

(2005) 01 IPAB CK 0002

In the Intellectual Property Appellate Board

Case No : TRA / 68 To 71/2004/TM/AMD (R.A. No. 1 To 4/99) And M.P. Nos. 132 To 134/2004

Ushodaya Enterprises Ltd

APPELLANT

Vs

Pathiath Babu Rajendra Son Of Late Balakrishnan Nair,
Trading As Modern Food Products And The Registrar Of Trade
Marks

RESPONDENT

Date of Decision : 20-01-2005

Acts Referred:

Central Excise Rules, 1944 — Rule 174, 178
Trade And Merchandise Marks Rules, 1959 — Rule 54, 95
Trade Marks Act, 1999 — Section 100
Trade And Merchandise Marks Act, 1958 — Section 32, 46, 46(1)(b), 47

Citation : (2005) 30 PTC 651 (IPAB)

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

Bench : Division Bench

Advocate : N.A.K. Sharma, Rajesh H. Acharya

Final Decision : Allowed

Judgement

S. Jagadeesan, J

1 . The petitioner herein filed rectification petition No. 1 to 4 of 1999 on the file of High Court of Gujarat at Ahmedabad and the same were

transferred to this Board in compliance of section 100 of the Trade Marks Act, 1999 and numbered as TRA 68 to 71/04. The first respondent herein

in the affidavit in reply to the rectification petition No. 1 of 1999 has stated that the contentions / averments made in all the applications are same and

crave leave to refer the affidavit in reply in rectification petition No. 1 of 1999 to be treated as a reply in respect of the other petitions. Moreover the

counsel on either side also agreed that the parties are the same in all the petitions, issues involved are also the same and the petitions can be disposed

of jointly. Hence all the petitions were taken up jointly for disposal during the sitting of the Board at Ahmedabad on 21.12.2004.

2 . The petitioners have filed MP Nos. 132 to 134 of 2004 to correct the prayer portions in the rectification petitions by incorporating the registration

number of the mark that has to be rectified, in view of the clerical mistakes in mentioning the said registration numbers. Since it is either a

typographical error or a clerical mistake the learned counsel for the first respondent fairly represented that he has no objection for the corrections.

Hence the petitions are ordered.

3 . The petitioner filed TRA No. 68/2004 for the removal of the first respondent's trade mark 'PRIYA' registered on 28.2.1983 under No. 353713 in

class 32 in respect of squash, juices, syrup and beverage within the State of Maharashtra and Gujarat. The petitioner filed TRA No. 69/2004 for the

removal of the first respondent's trade mark 'PRIYA' registered on 31.3.1992 under No. 366103B in class 32 in respect of pickles and chutneys. The

petitioner filed TRA No. 70/2004 for removal of first respondent's trade mark 'PRIYA' registered on 30.4.1992 under registration No. 367909B in

class 29 in respect of canned fruits and vegetables and TRA No. 71/2004 for removal of first respondent's trade mark 'PRIYA' registered on

30.10.1990 under registration No. 367910B in class 30 in respect of tomato ketchup and cornflakes.

4 . The case of the petitioner is that they are carrying on the business in the name and style of Priya Foods Private Limited since the year 1974 and

adopted the trade mark 'PRIYA' in respect of their goods including pickles from 1979-80. The said mark attained a good reputation and had become a

well-known mark throughout India. The annual turnover of the petitioner for the year 1997-98 was Rs.1881.66 lakhs. The promotional expense for the

same was Rs.27.49 lakhs. The petitioner also engaged in exports of its 'PRIYA' brand pickles to various countries like Australia, Baharin, Bangladesh,

Canada and also to the European countries, Malaysia etc. The first respondent had obtained registration in respect of impugned marks in these

petitions. Though several grounds were raised in the petitions the learned counsel for the petitioner confined with regard to the requirement of section

46(1) (b) of the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as the said Act), that is, non user by the first respondent of their

registered mark for a period of five years and one month prior to the filing of these petitions for rectification. In view of the same it is unnecessary for

us to extract the other pleas raised by the petitioner in these petitions.

