

(1991) 09 MAD CK 0018
In the Madras High Court
Case No : T.M.A. No. 5 of 1990

Toshniwal Instruments Madras	Vs	APPELLANT
Toshniwal Bros. Pvt. Ltd. Bombay and another		RESPONDENT

Date of Decision : 13-09-1991

Acts Referred:

Trade and Merchandise Marks Act, 1958 — Section 109, 11, 12(3), 32, 46(1)

Citation : AIR 1992 Mad 74 : (1992) 2 MLJ 68

Hon'ble Judges : Bellie, J

Bench : Single Bench

Advocate : Aravind P. Datar, for the Appellant; U.N.R. Rao, for the Respondent

Judgement

Bellie, J.—This appeal is directed u/S. 109 of the Trade and Merchandise Marks Act, 1958 against an order passed by the Assistant

Registrar of Trade Marks, Madras in an application filed u/Ss. 46 and 56 of the Act for rectification of a Registered Trade Mark. The rectification

prayed for has been ordered by the Assistant Registrar.

2. The application for rectification was filed by ""Toshniwal Brothers Private Limited"" and it was filed against ""Toshniwal Instruments Madras"". The

rectification sought for was ordered by the Assistant Registrar. As against that Toshniwal Instruments Madras have filed this appeal. They will be

hereinafter called the registered proprietors. The respondent-Toshniwal Brothers Private Limited will be hereinafter called the applicants.

3. The case of the applicants is that they are a leading company incorporated under the Indian Companies Act, 1913 and are engaged since 1948

as sole selling agents in the sale and distribution of Scientific and Technical Instruments and Apparatus of various kinds, indigenously manufactured

both by associated and non-associated manufacturing firms of the applicants as well as imported from abroad. In order to distinguish their goods in

their trade they adopted in 1960 the word ""Toshniwal"" as a trade mark. Due to the extensive use of the said trade mark ""Toshniwal"" from 1961

this trade mark has become distinctive of their goods. In 1960 the applicants sought for registration of this trade mark but due to the reason that

some particulars required in the Registrar's office could not be furnished that application was not pursued. Then a fresh application was filed on

30-12-1977. When that application was advertised in the Trade Mark journal it was opposed by M/s. ""Toshniwal Instruments, Madras"". The

opposition was on the ground that the trade mark ""Toshniwal"" has been registered in their name under Registration No. 221473 in class 9 in

respect of the same goods i.e., Scientific and Technical Instruments and Apparatus. That objection was rejected by an order of the Deputy

Registrar of Trade Marks, Bombay dated 29-2-1984 and the application of the applicants is being registered.

Since it was on the basis of the registered trade mark No. 221473 the applicant's application for registration on their trade mark was opposed,

and since the said trade mark No. 221473 limits and is in derogation of the exclusive right of the applicants in the property of the trade mark

Toshniwal" the applicants are aggrieved by the existence of the Trade Mark No. 221473 of ""Toshniwal Instruments, Madras"". Therefore they are

interested and are entitled to apply for the removal of the trade mark registered under No. 221473.

The applicants in their application and the statement of case would further state, as reasons for rectification, that the registered proprietors

(Toshniwal Instruments, Madras) got the registration of the trade mark fraudulently by making false and misleading representations as to the use

and proprietorship of the trade mark. Then stating that considering the exclusive use of the trade mark ""Toshniwal"" by the applicants and the

reputation acquired by them in respect thereof the registration of the impugned trade mark was wrongful, and also just reproducing the words of S.

46(1)(a) and 46(1)(b) the applicants have stated that the impugned trade mark is contrary to Ss. 11, 32, 46(1)(a) and (1)(b) and 56 and therefore

it is liable to be removed. On these grounds the applicants have prayed for removal of the trade mark in question from the register.

