



Intellectual Property Appellate Board

Delhi Registry –Cum-Bench

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New Delhi – 110 066

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ORA/293/2014/TM/MUM

FRIDAY, THIS THE 21ST DAY OF AUGUST, 2020

HON'BLE SHRI JUSTICE MANMOHAN SINGH
HON'BLE DR. ONKAR NATH SINGH

CHAIRMAN
TECHNICAL MEMBER (PVPAT)

MANDOM CORP

MANDOM CORP. CORPORATION OF 5-12
MITSUBISHI-CHO, CHUO-KU, OSALA, JAPAN

...APPLICANT/APELLANT

(Represented by: Mr.S.Majumdar and Mr.Manosij Mukherjee)

Versus

FEM CARE PHARMA LTD

COMPANY WITHIN THE MEANING OF THE COMPANIES ACT, 1956
HAVING ITS REGISTERED OFFICE AT FEM CARE,
8/3-A FIRST FLOOR, RAM MANDHIR, KHEERWADI,
KHEERWADI, EAST, BOMBAY- 51 PRESENTLY MERGED WITH
FEM CARE INDIA LTD, A COMPANY WITHIN THE MEANING OF
THE COMPANIES ACT, 1956

DABUR INDIA LTD

COMPANY WITHIN THE MEANING OF THE COMPANIES ACT, 1956
HAVING ITS REGISTERED OFFICE AT 8/3 ASAF ALI
ROAD, NEW DELHI 110002. AND ALSO HAVING OFFICE AT
DABUR HOUSE, 43 NAGINDAS MASTER ROAD, FORT,
MUMBAI - 400 001

THE REGISTRAR OF TRADE MARKS

TRADE MARKS REGISTRY, MUMBAI, BOUDHIK SAMPADA
BUILDING, S.M. ROAD, NEAR ANTOP HILL POST OFFICE,
MUMBAI
- 400 037

...RESPONDENT

(Represented by –Mr.Prakash Shah and Mr.DurgaprasadPoojari)

ORA/126/2015/TM/KOL

DABUR INDIA LIMITED

ALI ROAD, NEW DELHI - 110 002.
OFFICE AT: BALSARA HOUSE, 43 NAGINDAS MASTER
COURT,
- 400 001.

...APPLICANT/APPELLANT

(Represented by:)

Versus

MANDOM CORPORATION

INDIAN CORPORATION OF 5-12, JUNIKEN-CHO, CHOU-KU,
TOKYO, JAPAN. AND OFFICE OF INDIAN ENTITY AT:
MANDOM CORPORATION (INDIA) PVT. LTD - 5TH FLOOR,
INDIAN CHAMBERS, GURU NANAK ROAD, BAN

THE REGISTRAR OF TRADE MARKS

TRADE MARKS REGISTRY, KOLKATA INTELLECTUAL
PROPERTY OFFICE BUILDING, CP-2, SECTOR V, SALT LAKE
KOLKATA - 700 091.

THE REGISTRAR OF TRADEMARKS

TRADE MARKS REGISTRY, BOUDHIK SAMPAD A BHAWAN,
NEW DELHI, NEAR ANTOPI HILL POST OFFICE, ANTOPI HILL,
- 400 037

...RESPONDENT

(Represented by -)

ORDER

HON'BLE SHRI JUSTICE MANMOHAN SINGH, CHAIRMAN

1. The Applicant has filed the present rectification application being ORANo. 293/ 2014 for removal of the Respondent No.2's trademark "GATSBY" registered under No.635739 in Class 3 ("**impugned trademark**").The Applicant claims to be the owner of the trademark "GATSBY" registered under No. 830235 in Class 3 ("**Applicant's said trademark**"). By this order, the rectification petition filed by Dabur India Ltd being No. ORA/126/2015 for removal of trade mark of respondent no.1 will also be disposed off in view of common disposal between the parties.