5 . The first respondent filed affidavit in reply stating that he had started manufacturing of the food products in 1970 and the first respondent had

continued and expanded his business during the seven years after the granting of registration and till the filing of rectification petitions. First respondent

had denied all the averments contained in the petition for rectification and also contended that the petitions for rectifications are barred by limitation

and also by acquiescence. With regard to the use of the mark apart from the general statement that he is using the marks regularly, he also stated in

para 8 of the affidavit in reply that to substantiate the manufacture and selling of the food articles including pickles, chutneys etc., bills / invoices of

sale of such products of the period of the time in India and abroad are annexed and marked as Annexure 'C'.

6 . Learned counsel for the petitioner Shri N.A.K. Sharma contended that the first respondent had obtained registration of the mark 'PRIYA' under

registration No. 353713 as early as 1983 and the other registration under Nos. 366103B and 367909B in the year 1992 and the registration No.

367910B in the year 1990 in respect of food products. They never continuously used the mark in the trade by manufacturing the food products

including pickles and chutneys. One Mr. Vasudevan filed OS No. 1470 of 1992 on the file of City Civil Court of Hyderabad and sought an interim

injunction in IA No. 1625 of 1992 to restrain the petitioner from exporting 'PRIYA' brand pickles to any State in USA which was dismissed on

13.9.1993. The first respondent is none other than the benami of Mr. Vasudevan and the vouchers are of no use as they are from M/s Subashree

Enterprises of which the sole proprietrix is one Mrs. Ambujam wife of the said Mr. Vasudevan, acting on behalf of the first respondent . The

impugned marks were never put in use. Even if the voucher produced, in the High Court of Madras in CS No. 608 of 1994 filed by Modern Food

Products where the said Mr. Vasudevan is having a hand, is of the year 1993 and the petitioner on enquiry is unable to find any other material that the

product of the first respondent is in the market.. Even if the said voucher is taken as a basis, first respondent's mark is not in use for more than five

years and one month as contemplated under section 46(1)(b) of the said Act and as such the impugned marks are liable to be removed from the

Register by rectification.

7 . Learned counsel for the first respondent Dr. Rajesh H. Acharya vehemently contended that the prayer in all the petitions are vague and not clear

as to what is the rectification to be made. He also contended that the rule 54 of the Rules in filing evidence was not followed and moreover the

petitions are barred by limitation since the opposition filed by the petitioners at the time of registration of impugned marks were rejected. Since the

impugned marks were registered long prior to the filing of rectification petitions, the present petitions are barred by limitation. Apart from this he also

contended that since the civil suit is pending in the High Court of Madras, the rectification proceedings have to be stayed till the disposal of the suit.

8 . We carefully considered the above contentions of both the counsel. As we have already stated that many grounds have been stated in the petitions

for rectification. Learned counsel for the petitioner confined with only one ground that is, the impugned marks were not used for more than five years

and one month prior to the filing of these petitions and consequently made them liable to be removed from the Register as contemplated in section

46(1)(b) of the said Act. The petitioner in para 17 of the petition stated that they were certain that the first respondent had not marketed its pickles in

India or abroad with the trade mark 'PRIYA' and they had no distribution system in India at all. In para 32 of the petition, the petitioner had stated that

the first respondent was not a bonafide user of the trade mark 'PRIYA' with respect to any of the articles including pickles for marketing the same in

India and even assuming that the solitary voucher dated 23.12.1993 represented the use of the mark for all the goods, now that more than five years

and one month had passed and there had been no user of all the four trade marks they were liable to be removed under section 46 on ground of

absence of bonafide intention to use.

9. First respondent in his reply in para 8 has stated as follows:-

I say that the respondent No. 1 has been consistently doing business of manufacturing and selling varieties of food articles including pickles, chutneys

etc. To substantiate this by way of illustration only, the bills / invoices of sale of such products of the period of time in India and abroad are annexed

thereto and marked as Annexure 'C'. These documents are not exhaustive and therefore I crave leave to produce exhaustive documents if need so arises.

