SATNAM OVERSEAS A

v.

SANT RAM & CO. & ANR.

(Civil Appeal No.10528 of 2013)

NOVEMBER 22, 2013

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[K.S. RADHAKRISHNAN AND A.K. SIKRI, JJ.]

Trade and Merchandise Marks Act, 1958 – s. 46(1)(b) – Rectification of entry in respect of trademark – On the ground of non-user of the trademark – Limiting the use of trademark in six cities of the State of Uttar Pradesh – High Court permitted the use of trademark to the entire State of Uttar Pradesh – Held: Cogent reasons were given for extending the trademark to the whole of State of Uttar Pradesh – Hence order cannot be said to be perverse or arbitrary. C D

The entry in respect of registered trademark 'KOHINOOR' in class 30, registered in the name of respondent No.1 was rectified at the behest of the appellant, on the ground of non-user for a period in excess of five years. By the modification, the respondent was allowed to use the trademark 'KOHINOOR' in five cities in the State of Uttar Pradesh. The reviewing authority allowed respondent No.1 to use the trademark in six cities of Uttar Pradesh. E

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Respondent No.1 approached High Court challenging the orders restricting him to use the trademark only in few cities. He further challenged the order granting trademark registration of all kinds of rice for the purpose of export in favour of the appellant; and also challenged the order granting the trademark registration in favour of the appellant, throughout India. Single Judge of High Court permitted the respondent to use the trademark for the entire State of Uttar Pradesh. G

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A **Division Bench of High Court upheld the findings recorded by the Single Judge. Hence, the present appeals.**

Dismissing the appeals, the Court

B **HELD: 1. Section 46(1)(b) of Trade and Merchandise Marks Act, 1958 provides that up to a date, one month before the date of the application, a continuous period of five years or longer had elapsed during which the trademark was registered and during which there was no** C ***bonafide* use thereof in relation to the goods for which it was registered by the proprietor for the registered trademark. Onus to prove non-use rests upon the applicant who has filed the application for rectification. Once it is *prima facie* shown, then the onus shifts to the** D **registered proprietor to prove the use of the trademark during the relevant period. [Para 11] [954-G-H, 955-B]**

Hardie Trading Ltd. and Anr. vs. Addisons Paint and Chemicals Ltd. **(2003) 11 SCC 92: 2003 (3) Suppl. SCR 686;** *Cycle Corporation of India Ltd. vs. T.I. Raleigh Industries* E *Pvt. Ltd.* **(1996) 9 SCC 430: 1996 (2) Suppl. SCR 820 – relied on.**

2. In the facts of the present case, the Assistant Registrar of Trademarks, after perusing the various F **documents found that there was no non-user of the trademark 'KOHINOOR" in respect of rice in class 30 for five years and one month prior to the date of the rectification application. That finding is purely a question of fact, which was affirmed by the Single Judge as well** G **as the Division Bench of High Court. The Division Bench has also found no error in the inclusion of another District also for selling the rice and later extending the benefit of the trademark to the respondents to the whole State of Uttar Pradesh. Cogent reasons have been stated for** H **extending the trademark so far as the respondents are**

concerned in the whole of the State of Uttar Pradesh. It was pointed out that restricting the trademark to few cities would create lot of complications and litigations as to the exact boundary of a particular city or District. It will also be impossible for the respondents to ensure that its products are not sold to retailers outside the six cities. Putting geographical restrictions was rightly held to be unjust. The reasons cannot be said to be arbitrary or perverse calling for interference by this Court under Article 136 of the Constitution of India. [Para 13] [955-F-H; 956-A-C]

Case Law Reference:

2003 (3) Suppl. SCR 686	**relied on**	**Para 12**
1996 (2) Suppl. SCR 820	**relied on**	**Para 12**

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 10528 of 2013.

From the Judgment & Order dated 15.05.2007 of the High Court of Delhi at New Delhi in OCJ No. 6. 2003.

WITH

C.A. No. 10529 and 10530 of 2013.

Shantanu Kumar for the Appellant.

Pratibha, M. Singh, Sushant Singh, P.C. Arya, Geetika Kapur, Saya Choudhary, Rupesk K. Pandey, V.K. Shukla, Gaurav Sharma, S.K. Verma (for Sant Ram & Co.) Shalini Kumar and D.S. Mahra for the Respondents.

The Judgment of the Court was delivered by

K.S. RADHAKRISHNAN, J. 1. Leave granted.