4. This was opposed by the registered proprietors on several grounds. They contended that the applicants have ceased to carry on business from 1-1-1981 and as such they are not aggrieved persons within the meaning of Ss. 46, 47 and 56 of the Act. The trade mark of the registered proprietors has been registered more than seven years ago and hence that registration cannot be questioned now. The applicants have not satisfied any of the conditions set out in S. 32 for enabling them to seek removal of registration under that Section. The registered proprietors have been carrying on their business since 1961 and the applicants were selling the goods manufactured by them till 1979. The application has been filed on the strength of the concurrent registration granted to the applicants u/S. 12(3) of the Act, and against that grant by the Registrar the registered proprietors have gone on appeal to the Bombay High Court and that appeal is pending. They have denied that their registration of the trade mark was obtained by fraud. They have also denied that the registration was obtained without the intention of using it and it was not used, and would submit that their trade mark "Toshniwal" has been used continuously by them till date from the date of registration. The applicants conceded this position before the Registrar and it was only on this basis they were granted concurrent registration under S. 12(3). They further denied that their registration was contrary to S. 11 of the Act. On these contentions the registered proprietors have prayed for dismissal of the application.

5. The Assistant Registrar who heard the application, on consideration of the pleadings and the evidence adduced, held that the applicants are persons aggrieved and that the applicants have proved that the trade mark of the registered proprietors has been registered without any bona fide intention on the part of them for registration that it would be used in relation to their goods, and there has in fact been no bona fide use of the trade mark in relation to the goods by the registered proprietors up to the date of one month before the application, and that for a continuous period of five years up to the date of one month before the date of application there was no bona fide use of the trade mark in relation to the goods of the registered proprietors, and therefore the registered trade mark is liable to be taken off the register u/S. 46(1)(a) and (b). He further held that the trade mark of the registered proprietors which is identical with the applicant's trade mark is likely to deceive or cause confusion and therefore the

registration of the trade mark of the registered proprietors contravenes S. 11(a) of the Act and therefore the said trade mark is liable to be

expunged u/S. 56(2) of the Act. The Assistant Registrar however rejected the applicant's claim that the impugned registration has been obtained

fraudulently by making false and misleading representations. Ultimately the Assistant Registrar directed the trade mark No. 221473 in clause 9

registered in the name of the registered proprietor to be removed from the register. Hence this appeal by the registered proprietors.

6. The appellant assails every finding of the Assistant Registrar which are against it as against law and contrary to the evidence adduced. As seen

from the application for rectification the application has been filed u/Ss. 46(4) and 56, R. 94. There is no S. 46(4) in the Act since S. 46 has only 3

sub-sections. S. 46 is under the heading ""Removal from register and imposition of limitations on ground of non-use"", and S. 56 is under the heading

Power to cancel or vary registration and to rectify the register"". The application as well as the statement of case filed by the applicant do not

clearly indicate under what grounds the applicant seeks the relief u/S. 46 and on what grounds u/S. 56.

7. We will deal with S. 46 first. As per this section, on application by any person aggrieved, a registered trade mark may be taken off the register

on any of the grounds mentioned in clauses (a) and (b) of subsection (1). Therefore the pre-requisite for an application under this section is that the

applicant must be a person aggrieved.

Mr. Datar, learned counsel for the appellant-registered proprietors submits that there is nothing to show that the applicant is a person aggrieved but

the Assistant Registrar has held that the applicant is a person aggrieved on absolutely untenable grounds. Here it would be useful to remember that

the trade mark of the registered proprietors has been registered in the year 1964 whereas the applicant has submitted its application for registration

of its trade mark in 1977 and that was registered in 1984. Thus the registered proprietors' trade mark has been registered much earlier i.e., about

20 years earlier than the registration of the applicant's trade mark.

