

(2007) 12 IPAB CK 0006

In the Intellectual Property Appellate Board

Case No : TRA 158/2004/TM/DEL (C.O. No. 3/2001)

Vardhman Properties Limited

APPELLANT

Vs

Vardhman Spinning And General Mills Ltd. And Anr.

RESPONDENT

Date of Decision : 20-12-2007

Acts Referred:

Trade And Merchandise Marks Act, 1958 — Section 9, 9(1)(d), 9(1)(e), 9(3), 11, 32, 56

Citation : (2008) 37 PTC 315 (IPAB)

Hon'ble Judges : M.H.S. Ansari, J; Syed Obaidur Rahaman, Technical Member

Bench : Division Bench

Advocate : Sanjay Goswami, N.K. Anand, Arun Kumar Jha

Final Decision : Dismissed

Judgement

M.H.S. Ansari, J

1. The present rectification application is filed for removal of registration of the word 'Vardhman' in respect of registration Nos. 353773, 353774 and 353775.

2. This rectification application was filed before the Hon'ble High Court where it was registered as C.O. No. 3/2001 and upon its transfer to this

Board it has been re-numbered as TRA/158/2004/TM/DEL. In substance and in effect the rectification application is seeking to expunge/remove the

word 'Vardhman' (word per-se) in respect of the three trade marks registration of which subsists in favour of the Respondent No. 1 in classes 23,

24, 25 vide registration Nos. 353773, 353774 and 353775. It is the case of the rectification applicant that the Directors of the applicant company are

Jains and have close association with the life, teaching and the sect founded by Lord Mahavira also known as 'Vardhman'. The Directors of the

applicant company and its shareholders have set up 10 companies/enterprises having business name of 'Vardhaman' and have been trading/rendering service continuously using the word 'Vardhman' as part of their business/trade name.

3. It is the further case of the applicant company that on 18.08.1998 an application was made for registration of the trade name 'Vardhman Group' as a trade name for its group of companies in class 16 of the Trade and Merchandise Marks Act, 1958 and thereafter also applied for registration in

Class 1.

4. The grievance of the applicant, as it appears from para 9 of the application, is that by registration Nos. 353773, 353774 and 353775 registration has

been granted of the trademark 'Vardhman' (word per-se) in Part A of the Register of Trade Marks in Class 23, 24 and 25 in the name of Respondent

No. 1. The said registration of the trade mark was granted on 22.09.1979. Applicant was unaware of the same. When it received a legal notice

around 06.06.2000, and was thereby called upon to cease and desist from committing infringement of the trade mark of Respondent No. 1 the

applicant replied to the same stating inter alia that the business and activities of the respective parties was totally distinctive and separate. The

applicant was dealing in immovable commercial properties. Despite the same, Respondent No. 1 filed a Suit No. 2160/2000 in the High Court of Delhi

seeking relief of permanent injunction restraining passing of etc. In the said suit rectification applicant has taken a plea of invalidity of the registered

mark of Respondent No. 1 (Plaintiff) and hence the instant rectification application.

5. The main ground or rather the sole ground raised in the petition based on which the rectification application is filed is that the mark 'Vardhman'

(word per-se) is violative of the provisions of Section 9(1)(d) and (e) of the Trade and Merchandise Marks Act, 1958. That the word 'Vardhman' is

not an invented word and is a part of Jain mythology and is as such, being used by the Jains and followers of the Jain sect for the last more than 2000

years and, therefore, the said word cannot be registered as trade mark in the name of Respondent No. 1. being the name of Lore Mahavira, it is

otherwise a common name and there can, therefore, be (Sic) registration of the same as a trade mark granting monopoly or exclusive use of the said

word to Respondent No. 1 to the exclusion of all others.

6. Further, ground set out alleged is that there are more than 233 companies registered with the Registrar of Companies which are having

business/trade name 'VARDHMAN' as part of their name as well as logo. That according to its ordinary signification, the word 'Vardhman' is the

name of a sect and is also a common name and is the part of Jain mythology and, therefore, cannot be monopolized by Respondent No. 1. Its

registration as a trade mark, according to the applicant, does not and cannot create any rights in favour of the first Respondent as the registration itself

is otherwise invalid and barred under law.

7. It must be stated here that a miscellaneous petition bearing M.P. No. 66/07 was filed by the applicant for taking on record exhibit PW 1/3 and

exhibit PW 1/4 being the registration certificate issued in favour of the applicant Vardhman Properties Limited in respect of the mark 'Vardhman

Group'" dated 21.04.2005 and its logo dated 11.01.2005. The exhibits were taken on record as the applicant was granted registration during the

pendency of the present proceedings.