Re.ORA/293/2014TM/MUM

2. Admittedly the Applicant had earlier filed ORA 56 of 2005 for removal of the Respondent No.2's trademark "GATSBY" registered under No. 635739 in Class 3 ("**said**

prior rectification application”) which is also the subject matter of the present rectification application. By an Order dated 5th April 2013 the said prior rectification application was dismissed by the IPAB

3. The Applicant has challenged the aforesaid Order of dismissal by filing Writ Petition No. 1656 of 2013 in the Hon’ble Bombay High Court and till date the same is pending for hearing. In this Writ Petition.

4. By an Order dated 24th October 2013, the Hon’ble Bombay High Court issued Rule and admitted the aforesaid Writ Petition. The filing of the present rectification application was brought to the notice of the Hon’ble Bombay High Court and subsequently by Order dated 20th June 2014 it was clarified that the pendency of the Writ Petition will not be a ground for not having heard the present rectification being heard by this Tribunal.

5. In view of the above said order, the present petition was heard. Both parties have addressed the arguments. They have also filed the written submissions.

6. Respondent No.2 submits that present rectification application is barred by the principles of res judicata.

7. The issue of maintainability was heard by this Tribunal and by an Order dated 13th November 2014 the present rectification application was held to be maintainable only in respect of ground raised under Section 47(1) (b) of the said Act.

8. Counsel for the applicant admits that in view thereof the Applicant is only pressing the relief in relation to Section 47(1)(b) at present but subject to the final outcome of writ petition no.1656/2013 pertaining to the grounds under Sections 9, 11, 18 (1) and 47(1) (a) of the TradeMarks Act 1999.

9. There is no dispute that the Respondent No. 2 is a subsequent proprietor of two registered trademarks “GATSBY” in Class 3 bearing registration No.635739 and in Class 5 bearing registration No. 635744. The original proprietor of the Respondent No.2’s said registered trademarks were a company named Fem Care Pharma Limited

("Fem Care"). In August 1994, Fem Care made an application in Class 3 and 5 for registration of the trademark "GATSBY". These applications were advertised on 1st October 2002 in the trademark journal and no objections were received by the Trademark Registry with regard to the same. Subsequently on 30th April 2003 the aforesaid trademarks came to be registered in favour of Fem Care.

10. With effect from 1st April 2010, Fem Care merged into Respondent No.2. The merger was effected pursuant to the order of the Hon'ble Delhi High Court dated 19th April 2010 issued in Company Petition No 72 of 2009 and order of the Hon'ble Bombay High Court dated 7th May 2010 issued in Company Petition No 24 of 2010. Pursuant to the merger of Fem Care into Respondent No.2, the registered trademarks of Fem Care were transferred to Respondent No.2.

11. In order to change name of the registered trademarks, Respondent No.2 filed the prescribed form TM-24 to register as a subsequent proprietor of the trademark "GATSBY" in Class 3 and Class 5 with the Registrar of Trademarks, Mumbai. However, the Registry has not yet processed the aforesaid application.

12. The ground as pressed in the present petition is that the Impugned Trade Mark never been used and has also not been used for a continuous period of 5 years, up to three months prior to the filing of the instant rectification application under S.47(1)(b) of the Trade Marks Act, 1999 and the Application for Rectification is limited to Section 47(1)(b) of the Act pursuant to an order dated 13.11.2014 of the Board.

13. There is no dispute between the parties that the Hon'ble High Court at Bombay by an order dated 13.08.2019 has observed in a proceeding between the parties herein concerning the Impugned Mark that, "*It is obvious from the plaint that between 1995 till date of the suit, no product has been launched Mr.*

*Parikh for applicants also stated that no product by name trade mark GATSBY is being sold by plaintiffs today There is nothing on record that after 2005 any product with the trade mark GATSBY has been launched in the market. Therefore, question of granting any relief does not arise".*This order has attained finality and was not challenged by the Respondent No.2.

