judgments reported in 1999 PTC (19) 476 P.L. Lamba and Ors. v. Avtar Kishan Ghai and Ors. 1998 PTC (18) 646 Grandlay Electricals (India) Ltd, and Ors., v. Vidya Batra and Ors., and 2000 RPC 536 Pharmedica GMBH's Trade Mark Application to say that substitution can be allowed by the Registrar during the opposition proceedings.

16. In rejoinder, the counsel for the Appellant submitted that though special circumstances was not pleaded has been considered by the Registrar in the impugned order. The counsel further submitted that the injunction order though passed before filing of the notice of opposition was not mentioned for the reason that the goods were different and there was no suppression of facts.

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

18. The first issue would be regarding the registration whether permissible under special circumstances as observed by the Registrar of Trade Marks

in the impugned order. There is no doubt that the trade marks ""HAYWARDS 5000"" was adopted by the Respondent as early as 1983 in class 32 in

respect of beers, mineral and aerated waters etc. and in class 33 in respect of Alcoholic beverages (except beers), whereas the Appellant had

adopted the trade mark ""SUPERIOR 5000"" in respect of non-alcoholic drinks and beers in class 33 since the year 2001 continuously. The

Respondents are also the registered proprietors of the trade mark ""HAYWARDS 5000"" as of the year 1985. The onus of establishing a case for

registration is on the applicant to prove honesty of adopting and use of the mark. Here in the instant case the impugned trade mark has been used for

various other classes of goods and has thus come to be associated with the Respondents only in our opinion. The Respondent/applicant is the

registered proprietor of the trade mark.

19. The rival marks except for the numeral 5000, are totally dissimilar. In such case, the question of confusion and deception does not arise. The

burden again is on the Respondent/applicant to prove that there will be no confusion or deception being caused if the mark allowed to registration. The

Respondent has in fact proved the same. The Respondent has filed a civil suit against the Appellant and has obtained an order in their favour which

continues even as on date. The Appellant has also not given any reason for the adoption of the trade mark ""Superior 5000"". The adoption seems to be

dishonest only to trade upon on the goodwill and reputation earned by the Respondents. Even though that trade mark ""Superior 5000"" is not in dispute

before us, we are forced to make the above observations as the Appellants have based their case on their trade mark and we are of the view that the

registration of the impugned trade mark is not likely to cause confusion. If at all confusion arises among the public it could be because of the

Appellant's trade mark as their adoption is subsequent.

20. The other issue was that the counter-statement has been filed by a third party who is not the applicant before the Registrar. In this context, we

think it worth to quote the observation of learned Judge of High Court of Delhi in 1998 PTC (18) 646 at para 15.

15. ...in M/s. Modi Threads Limited v. Som Soot Gola Factory and Anr., AIR 1992 Delhi 4 (para6) the learned Judge while dealing with the said

matter opined in the following words: ""It is true that the Plaintiff's application for getting transferred the registered trade mark in its name in the office

of the Registrar is still pending but that does not debar the Plaintiff to protect the violation of the aforesaid trade mark at the hands of unscrupulous

persons by filing an action in Court of law for injunction. It is, prima facie, clear to me that during the interregnum period when the application of the

Plaintiff is kept pending for consideration by the Registrar of Trade Marks the dishonest persons cannot be allowed to make use of the said trade

mark in order to get themselves illegally enriched earning upon the reputation built up qua that trade mark by the predecessor-in-interest of the

Plaintiff.....

21. On the lines stated above, we are also of the view that the parties who are to protect their rights have to take necessary steps. In this case, even

though a request was made for recordal of name change the Trade Marks Registry took their own time for the same. That apart the assignment

between the Respondent No. 1 and Respondent No. 2 cannot be disputed by the Appellant in any manner who is a third party. The Registrar was,

therefore, right in disallowing this issue.

22. We, therefore, find no infirmity in the order of the Deputy Registrar dated 19.01.2007. Accordingly, the appeal is dismissed with no order as to

costs.

23. Since the main appeal itself has been dismissed, M.P. No. 53/2007 filed by the Appellant for stay of the order passed by the Deputy Registrar

19.01.2007 has become infructuous and the same is disposed of accordingly.