
(2008) 11 IPAB CK 0003

In the Intellectual Property Appellate Board

Case No : TRA/01/2007/TM/DEL (C.O. No. 30/95)

Surat Textile Mills Limited And Anr.

APPELLANT

Vs

Sarabjit Singh And Anr.

RESPONDENT

Date of Decision : 14-11-2008

Acts Referred:

Trade Marks, Act, 1999 — Section 9, 11, 18, 21, 32, 56, 100

Citation : (2009) 39 PTC 524 (IPAB)

Hon'ble Judges : Z.S. Negi, J;S. Usha, Technical Member

Bench : Division Bench

Final Decision : Allowed

Judgement

S. Usha, Technical Member

1. Application for removal of the trade mark ""Garden"" under No 416629 in Class 23 registered under the provisions of the Trade and Merchandise

Marks Act, 1958 (hereinafter referred to as the Act). The said application for removal of trade mark was filed before the Hon'ble High Court of Delhi

in C.O. No. 30 of 1995 and transferred to this Appellate Board as per the provisions of Section 100 of the Trade Marks Act, 1999 and re-numbered

as TRA/01/2007/TM/DEL.

2. The applicants are companies incorporated under the Indian Companies Act, 1956. The Applicant No. 1 (formerly known as Garden Cotton and

Yarns Ltd.) is carrying on business of manufacturing and selling inter alia of textile fabrics, yarns and readymade garments and is the sister concern of

the Applicant No. 2. The Applicant No. 1 in the licensed user of the trade mark ""Garden"" which is the exclusive property of the Applicant No. 2.

3. The Applicant No. 2 is carrying on business of manufacturing and marketing

textile goods, yarns, clothing and wearing apparels, raw fabrics, textile materials, wool and thread under the trade mark ""Garden"". The Applicant No. 2 had adopted and started using the trade mark ""Garden"" since 1964 and continues to use the same extensively without any interruption till date.

4. The Respondent No. 1 had adopted an identical mark and had registered the said mark Garden under No. 416629 in Class 23 in respect of cashmilon yarn, acrylic yarn and knitting wool.

5. The Applicants state that the registration granted in favour of the Respondent No. 1 is bad in law and is wrongly made and has got to be cancelled/rectified. The Applicants are persons aggrieved as per Section 56 of the Act as the Respondent No. 1 has instituted a civil suit.

6. The Applicants prayed that the impugned trade mark be removed/rectified on the grounds hereunder:

(a) that the Respondent No. 1 has obtained the registration in contravention of the provisions of Section 9 of the Act as the mark was not distinctive of

the goods and that the registration was obtained by making false statements;

(b) that the Respondent No. 1 has falsely claimed 26.12.83 as user date but the Respondent No. 1 had not used the trade mark;

(c) that the registration has been obtained by playing fraud;

(d) that the adoption of the trade mark by the Respondent No. 1 is dishonest as they were aware of the applicants' goodwill and reputation of the

business under the trade mark 'Garden';

(e) that the registration has been granted without sufficient cause and is wrongly remaining on the Register;

(f) that the mark has been registered without any intention to use the same;

(g) that the registration has been granted in contravention of Section 11 of the Act;

(h) that the mark was not used for a period of five years and one month;

(i) that the claim of proprietorship by the Respondent No. 1 was incorrect and thus offends Section 18 of the Act; and

(j) that the registration is illegal and contrary to law and is liable to be removed.

7. The Respondent No. 1 filed their counter statement denying the various allegations made in the application for registration. The Respondent No. 1

had stated in the counter that the application is not maintainable in law or as per

the facts of the case. The applicants are not aggrieved persons as per Section 56 of the Act. The application deserves to be dismissed as the application has been filed only with the ulterior motive to harass the Respondent No. 1. The application has got to be dismissed as the Respondent No. 1 has been using the impugned trade mark since 1983 and the registration has been obtained as of the year 1984 and that the registration has become conclusive after 1991 i.e. after seven years of original registration as per Section 32 of the Act.