2. The appellant herein preferred an application before the

A Assistant Registrar of Trade Marks, Delhi for rectification of entry in respect of Registered Trade Mark "KOHINOOR" in Class 30 registered in the name of Respondent No.1 on the ground of non-usage for a period in excess of five years. The application was allowed by the Registrar vide order dated B 18.6.1992 and the entry in respect of registered trademark 274006 in Class 30 registered in the names of Respondent No.1 was modified by amending the specification of goods to read as "Rice for sale in the cities of Faizabad, Maunath Bhanjan, Jaunpur, Shahganj and Agra in the State of Uttar C Pradesh". Respondent No.1 therein then filed an application for review of the order dated 18.6.1992 which was partly allowed vide order dated 15.02.1993 by Assistant Registrar, adding the town of Saharanpur in the State of Uttar Pradesh, in which Respondent No.1 was allowed to use his trademark. D Consequently Respondent No.1 was allowed to use the trademark "KOHINOOR" in six cities in the State of Uttar Pradesh.

3. Respondent No.1 then filed CMM No.303 of 2003 before Delhi High Court against the rectification and review order E dated 18.06.1992 and 15.2.1993 respectively passed by the Assistant Registrar of trademarks restricting the use of trademark only in few cities of the State of Uttar Pradesh. Respondent No.1 also filed CMM No.313 of 1996 against the grant of trademark registration of all kinds of rice for the F purpose of export in favour of the appellant. Respondent No.1 also preferred CMM No.327 of 1993 against the grant of trademark registration in favour of the appellant throughout India.

G 4. All the above-mentioned applications were clubbed together and an order was passed by the learned Single Judge on 11.09.2003 whereby CMM No.303 of 1993 was allowed to the extent of permitting the Respondent to use trademark for the entire state of Uttar Pradesh. CMM No.313 of 1996 was also partly allowed. CMM No.327 of 1993 was dismissed.

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5. The appellant then preferred OCJA No.5 of 2003 before the Division Bench against the order of the learned Single Judge passed in CMM No.313 of 1996 and OCJA No.6 was preferred against the order of the learned Single Judge passed in CMM No.303 of 1993. The appellant, alleging violation of the order passed by the Division Bench on 10.11.2003, staying the operation of the order passed by the learned Single Judge, filed a Contempt Application No.928 of 2006. The Division Bench of the Delhi High Court passed a common order on 15.05.2007 upholding all the findings recorded by the learned Single Judge.

6. Appellant herein then preferred three Special Leave Petitions. SLP (C) NO.15496 of 2007 was preferred against the order in OCJA No.6 of 2003, SLP(C) No.18213 of 2007 was preferred against the order in OCJA No.5 of 2003 and SLP(C) No.18212 of 2007 was preferred against the order in Contempt Application No.928 of 2006.

7. The appellant has urged in the appeal that the High Court has committed an error in permitting the second respondent to use the trademark "KOHINOOR" in the entire State of Uttar Pradesh, especially in the wake of the registration of trade mark in favour of the appellant under Section 12(3) read with Section 46(2) of the Trademark Act. Further, it was also pointed out that the High Court was not justified in applying the geographical limitations thereby permitting the second respondent to use the trademark "KOHINOOR" in the entire State of Uttar Pradesh, while the Assistant Registrar of Trademark permitted to use the trademark only in six cities, which was later on extended to another District, entertaining the review petition filed by the respondents. Further, it was also pointed out that under the provisions of Section 12(3) of the Trade and Merchandise Marks Act, 1958, the honest and concurrent use is permissible and the Deputy Registrar of Trademark has rightly allowed the Appellant to use concurrently the registered trademark No.274996 KOHINOOR in the entire

A State of Uttar Pradesh for sale except the six cities mentioned above.

8. Learned counsel appearing for the respondent submitted that the High Court was right in holding the second B respondent is entitled to benefit of Sub-section (3) of Section 12 of the Trade and Merchandise Act since there is ample evidence on record to show that the second respondent bonafide and honestly adopted the word "KOHINOOR" as its trademark. The High Court has rightly held that the invoices C produced in evidence by the respondent showing sale of rice to distributors and dealers in various cities in the State of Uttar Pradesh and they in turn were making deliveries to retailers in smaller towns, would clearly indicate user of the trademark by the respondent. Learned counsel also pointed out that the geographical limitations incorporated by way of an amendment D are based on practical consideration of facts and trade practices. The impugned order was passed by the High Court noticing that the respondent has been using the trademark "KOHINOOR" since the year 1961 and had obtained the registration thereof in the year 1971 and that the appellant got E registration only subsequently on 24.2.1981.

9. We notice, the appellant herein applied for registration of trademark "KOHINOOR" only in July, 1985. The application was allowed and the trademark was advertised in Trademark F Journal in 1985. Yet another application was filed by the appellant for registration of trademark "KOHINOOR" in respect of rice for export included in class 30 on 3rd July, 1985. The said trademark was published in the Trademark Journal on 11th October, 1989. The appellant filed rectification application for G deregistration of trademark "KOHINOOR" in favour of the respondent in respect of rice in class 30 on the plea that the respondent had got the trademark "KOHINOOR" registered without bonafide intention to use it and there was no bonafide use of the trademark by the respondent for a period of 5 years and 1 month preceding the date of filing of the application for H rectification.