14. The facts and the grounds of non-user as stated by the applicant are as under:-

a) The Applicant has been continuously using the trade mark "GATSBY" in connection with its goods in Class 3 of the Nice Classification since the year 1978 in Japan. The Applicant's products under the trade mark "GATSBY" are available in several countries and earliest invoice evidencing use of the trade mark in foreign jurisdictions outside Japan is in USA which is dated 11.02.1993.

b) The Applicant's earliest trade mark application for the trade mark "GATSBY" was in the year 1976 in Japan which was granted registration in the year 1980 before venturing to other countries. Such countries include Brunei, Hong Kong, Malaysia, Singapore in the year 1978, Philippines in 1983, France in the year 1990, Romania, Vietnam, Turkey, Myanmar in the year 1991, South Korea in 1992 and subsequently in several other countries across the world. A list of registrations pertaining to the trade mark "GATSBY" in the name of the Applicant has been filed with the rectification application.

c) In India, the Applicant has used the trade mark since the year 1998 and has built a formidable reputation and goodwill by virtue of such extensive and continuous use.

- d) Previously, in view of the aforesaid facts and circumstances *inter alia*, the Applicant had filed an Application for rectification before the IPAB being ORA/56/2005/TM/MUM against the Impugned Mark which was subsisting in the name of Respondent No.1 earlier.
- e) Pertinently, the ownership of the Impugned Mark changed from Respondent No.1 to Respondent No.2 sometime in the year 2010 pursuant to orders of the Bombay High Court and Delhi High Court merging the two entities. At the time of filing the instant rectification, the Impugned Mark continued to subsist in the name of Respondent No.1 and thus was separately added as a party to the instant proceedings out of abundant caution. Recordal of Respondent No.2 as the proprietor of the Impugned Mark was subsequently allowed on 09.09.2017 by Respondent No.3 during the pendency of the present proceedings.
- f) By an order dated 05.04.2013, the rectification under no. ORA/56/2005/TM/MUM was dismissed by the IPAB.
- g) The Applicant invoked Writ Jurisdiction of the Hon'ble High Court of Bombay and filed a Writ Petition renumbered as WP No. 1656 of 2013, challenging the aforesaid order dated 05.04.2013 of the IPAB. Such proceedings are pending.
- h) During the pendency of the aforesaid Writ Petition, the Applicant preferred a fresh rectification, i.e. the instant rectification against the Impugned Mark on or about 03.10.2013.

i) The IPAB objected to the subsequent rectification application owing to the pendency of the Writ Petition before the Hon'ble High Court of Bombay by a notice dated 21.10.2013.

j) In the meantime, during the pendency of the maintainability proceedings before the IPAB, around 20.06.2014, the Hon'ble High Court of Bombay passed an order in relation to the Writ Petition No. 1656 of 2013, observing that, "*It is clarified that the pendency of this writ petition will not be a ground for not having the Petitioner's further application for rectification being heard by the I.P.A.B. All contention including the contention regarding the maintainability of the application are kept open*".

k) Upon hearing the parties, the IPAB by an order on 13.11.2014 was pleased to pass an order accepting the maintainability of the instant Application for Rectification and *limiting the instant proceedings only to the ground of non-use as envisaged under Section 47(1)(b) of the Act*. It bears mention that the order passed in the earlier rectification, i.e. ORA/56/2005/TM/MUM had also observed that the ground under Section 47(1)(b) of the Act was premature.

l) Significantly just after the aforesaid order dated 13.11.2014 was passed, on or about 15.12.2014, the Respondent No.2 has also filed a frivolous rectification application as a counter blast, against the Applicant's registered trade mark being

Trade Mark No. 830235 in Class 3 which has been numbered as ORA/126/2015/TM/KOL.

m) Furthermore, on or about 09.12.2014, the Respondent No.2 had also filed a vexatious, misconceived suit being Commercial IP No. 300 of 2015 against the Applicant amongst others alleging infringement and passing of its trade mark "GATSBY". Relevantly, in both the proceedings, not a single piece of evidence was adduced by Respondent No.2 showing use of the Impugned Mark.