In the application no reason has been given as to how the applicant is a person aggrieved. But some reason has been given in the "statement of

case". This reason is that when the applicant applied for registration of its trade

mark it was opposed by the registered proprietors who owned an identical trade mark, and because of the existence of the trade mark of the registered proprietors the scope of the use of the applicant's trade mark is limited and the applicant's exclusive benefit of the trade mark is affected. From this certainly by no stretch of imagination one can say that the applicant is a person aggrieved.

How can the applicant who got his trade mark registered in 1984 say that his application for registration was objected to by the registered

proprietors whose trade mark was registered in 1964 and thereby he is aggrieved of the existence of the trade mark of the registered proprietors.

The trade mark the applicant wanted to be registered being identical with the trade mark of the registered proprietors which was already existing, it

is quite natural they would oppose the application for registration. Therefore there is absolutely nothing wrong in it. The trade mark of the

registered proprietors having been registered much earlier to the registration of the applicant's, if at all one can complain of the similarity, it can be

only by the registered proprietors and not by the applicant. Therefore Mr. Datar is absolutely right when he contended that there is no tenable

ground to show that the applicant is a person aggrieved.

In ""Powell v. Birmingham Vinegar Brewery Co."" (1894) 11 R.P.C. 4 (HL) Lord Herschell has held :--

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 applicants must show that because of the existence of the impugned trade mark it could not do a thing lawfully which it could otherwise do.

Nothing is shown which the applicants could not do because of the impugned trade mark which they could otherwise do lawfully.

In Narayanan's ""Trade Marks and Passing off"" third edition, at page 394, it is stated,

The mere fact that a man is engaged in the same trade is not sufficient to make

him a person aggrieved. In order to show that he is a person aggrieved, he must establish that in some possible way, possible in a practical sense and not merely in a fantastic view, he may be damaged or injured if the trade mark is allowed to stand".

There is absolutely no such thing shown in this case.

Mr. U. N. R. Rao, learned counsel for the respondent-applicant would however contend that the applicant will not be able to file a suit for

infringement against the appellant so long as the trade mark is not rectified and hence the applicant is an aggrieved person. First of all there is no

such plea raised in the application or the statement of case. It is indeed a fantastic plea. Unless there is an infringement the applicant is not entitled

to file a suit. Merely saying that the applicant will not be able to file a suit for infringement will not make a person aggrieved. Thus I find the

applicant has not proved that it is a person aggrieved.

On behalf of the registered proprietors it is also contended that the applicant cannot be said to be a person aggrieved because in 1981 the

applicant has transferred its business to four new private limited companies and from then on it has ceased to carry on any business, and has

become dormant and therefore there is no question of the applicant being a person aggrieved. But I do not think there is any merit in this

contention. It may be the applicant company transferred its business to four other companies and from then on it has not transacted any business.

But it has not become defunct, and is still alive. Therefore at any moment it can revive the business of its own. The said four new companies are the

applicant company's own newly floated companies and not privately owned companies to which the applicant has sold away all its rights including

the right over the trade mark. Hence rightly the Assistant Registrar did not accept this contention of the registered proprietors raised before him.

However, for the aforementioned reasons I hold that it has not been established by the applicant that it is a person aggrieved coming within the

meaning of S. 46.

8. Now we will see whether even if the applicant is a person aggrieved, any of the grounds under clauses (a) and (b) in S. 46(1) has been proved.

As regards clause (a) it must be proved, as far as the present case is concerned, first that the trade mark was registered without any bona fide

intention on the part of the registered proprietors that it should be used in relation to those goods in respect of which it was registered; and

secondly that in fact there has been no bona fide use of the trade mark in relation to those goods by the registered proprietors for the time being up

to the date of one month before the date of the application for rectification.