10. With regard to the relationship between Mr. Vasudevan and the first respondent, in para 14 to 19 the first respondent has stated in the reply in para 22 as follows:-

With regards to the contents of para 14,15,16,17,18 and 19, the same are allegation against one Shri Vasudevan and Mrs. Ambujam. Moreover the petitioner has made reference to the events after which long period has lapsed. The respondent No. 1 is therefore refraining to answer these allegations but reserves the right to answer the same after making appropriate verification"".

11. In respect of the averment in para 32 of the petition, the first respondent has stated in reply in para 28 as follows:-

The contents of para 31 and 32 are denied. I deny that I have played any fraud to obtain the registration of the Trade Mark. I say that the allegation of fraud is made only for the sake of making it and only for the purpose of bringing the case within the ambit of section 32"".

12. When the petitioner has made specific averment that the first respondent has no bonafide use of the impugned mark in India and even assuming that the solitary voucher dated 23.12.1993 represents the use of the impugned mark, subsequent thereafter there is no material available in the trade regarding the use of the impugned mark and as such the impugned mark was not used continuously for a period of five years and one month, it is for the first respondent to specifically deny the same and produce further evidence. The absence of denial of the averment in the petitions itself is more than enough for the disposal of these petitions. But any how without following such technicalities we would consider the evidence adduced by both the parties herein.

13. Since the rectification petitions are for the removal of the first respondent's trade mark 'PRIYA' under registered numbers mentioned in the respective applications, we are not concerned with the reputation of the petitioner herein. Along with the petition the petitioner filed separate list of documents containing 132 pages. The relevant document is the sale voucher at page 45 issued by the first respondent to M/s Subashree Enterprises,

Raja Annamalaipuram, Madras dated 23.12.1993. The claim of the petitioner is since the date of registration or the date of the claim of user in the application for registration of the first respondent, there is absolutely no evidence for the use of the said mark 'PRIYA' by the first respondent. The only document available is of the year 1993 and subsequent to this sale voucher there is no evidence that the first respondent is in trade and his products are in the market. Hence it has to be concluded that the first respondent is not using the registered mark under the said four registration numbers and thereby deprived of their rights under the said registrations as per section 46(1)(b) of the said Act and made those marks liable for the rectification. The first respondent also produced the evidence along with his affidavit in reply. Annexure 'A' is a copy of the licence under the Food Products Order 1955. Annexure 'B' is the copy of the licence under Rule 174 and 178 of Central Excise Rules, 1944. Annexure 'C' is the bills / invoices of the products of the first respondent under the impugned trade marks. The relevant evidence is only Annexure 'C'. The bill No. MFP /190 is dated 21.4.1973. The delivery note No. 113 is dated 6. 9.1974. Another two invoices are dated 4.12.1992 and the bill No. 16 is dated 28. 2.1975. Except these documents there is no other documents produced by the first respondent to establish his use of the impugned marks.

14. So far as the bills produced in the documents of the petitioner dated 23.12.1993, there is a specific mention in the bottom of the same that the goods mentioned in the said bill are for export. However, the bills and invoices produced by the first respondent relates to the internal sales as well as export. The petitioner also produced a copy of the judgment in application No. 4431 of 1994 in CS No. 608 of 1994 of the file of Madras High Court between the same parties reported in 1994 (2) Law Weekly 510 wherein the first respondent filed a suit on the cause of infringement against the petitioner and sought an order of interim injunction restraining the petitioner from using the trade mark 'PRIYA' on the pickles manufactured and marketed by the petitioner. The learned counsel for the petitioner also relied upon some of the portions of the judgment of the learned single Judge in support of his contention that the first respondent is not in the trade for quite some time at least for the period of five years and one month and thereby made the impugned marks liable for rectification.