n) In the Complaint, the Respondent No.2 apart from admitting non-use of the Impugned Mark for the relevant period has stated that "*the Plaintiffs are at an advanced stage of launching cosmetics products under the trade mark GATSBY*". In light of the same, on or about 25.06.2015, the Applicant in order to protect its proprietary rights enormous goodwill and reputation over the trade mark "GATSBY" preferred a *qua timet action* in the form of a Counter Claim in the aforesaid suit which was numbered as CC No. 17 of 2016.

o) An order was passed by the Hon'ble High Court at Bombay 13.08.2019 dismissing the Notice of Motion (NOM No. 84 of 2015) filed by Respondent No.2 in connection with its suit under Commercial IP No. 300 of 2015 and expressly observing that, "*It is obvious from the complaint that between 1995 till date of the suit, no product has been launched Mr. Parikh for applicants also stated that no product by name trade mark GATSBY is being sold by plaintiffs today There is nothing on record that after 2005 any product with the trade mark*

GATSBY has been launched in the market. Therefore, question of granting any relief does not arise”.

p) In the aforesaid order, the Court further directed, *“If and when plaintiffs decide to launch any product, they may give four weeks notice in advance to defendants.”* In view of such observation, the Notice of Motion (NOM (L) No. 1655 of 2015) filed by the Applicant in its Counter Claim being CC No. 17 of 2016 was dismissed as withdrawn with liberty to apply to the Court for appropriate relief(s) as and when required.

15. It is stated on behalf of the applicant that the rectification application filed by Dabur India Limited (Respondent No.2 herein) numbered as ORA/126/TM/2015/TM/KOL is without any merit as the Impugned Mark has never been used by Respondent No.2 or its predecessor in title. Mere registration does not amount to use of a mark and prior use registration. The rectification application filed by the Respondent No.2 is merely a counter blast.

The locus of the Respondent No.2 in filing their rectification i.e. ORA/126/2015/TM/KOL is based on their statement which reads *"I state that, the impugned registration is affecting the rights of the registered trademarks of the Applicant and will prejudice the use of Applicants registered trademark and therefore the Applicant is a person aggrieved and has locus to take out the present Rectification application."* Thus, it is necessary to hear and dispose of the present application before taking up the ORA/126/2015/TM/KOL for all practical purposes. Since the facts are common. Both parties are decided by common single order. The facts are also similar. The order in ORA/293/2014 was resolved on 10.08.2020. The arguments in ORA/126/2015 could not be completed due to heavy roaster. The order was reserved in the said ORA ON 14/08/2020.

17. Case of respondent no.2 about use of mark

It is stated by the counsel for the respondent no.2 that Fem Care had continuously used the aforesaid registered trademarks from 1st February 1994. Fem Care is the prior adopter and user of the aforesaid registered trademarks in India from 1st February 1994.

18. It is also alleged that on or about December 1998, the Applicant made an application for registration of the Applicant's said trademark in the office of the Registrar of Trademarks at Kolkata. In the application it was expressly stated by the Applicant that they ***proposed to be used*** the trademark "GATSBY".

In the Examination Report, it was pointed out to the Applicant that the Applicant's said trademark applied for registration was identical with or deceptively similar to the registered trademark and / or mark in prior pending application and a Search Report was also enclosed. In the Search Report an express reference was made to the pending registration application filed by Fem Care for the trademark "GATSBY".