10. We are, in this case, primarily concerned with the interpretation of provisions of Section 46(1) and 46(2) of the Act, which are reproduced hereinbelow :- A

46(1). Subject to the 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 ground either— B

(a) that the trade mark was registered without any bonafide intention on the part of the applicant for registration that it should be used in relation to those goods by him or, in a case to which the provisions of section 45 apply, by the company concerned, and that there has, in fact, been no bona fide use of the trade mark in relation to those goods by any proprietor thereof for the time being up to a date one month before the date of the application; or C D

(b) that up to 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: E F

Provided that, except where the applicant has been permitted under sub- section (3) of section 12 to register an identical or nearly resembling trade mark in respect of the goods in question or where the tribunal is of opinion that he might properly be permitted so to register such a trade mark, the tribunal may refuse an application under clause (a) or clause (b) in relation to any goods, if it is shown that there has been, before the relevant date or during the relevant period, as the case may be, bona fide G H

A use of the trade mark by any proprietor thereof for the time being in relation to goods of the same description, being goods in respect of which the trade mark is registered.

(2) Where in relation to any goods in respect of which a trade mark is registered—

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(a) the circumstances referred to in clause (b) of sub-section (1) are shown to exist so far as regards non-use of the trade mark in relation to goods to be sold, or otherwise traded in, in a particular place in India (otherwise than for export from India), or in relation to goods to be exported to a particular market outside India; and

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(b) a person has been permitted under sub- section (3) of section 12 to register an identical or nearly resembling trade mark in respect of those goods under a registration extending to use in relation to goods under to be sold, or otherwise traded in, or in relation to goods to be so exported, or the tribunal is of opinion that he might properly be permitted so to register such a trade mark;

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on application by that person in the prescribed manner to a High Court or to the Registrar, the tribunal may impose on the registration of the first- mentioned trade mark such limitations as it thinks proper for securing that registration shall cease to extend to such use."

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11. Section 46(1)(b) provides that that up to a date one month before the date of the application, a continuous period of five years or longer had elapsed during which the trademark was registered and during which there was no bonafide use thereof in relation to the goods for which it was registered by the proprietor for the registered trademark. Onus to prove non-use rests upon the applicant who has filed the application for rectification. Of course, it is sufficient that the applicant who has

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filed the application for rectification to give prima facie evidence for non-use of the mark during the relevant period of five years from the date of one month before the date of the application for rectification. Once it is prima facie shown, then the onus shifts to the registered proprietor to prove the use of the trademark during the relevant period.

12. The scope of the above-mentioned provision came up for consideration before this Court in *Hardie Trading Ltd. & Anr. V. Addisons Paint and Chemicals Ltd.* [(2003) 11 SCC 92], wherein in the Court has taken the view that where the evidence on record does not show absolute non-user of trademark during the period of 5 years and one month prior to the application for rectification and it was not economically possible for the owner of the registered trademark to put its goods manufactured abroad immediately due to restrictions imposed by the Import Trade Control Policies for the relevant years, the application for rectification could not be allowed on the ground of alleged non-user as the case is covered under the term "special circumstances". Reference may also be made to the judgment of this Court in *Cycle Corporation of India Ltd. v. T.I. Raleigh Industries Pvt. Ltd.* [(1996) 9 SCC 430], wherein this Court held that the initial burden is on the applicant seeking rectification to show that the registered owner has no intention to use the trademark during the relevant period and, in fact, has failed to do so.

13. We find, in this case on facts, the Assistant Registrar of Trademarks, after perusing the various documents found that there was no non-user of the trademark 'KOHINOOR" in respect of rice in class 30 for five years and one month prior to the date of the rectification application. That finding is purely a question of fact, which was affirmed by the learned Single Judge as well as the Division Bench. The Division Bench has also found no error in the inclusion of another District also for selling the rice and later extending the benefit of the trademark to the respondents to the whole State of Uttar Pradesh. Cogent

A reasons have been stated for extending the trademark so far as the respondents are concerned in the whole of the State of Uttar Pradesh. It was pointed out that restricting the trademark to few cities would create lot of complications and litigations as to the exact boundary of a particular city or District. It will B also be impossible for the respondents to ensure that its products are not sold to retailers outside the six cities. Putting geographical restrictions was rightly held to be unjust. In our view, reasons stated above cannot be said to be arbitrary or perverse calling for interference by this Court under Article 136 C of the Constitution of India.

14. In the circumstances, we find no error in the order passed by the Division Bench of the High Court. Appeals lack merit and are dismissed with no order as to costs.

D Kalpana K. Tripathy Appeals dismissed.