8. The Respondent No. 1 has been using the impugned trade mark ever since 1983 without any interruption. The sales figures run to several lakhs of rupees since 1983. The Respondent No. 1 has been vigilant and has opposed any third party who had filed an application for registration of the trade mark Garden. The Respondent No. 1 denied the allegation that the trade mark was not used for a period of five years and one month. The Respondent No. 1 also submitted that the trade mark ""Garden"" was registered as per the provisions of law and not otherwise and the mark ought not be removed from the Register of Trade Marks.

9. The matter was filed before the Hon'ble High Court of Delhi and was transferred to this Appellate Board. The Respondent No. 1 has entered appearance through a counsel and had filed the counter statement before the High Court. Though notice of hearing was sent by this Appellate Board, after transfer, to the Respondent No. 1, the same has been returned as not claimed. The matter was therefore heard ex parte. We have heard the arguments of Shri H.P. Singh, learned Counsel for the applicant on 17.09.2008 at the circuit Bench at Delhi.

10. The learned Counsel for the applicant contended that the applicants have been using the trade mark ""Garden"" since the year 1964 in respect of textile piece goods, yarns, clothing and wearing apparels, raw fabrics, textile materials, wool and thread in Class 23 and have obtained trade mark registration as early as 1986 itself. The applicant further contended that the Respondent No. 1 had adopted an identical mark for identical goods only to trade upon the goodwill earned by the applicants and unjustly earned the profits. The counsel further submitted that the applicants being prior in adoption and use, their mark has go to be protected.

11. The Respondent No. 1 has obtained registration on the grounds of false

representation. The Respondent No. 1 has filed the counter statement which is only a mere denial of the averments made in the application and no other document has been filed. He further stated that the sales figures as seen from the counter-statement is only six lakhs and the mark thus cannot be said to have acquired distinctiveness.

12. The counsel also pointed out to the documents filed alongwith the counter statement and submitted that the invoices pertain to the goods sent to their own address which shows that the Respondent No. 1 only playing fraud. The counsel finally submitted that the Respondent No. 1 had never used the trade mark for the last more than five years and one month. The counsel prayed that application be allowed and the trade mark be removed from the Register.

13. We have considered the arguments of the counsel for the applicant and have gone through the pleadings and documents of both the parties.

14. An application for rectification can be made only by a person aggrieved, though as per Section 21 of the Act, any person may file a notice of opposition. The term 'person aggrieved' though has not been defined in the said Act, has been liberally construed by various High Courts. The classic case is Powell's Trade Mark (1894) (11) RPC 4, where it was held that:

I should be very unwilling unduly to limit the construction to be placed upon these words, because although they were no doubt inserted to prevent officious interference by those who had no interest at all in the Register being correct and to exclude a mere common informer, it is undoubtedly of public interest that they should not be unduly limited, in as much as it is a public mischief that there should remain upon the Register a Mark which ought not to be there, and by which many persons may be affected, who, nevertheless, would not be willing to enter upon the risk and expense of litigation.

Wherever, it can be shown, as here, 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 or might 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, it appears to me, he has a locus standi to be heard as a person aggrieved.

The Hon'ble High Court of Calcutta in 1994 PTC 53, Toshiba Corporation v. Toshiba Appliances has observed as under:

Where a person is engaged in the same trade as the trader claiming the exclusive right to a registered trade consisting merely of words describing or designating the article manufactured, and where, in the development of the business, he may find it advantageous to use the words claimed, he is within the meaning of the statute a person aggrieved.

15. On the above mentioned observations, we are of the view that the applicants being in the same trade and that the applicants being prior in the market to that of the Respondent No. 1, the impugned trade mark of the Respondent if allowed to remain on the Register will definitely cause damage to the applicants' goodwill and reputation earned. Moreover, the applicants were sued for infringement of the trade mark by the Respondent No. 1 and thus the applicants are persons aggrieved. Therefore, the applicants have locus standi to file the present application for rectification.