15. It is worthwhile to refer to section 46(1) (b) of the said Act:-

46. Removal from register and imposition of limitations on ground of non use-(1)
Subject to provisions of section 47, a registered trade mark may be

taken off the register in respect of any of the goods in respect of which it is registered on application made in the prescribed manner to a High Court

or to the Registrar by any person aggrieved on the grounds either-

(b) that upto a date one month before the date of the application, a continuous period of five years or longer had elapsed during which the trade mark

was registered and during which there was no bona fide use thereof in relation to those goods by any proprietor thereof for the time being.

The above provision empowers the removal of the registered trade mark from the Register in respect of any of the goods in respect of which it is

registered on an application made in the prescribed manner to a High Court or to the Registrar by any person aggrieved on the ground that upto a date

one month before the date of application a continuous period of five years or longer had lapsed during which the trade mark was registered and during

which there was no bonafide use thereof in relation to those goods by any proprietor thereof for the time being. What contemplated under this

provision is, if the registered mark is not in bonafide use for more than five years and one month prior to the date of filing of the rectification petition,

then the said mark is liable to be removed by way of rectification of the Register. In this case, the petitioner has produced the sale voucher of the first

respondent which is dated 23.12.1993 and averred that beyond that date, there is no material available to establish the use of the impugned marks. The

first respondent himself has produced the bills and invoices, the earliest of which is dated 20.4.1973 and the latest is 4.12.1992, which means that

subsequent to 4.12.1992, there is no material evidence on behalf of the first respondent to establish the use of his impugned marks. If the period of five

years and one month is calculated either on the basis of sale voucher produced by the petitioner or the latest invoice produced by the first respondent,

the statutory period of five years and one month has lapsed much prior to the filing of these rectification petitions.

16. It may also be worthwhile to refer to some of the observations of the learned Judge of the Madras High Court in the order in application No. 4431

of 1994 in CS No. 608 of 1994 dated 7.9.1994. In para 14.A the learned Judge

has observed that against the prima facie evidence produced by the petitioner herein regarding the scale of their exports and the extend of their advertisement, the first respondent herein has not produced any material to show the scale of its operation or the expenditure incurred in promoting the products, except the only document, a photo copy of sale invoice dated 23.12.1993.

17. From the above it is clear that even at the time of hearing of these petitions, the first respondent did not choose to produce any material evidencing the use of the impugned mark. The order of the High Court is dated 7.9.1994. The present petitions were filed on 16.3.1999. The first respondent filed the affidavit in reply on 19. 7.2000. Even in the reply as extracted above in para 8 of this order, it is stated that to substantiate the consistency of the business of manufacture and sale the first respondent had produced the bills / invoices of sale of such products of the period of time in India and abroad marked as Annexure 'C'. About these exhibits we have already discussed the same which pertains to the stray bills and invoices five in number dated from April, 1973 to December, 1992. We have no hesitation in coming to the conclusion that the petitioner had established the non user of the impugned trade marks by the first respondent, for the statutory period as contemplated under section 46(1) (b) of the said Act, which consequently made the impugned marks liable to be removed from the Register by way of rectification.

18. After hearing the petitions we reserved orders and returned to headquarters at Chennai. The counsel for the first respondent sent some materials by way of evidence through fax and also through courier. It is mentioned in the enclosed letter addressed to the Registrar that the evidence is being filed under Rule 54 read with Rule 95 of the Trade and Merchandise Marks Rules, 1959. We have never come across any filing of evidence under the said Rules after the matter was heard and the order was reserved. Once the matter is heard fully and order is reserved, we are of the view that it is not open to the parties to let in any evidence that too by sending them by post. Hence all such materials placed before us subsequent to hearing of the petitions reserving orders thereon, we are not inclined to take them on file and the same are rejected.

19. For the reasons stated above, the petitions are allowed and the second

respondent is directed to rectify the Register of Trade Marks by removing the trade mark of the first respondent 'PRIYA' under registered numbers 353713, 366103B, 367909B and 367910B immediately on receipt of a copy of this order.