8. In the reply statement on behalf of the Respondent, defence taken is one under Section 32 of the Act. It is asserted that in view of the specific bar

contained in Section 32 of the 1958 Act, the plea as regards distinctiveness is barred after lapse of seven years from the date of the said registration

except on the making out of the grounds a, b and c specified therein, none of which have been pleaded in the instant case, The impugned mark

'Vardhman' in the name of Respondent No. 1 in Class 23, 24 and 25 is registered with effect from 22.09.1979, subsisting for almost 25 years. It is the

case of Respondent that the said mark has become the very identity of the Respondent No. 1 and has become distinctive of and well known with the

products of the Respondent No. 1 and its group of companies. It is the further case of Respondent No. 1 that it is the prior user of the mark/brand

name/corporate name and that it is the applicant that is seeking to take advantage of the goodwill and reputation generated by the Respondent No. 1

by adopting the name 'Vardhman'. It is asserted by Respondent No. 1 that the Vardhman Group of Companies came into being in 1973 and is one of

the largest textile house in the country with a turnover of Rs. 1679 crores in the year 1999-2000 alone. Respondent No. 1 company is a part of group

of companies forming a single group entity which have a total of 17 manufacturing units. Respondent/registered proprietor has also applied for registration of the composite mark/brand name 'Vardhman Group'. It also possesses copyright registration for the lay-out, script, artistic design specific pictorial representation. Respondent No. 1, it is further asserted, has been using the work 'Vardhman' not only as a trade mark and brand name, but also as its corporate name since 1963. Respondent and its group of companies have ensured that the mark is associated with quality products and have thus established a reputation of long standing exclusiveness. The mark 'Vardhman', it is further asserted, enjoys a strong reputation and is understood to be exclusively associated with the Respondent No. 1 group of companies. The mention of the word 'Vardhman' creates a connection with the business of the Respondent and is exclusively associated with the Respondent No. 1 and its group of companies. It is further averred that the rights of Respondent No. 1 flow from registration, prior use and also due to enormous reputation and goodwill which the mark 'Vardhman' enjoys.

9. It is further stated that the name/mark 'Vardhman' as used by the applicant herein is phonetically and visually identical to the name/mark

'Vardhman' used by the Respondent. If, continued to be allowed to be used by the applicant it will dilute the image and reputation of the Respondent's

'Vardhman' brand, besides constituting acts of brand diluting, misrepresentation, unfair dealing and trading. It is stated that despite the legal notice to

cease and desist, no action having been taken there on by the applicant, a suit was filed in September 2000 before the High Court of Delhi, which is

pending adjudication and by an interim order dated 28.09.2000 passed in the said suit, the applicant herein have been restrained from using the

mark/corporate name 'Vardhman' group or use of 'Vardhman'.

10. On behalf of the rectification applicant the evidence by way of affidavit of Shri Ashok Kumar Jain has been filed. PW1/1 is the copy of the

resolution of the Appellant company authorizing the filing of the present application. PW 1/2 is the application for registration. PW 1/3 is a certificate

of registration of the word 'Vardhman Group' in favour of the applicant sealed on 21.04.2005. PW 1/4 is the certificate of registration in respect of logo

sealed on 11.01.2005 and PW 1/5 is the application in respect thereof dated 03.07.2000. This is the entire evidence filed on behalf of applicant.

11. On behalf of the contesting Respondent evidence by way of affidavit of Shri R.N. Sharma has been filed with exhibits P1 to P8 annexed thereto.

Exhibit P1 is a Board resolution authorizing to contest and defend these proceedings. Exhibit P2 filed on behalf of the Respondent is the certificate of

incorporation and the memorandum of association adopting the name change from Vardhman Spinning and General Mills' to 'Vardhman Holdings

Limited'. It is dated 27.03.2006. The certificate of incorporation of Vardhman Spinning and General Mills Limited is dated 27.12.1962. Exhibit P3 are

the copies of the certificates of registration of the trade marks, removal of which is prayed for, Exhibit P4 is copy of Trade Mark Journal, Exhibit P5 is

copies of copyright registration certificate. Exhibit P6 is copies of some invoices. Exhibit P7 is advertisement in news papers in the name of

'Vardhman' and some brochures of the products of Respondent No. 1. In the affidavit it has been stated that the Respondent is the largest producer

and exporter of yarn and yarn woven fabrics from India. That it is the second largest producer of sewing threads in India. Several awards have been

bestowed including the National Export Award Trophy for export performance for the years 1991-92 and 1994-95 by the Ministry of Commerce.