As regards the first part, the Assistant Registrar has held that there was no bona fide intention. When a trade mark is registered the presumption

would be that it is for use as such. If any one contends that the registration was not bona fide to use that trade mark then he must state as to for

what other purpose the registration was done. There is absolutely nothing stated regarding this in the pleadings i.e., either in the application or in the

statement of case. Anyone can say many things in his affidavit, but that would be useless unless there is a pleading first. It is the case of the

appellant-registered proprietors that they have been using the trade mark before and after it was registered. The Assistant Registrar, to arrive at a

finding that there was no intention to use the trade mark when it was registered and it was not used, seems to have relied on an affidavit of one

G.S. Toshniwal. But this person himself was one of the signatories as a partner in the application for registration of the registered proprietor's

trade mark.

In his affidavit he has not stated that there was no intention to use it by the registered proprietors when it was registered, and he has only stated that

subsequent to the registration it was not used. On behalf of the registered proprietors one K. M. Toshniwal has filed an affidavit in reply to the

affidavit of G. S. Toshniwal wherein he has stated that even from 1959 they have been using the trade mark in respect of their goods viz., scientific

and technical instruments and they continue to use the trade mark throughout after it was registered. In support of his affidavit he has also filed

sample invoices dated 27-6-84, 25-3-1985 and 20-6-1986, purchase invoices of the dates 8-8-81, 15-1-1983, 19-6-84, 5-11-84 and 16-1-86.

He has also filed turn-over statement for the years 1981-82 to 1985-86. He has also filed Auditors' certificate dated 19-11-1986 stating that they

have been auditing the accounts of the appellants for the last 20 years. He has further filed sample advertisements, instruction manual etc. With all

these can it be ever said that the registered proprietors had no intention to use

the trade mark and they have not used it at all. This affidavit of K.

M. Toshniwal and the said records filed by him have not been taken note of by the Assistant Registrar. Considering all these I find absolutely no

truth in the case of the applicants that the trade mark was registered without any bona fide intention on the part of the registered proprietors that it

should be used in relation to their goods and that it has never been used. Thus the applicant has not made out a case under clause (a) of S. 46(1).

Coming to clause (b) of S. 46(1), no particulars as to from which date there was non- user of the trade mark by the registered proprietors has

been stated, and merely the words of the section has been re-stated just omitting some of them. We have seen above that the trade mark has been

registered as early as 1964, and from then on the registered proprietors have been making use of it up to date.

Before the Assistant Registrar the learned counsel for the applicants seems to have contended that the trade mark was registered in the names of 9

partners and in the name of all these partners the trade mark continues, but there has been many changes in the partnership and now there are only

two original partners and therefore it cannot be said that the trade mark was being used by the persons in whose name it was registered and thus

there is non-user. In this regard too there is no pleadings.

There is nothing in S. 46 or anywhere in the Act to show that the use of the trade mark by only two of the nine partners in whose name it was

registered, along with some strangers, amounts to non-user of the trade mark. In fact a careful reading of S. 46 would show there should not be

use of the trade mark by any proprietor, which would mean that user by anyone of the partners in whose name the trade mark was registered

would be sufficient not to attract S. 46. Therefore there is absolutely no room for this ground i.e., the ground under clause (b). It is therefore

manifest that the applicant has not made out a case for removal of the trade mark u/S. 46.

10. Next coming to S. 56, this Section, as stated above, deals with the power to cancel or vary registration and rectify the register. In this section

also there are two grounds contained in sub-sections (1) and (2) that give power to the High Court or to the registrar to cancel or vary registration

and to rectify the register. As per sub-section (1) the ground is contravention or

failure to observe a condition entered on the register in relation to the trade mark. It is not mentioned anywhere by the applicants as to what condition entered on the register in relation to the trade mark had been contravened or failed to observe. Therefore this sub-sec. (1) is not relevant to the case.

To attract sub-sec. (2) an applicant must be a 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 in the register or by any error or defect in entry in the register. Here too no mention of anything of which the applicant is aggrieved has been mentioned anywhere either in the application or in the statement of case. Apart from just mentioning S. 56 nothing else has been stated in the pleadings.