19. It is stated by Respondent No.2 that the impugned trademark is validly registered. As on date of the application for registration of the Applicant's said trademark the application for registration of Respondent No.2's impugned trademark filed by Fem Care was pending and this fact was duly communicated by the Registrar of Trademarks to the Applicant, but the Applicant wilfully did not take any steps to challenge or oppose the application for registration. Thus the Applicant has duly in the registration of the impugned trade mark and now cannot belatedly seek rectification of the same. In August 1994, Fem Care made an application in Class 3 and 5 for registration of the trademark "GATSBY". These applications were advertised on 1st October 2002 in the trademark journal and no objections were received by the Trademark Registry. Subsequently on 30th April 2003 the aforesaid trademarks came to be registered in favour of Fem Care. Respondent No.2 submits that the Applicant must have taken search of the TradeMark Register prior to filing their application for registration of the trademark "GATSBY". Despite having noticed the pending application of Fem Care, the publication of advertisement in the Trade Mark journal and the final registration of the impugned trademark in favour of Fem Care, the Applicant did not take any steps from the year 1998. It is only on 4th August 2005 that

the Applicant belatedly filed the earlier rectification application being ORA No. 56 of 2005.

On 16th November 2004, during the pendency of this registration application, the Applicant filed a second application for registration of the trademark "GATSBY" in Class 3 bearing No.1320599. According to the Applicant, the second application was filed as there was a delay in registration of the earlier application for the Applicant's said trademark. By letter dated 20th December 2006, the Applicant withdrew the second application for registration and by an order dated 16th January 2007 the Registrar of Trademarks permitted the Applicant to withdraw the second registration application.

On 13th January 2006, the Registrar of Trademarks wrongly proceeded to register the trademark "GATSBY" in favour of the Applicant. This was done in spite of the pendency of registration application filed by Fem Care for the trademark "GATSBY" in Class 3 and its subsequent registration on 30th April 2003.

20. The main thrust of the argument advanced by the counsel for respondent no.2 is that under the provisions of Section 47(1) (b) of the said Act, the burden of proving non-user of the impugned trademark is on the Applicant. Respondent No. 2 submits that the Applicant has miserably failed and neglected to discharge this burden. Except for bare averments in the present rectification application, the Applicant has not filed any evidence in support of its alleged claim of non-user by Respondent No. 2 of the impugned trademark for a period of 5 years starting from 30th April 2003 being the date of registration of the impugned trademark. Respondent No. 2 therefore submits that the Applicant has failed to satisfy the requirement of Section 47(1) (b) of the Act and therefore the present rectification application ought to be dismissed with costs.

21. In support of this submission, Respondent No. 2 relies upon the judgment of the Hon'ble Bombay High Court in the case of *Eagle Potteries Pvt. Ltd. v/s Eagle Flask Industries Pvt. Ltd.* reported in AIR 1993 BOM 185 where in paragraph number 45 it was held as follows:

"45. There is one other matter which also need to be set out, and that is the question of burden of proof of such cases. As set out above, Mr. Mehta had contended based upon the authorities in the cases of Atlas Trade Mark reported in 1979 ROC 59 and J. Lyons and Coy Ltd. reported in 1959 RPC 120, burden of proving user was on the 1st

Respondent. On the other hand, Mr. Daruwalla had submitted that on the basis of the commentary in P. Narayanan on Law Trade Marks at page 362 as well as on the footing of Section 32 of the said Act that the burden of proof was on the petitioners. In my view, looking to the wording of the Section, there can be no doubt that the burden of proving non-user will always be on the party making the averments in the Petition. No other evidence either by way of Affidavits from dealers and traders or oral evidence has been lead to show that there has been no use by the 1st Respondent or that these are not goods of the same description. In my view, merely making an averment is not sufficient. If a party wants to prove a particular fact, the burden is on that party and in cases like the present where the valuable rights of a registered owner are sought to be taken away, the burden must be strictly discharged. On this ground also the Petition fails.”

22. Respondent No. 2 also relies upon the judgment in the case of **CRC Industries Europe N.V. vs Danmet Chemicals (P) Ltd. reported in 2008 IPAB 90** where in paragraph numbers 42 to 45 it was held as follows:

“42. The next issue would be the ground of non-user. It is worth to quote section 47 of the Act.