16. The mark whether is capable of distinguishing to qualify for registration may either be inherently capable of distinguishing or is in fact capable of distinguishing. The mark qualifies for registration by use. Here in the instant case, we find that the Respondent No. 1 has filed certain bills of prove user but those bills show that the goods have been sent to their own address, which only raises a doubt in our mind as to whether the bill is genuine or concocted for the purpose of this case. The sales figures mentioned in the counter-statement is not supported by any cogent evidence and the mark, therefore, is neither distinctive nor capable of being distinguished.

17. The question of likelihood of deception is to be decided on the similarity of the marks and the class of goods. The marks here are identical and the goods are also similar and the trade channel is also the same. When the goods are same or similar the question of probability of deception depends on the degree of resemblance between the marks which has to be decided looking at the marks. When the marks are identical the likelihood of confusion and deception is present.

18. We shall next take up the issue as to non-user for a period of five years and one month or more as per the provisions of Section 47 of the Act.

The onus is on the applicant for rectification to prove that the mark is not in use by the Respondent No. 1. This is the general principle of evidence that

the burden is always on the person alleging non-user or other fact. Once non-user is prima facie established, the burden shifts to the registered proprietor to prove actual user. The applicant brought to our notice that the bills filed by the Respondent No. 1 is not a genuine one as the goods have been sent to the own address of Respondent No. 1 and so it is to be taken that the Respondent No. 1 was not using the trade mark or the goods as there was no sale only, though the Respondent No. 1 had filed a civil suit for infringement against the applicant. The ground of non-user is also proved and the mark is to be removed on this ground too.

19. The other ground for rectification is that the registration is made without sufficient cause. If the mark which is registered is likely to cause confusion it may be expunged, if the registered proprietor is not able to prove that their adoption and use was honest and concurrent even prior to the applicants for rectification. Especially, where the marks are identical, the Court has to consider not the conduct of the parties but the question of purity of the Register in public interest.

20. The other ground pleaded by the applicants is fraud. We quote the observations of Shri K.S. Shavaksha on the law of fraud in his book on Trade and Merchandise Marks Act, 1958 (III Edition) at page 147-148 as under:

Fraud--If the original registration has been obtained by fraud, as for instance by wrong statements deliberately made in the affidavits submitted to the

Registrar, the mark can be removed from the Register. Similarly alleging fraud is not sufficient for the absence of particulars, the application would be

incompetent. Re. Om Prakash AIR (1956) 58 P&H, Zenith Colour Trading Co.v. Taherally (1956) Bom LR 1912 at page 916. it has to be noted that

the fraud referred to in this section is fraud committed before registration. Fraudulent use of a registered mark after registration is subject to a

different principles of law. Contrary to the facts of the application on hand, it might be a fraud for a person to procure the registration of a trade mark

which he knows is in use by another trader or by the principal who is a foreign manufacturer Gyromin (1961) RPC 408 at 414.

From the later part of the observation, it is clear that the registration has been obtained by playing fraud after becoming aware of the applicants'

registration. The applicants being registered proprietors of the impugned registration since 1964 and the Respondent No. 1 users since 1983 are aware

of the mark in the market and of by use the applicants. The onus is, therefore, upon the applicants for rectification to establish the fact. The applicants

also brought to our notice the bills, filed by the Respondent, wherein the goods have been sent to their own address. Apart from the above, the

Respondents have not given + any reason for the adoption of the trade mark which only amounts to dishonest adoption. We therefore observe that the

Respondent's intentions are not bona fide and have played fraud.

21. With the above observation, we allow the application for rectification and direct the Registrar of Trade Marks to remove the trade mark ""Garden

under No. 416629 in class 23 from the Register.

22. No order as to costs.