11. It is now argued that the impugned trade mark contravenes S. 11 of the Act and therefore it comes within the purview of S. 56(2). S. 11

prohibits registration of certain trade marks. As to what are those trade marks it has been enumerated under clauses (a), (b), (c), (d) and (e) in the

Section. It is not stated under which clause the impugned trade mark comes. It appears it has been argued before the Assistant Registrar that the

impugned trade mark comes under clause (a) which deals with the use of a trade mark which would be likely to deceive or cause confusion. But

there is no such plea at all. It is pleaded that the registration of the impugned trade mark has been obtained by fraud by making false and misleading

representation. This may come under cl. (e). But rightly the Assistant Registrar has held that no fraud has been proved. Against this finding no

argument was advanced before me by the first respondent-applicant. Thus I find that no ground u/S. 56 also had been established by the

applicants.

12. Mr. Datar would submit that as the Assistant Registrar has held on the affidavit filed by G. S. Toshniwal that the applicants have acquiesced in

the use of the trade mark by the registered proprietors and it is only after 20 years the rectification application has been filed and no reason has

been given either in the pleadings or evidence as to why after acquiescence for such a long time of 20 years the application is filed, the application

is liable to be dismissed.

Mr. U. N. R. Rao, learned counsel for the respondent-applicant would however

contend that the applicant's application for registration was filed in 1977 and it was registered in 1984 and only thereafter the applicant could file the rectification application without any hindrance. This contention is without any merit because it is not the law that only a registered proprietor can file a rectification application. Considering the entire circumstances of the case it appears to me that the applicant wished to have the removal or cancellation of the trade mark of the registered proprietors some-how so that they can become the sole proprietors of the trade mark which is possibly a reputed one. In this connection it may be relevant to note that Mr. G. S. Toshniwal is one of the partners of the firm of the registered proprietors and now he is one of the partners of the applicant's firm.

13. Mr. U. N. R. Rao, learned counsel for the respondent-applicant raised a point as regards the maintainability of the appeal itself. According to

the learned counsel the Assistant Registrar ordered rectification of the trade mark No. 221473 registered in the names of nine persons trading as

Toshniwal Instruments, Madras" but the appeal has been filed by "Toshniwal Instruments, Madras" represented by partner K. M. Toshniwal, and

this does not amount to filing an appeal by the said nine persons and therefore the appeal is incompetent. He further submits that the trade mark

has been registered in the joint names of nine persons and therefore appeal could be filed jointly by the said nine persons and not by one person.

But in my view this submission is devoid of any merit. It is not in dispute that the nine persons were trading as partners in the firm name "Toshniwal

Instruments, Madras". K. M. Toshniwal, who has filed the appeal as representing the firm, is one of the nine persons in whose name the trade

mark has been registered. The trade mark having been registered in the joint names of nine persons anyone of those nine persons can act

representing himself and others. There is no legal impediment to this.

It is however said that there are only two partners in the firm out of the original nine partners and others have either expired or retired. In that case

the joint registration of the trade mark as regards these two persons continues. The order of the Assistant Registrar is against these two persons

also. Therefore being aggrieved certainly they could come on appeal. Hence there is absolutely no point in saying that the appeal is not

maintainable.

In this connection for the applicant S. 24 of the Act was read. There is nothing in it that would support the contention of the learned counsel for the

applicants. As stated above, the trade mark has been registered in the names of nine persons as joint proprietors, and it is not the case of the

applicants that any of them claimed to use the trade mark independently. If some of the joint owners are dead or retired the remaining joint owners

can use the trade mark jointly and vis-a-vis them the registered trade mark does not become non est. Therefore the arguments regarding the

maintainability of the appeal has to be rejected.

14. For the above mentioned reasons the order of the Assistant Registrar granting the rectification of the trade mark in question cannot be

sustained. The result is, the appeal is allowed, the order of the Assistant Registrar is set aside and the rectification application is dismissed. There

will be no order as to costs.

15. Application dismissed.