Various other awards bestowed on Respondent No. 1 have been enumerated at para 8 of the affidavit. Apart from the impugned three registrations,

Respondent have also applied for registration of the trademark 'Vardhman' in different classes for various products, details of which, about 13 such

applications, have been specified in para 10 of the affidavit. Respondent No. 1 is the registered proprietor of the copyright in the artistic work

Vardhman', particulars whereof have been stated in para 11, almost 20 such copyright registrations are specified therein. In para 13, particulars of

sales turnover and advertisement expenditure have been stated. Annexure 7 is the advertisement of the Vardhman Group describing themselves as

the leading or one of the largest groups in spinning, inciting application for various posts. Its brochures of the products manufactured by Respondent

No. 1 have also been annexed. Annexure P8 is the Xerox copy of interim order dated 28.09.2000.

12. Shri Sanjay Goswami, Learned Counsel for the rectification applicant urged before us the contentions and grounds stated in the application. Shri

N.K. Anand, Learned Counsel for the Respondent No. 1 likewise reiterated the grounds in defence set out in the reply. With the assistance of the

Learned Counsel, for the respective parties we have been referred to the pleadings and the evidence on record.

13. We heard the Learned Counsel for the respective parties at the sitting of the Bench at Delhi on 13.12.2007.

14. The foremost question to be considered is whether the Appellant is an 'aggrieved person' within the meaning of Section 56 of the Trade and

Merchandise Mark Act, 1958. This is for the reason that an application to cancel, vary or rectify the register can be made only by a person aggrieved.

15. Section 56 deals with the power to cancel or vary registration and to rectify the register. Sub-section (2) thereof confers a right to any person

aggrieved"" by an entry made in the register without sufficient cause or by an entry wrongly remaining in the register to apply to the tribunal for

expunging or varying such an entry. The expression ""aggrieved person"" has received liberal construction from the Courts and includes a person who

has, before registration, used the trade mark in question as also a person against whom an infringement action is taken or threatened by the registered

proprietor of such trademark. As noticed supra, a civil suit has been filed by the Respondent No. 1 against the applicant after the cease and desist

notice had been issued to the applicant. In our view, therefore, the applicant can be said to be a 'person aggrieved'.

16. As emphasized by Shri N.K. Anand, Learned Counsel for Respondent No. 1, Section 32 of the Trade and Merchandise Mark Act, 1958, in clear

terms provides that the original registration of a trade mark, after expiry of seven years from the date of its registration, shall be taken to be valid in all

respects in all legal proceedings, including those under Section 56, as in the case on hand. The exception carved out is with respect of three categories

of cases which have also been specified in the Sub-clauses (a) to (c). Therefore, no objection that the trade marks in question were not distinctive and

therefore, were not registrable under Section 9, as is the contention in the present case, can be entertained after seven years have elapsed since the

date of registration of the trade marks as in the present case. In our view, therefore, the contention that the trade mark 'Vardhman' was not distinctive

at the date of registration and, therefore, not registrable under Section 9 fails, (See para 12 National Bell Company v. Metal Goods Manufacturing

Company, AIR 1971 SC 898).

17. It is not the case of the rectification applicant that the impugned mark 'Vardhman' were registered in contravention of Section 11 or that it

offended against the provisions of Section 11 on the date of the commencement of these proceedings. Nor is it their case that these marks are not

distinctive at the date of commencement of these proceedings.

18. No doubt as contended by Shri Sanjay Goswamy, Learned Counsel for the applicant Section 9 of the Trade and Merchandise Marks Act, 1958

lays down the requisites for registration whereas Section 11 of the said Act lays down prohibition against certain marks from being registered. One of

the requisites pleaded in the case on hand said to be wanting with respect to the impugned trade marks is that according to its ordinary signification the

word 'Vardhman' is the surname or personal name or is the name of a sect and is therefore, not eligible for registration. Reference is to Clause (d) of

Section 9(1). Relying upon Clause (e) of Section 9(1) it is contended that the word 'Vardhman' cannot be said to be distinctive of any particular goods

or services and, therefore, is not capable of being registered as a trade mark in the name of any particular person or individual.

19. No doubt a person can apply for cancellation on the ground that the trade mark in question was not at the date of commencement of the

proceedings distinctive in the sense of Section 9(3). The burden of proof, however, in such a case is on the applicant applying under Section 56. The

burden, in our view has not been discharged by the applicant. Besides, the applicant itself having obtained registration of the trade mark 'Vardhman

Group' (word per-se), it does not lie in their mouth to say that the word 'Vardhman' is not registerable. The applicant is the subsequent adopter of the

mark 'Vardhman' as is evident from the evidence on record. It is the applicant that has also sought to claim rights in and monopoly in respect of the

word 'Vardhman' by obtaining registration, in its name of the trade mark 'Vardhman Group' which has been granted during the pendency of these

proceedings. The contention is accordingly rejected.

20. In our considered view based on the pleadings and the evidence on record and our discussion, as above, no case, has been made out for varying or

rectifying the three trade marks in question or for removal of any or all of them from the Register. The application for rectification deserves to be

dismissed and is, accordingly, dismissed, however without any order as to costs.