“47. Removal from register and imposition of limitations on ground of non-use—

(1) A registered trade-mark may be taken off the register in respect of the goods or services in respect of which it is registered on application made in the prescribed

manner to the Registrar or the Appellate Board by any person aggrieved on the ground either—

(a) that the trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods or services by him or, in a case to which the provisions of section 46 apply, by the company concerned or the registered user, as the case may be, and that there has, in fact, been no bona fide use of the trade mark in relation to those goods or services by any proprietor thereof for the time being up to a date three months before the date of the application; or

(b) that up to a date three months before the date of

The application, a

continuous period of five years from the date on which the trademark is actually entered in the register 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 or services by any proprietor thereof for the time being:

Provided that except where the applicant has been permitted under section 12 to

register an identical or nearly resembling trademark in respect of the goods or

services in question, or where the tribunal is trade mark, the tribunal may refuse

an

application under clause (a) or clause (b) in relation to any goods or services, if

it is shown that there has been, before the relevant date or during the relevant period,

as the case may be, of opinion that he might properly be permitted so to register such a bona fide use of the trade mark by any proprietor thereof for the time being in relation to—

(i) goods or services of the same description; or

(ii) goods or services associated with those goods or services of that description being goods or services, as the case may be, in respect of which the trade mark is registered.

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

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

(b) a person has been permitted under section 12 to register an identical or nearly resembling trademark in respect of those goods, under a registration

extending to use in relation to goods to be so sold, or otherwise traded in,
or
in relation to goods to be so exported, or in relation to services for use or
available for acceptance in that place or for use in that country, or the
tribunal
is of opinion that they might properly be permitted so to register such a trade
mark, on application by that person in the prescribed manner to the
Appellate
Board or to the Registrar, the tribunal may impose on the registration of the
first-mentioned trademarks such limitations as it thinks proper for securing
that that registrations shall cease to extend to such use.

(3) An applicant shall not be entitled to rely for the purpose of clause (b) of
subsection (1) or for the purposes of sub-section (2) on any non-use of a trade
mark which is shown to have been due to special circumstances in the trade,
which includes restrictions on the use of the trade mark in India imposed
by any
law or regulation and not to any intention to abandon or not to use the trade
mark in relation to the goods or services to which the application relates.”

Under section 47(1) (a) of the Act the applicant may allege that the trade-mark
was registered without bona fide intention to use should be in relation to these goods and
services and that the trade mark was not used upto a date of three months
before
the date of application. Section 47(1)(b) of the Act the applicant may allege that continuous
use period of five years from the date of entry in the Register has lapsed
during which period the mark was not used.

43. The period of non-user under section 47 (1) of the Act will start from the
date on which the trade mark is actually entered in the register rather than
from the date of application for registration. The non-
user required to be proved must be a continuous non-use during the relevant period.
The burden of proving non-use during the relevant period is on the applicant for
rectification.

44. In this case, the applicant has claimed non-user has not proved the same.
The applicant has in fact filed a suit for infringement of Trade Mark and
Copyright in 2004, if that be so the question of non-user does not arise. The
applicants further have also admitted that the respondents have been
injunctioned by an order of the court in the suit which goes to prove that the
respondents were using the trade mark.

45. Moreover, the period of five years itself has not lapsed to establish non-user upto five years on the date of making the instant application for rectification. The registration has been granted in the year 2003 and the instant application has been made in 2005. The applicant has, therefore, failed to discharge his duty to establish non-user and hence the objection of non-user is rejected.”

23. On behalf of Respondent No. 2 submits that during the year 1994-1995 Respondent No. 1 had marketed and sold products under the impugned trademark “GATSBY”. Respondent No. 2 submits that on 16th April 2004, an application was made to the Joint Commissioner of Food and Drugs Administration for approval to manufacture perfumes, colognes under the impugned trademark “GATSBY”. Respondent No.1 spent considerable amount of money and had relaunched its product under the impugned trademark “GATSBY”. Since then Respondent No.1 and subsequently Respondent No. 2 has been doing research and development / market survey of other products to be sold under the impugned trademark “GATSBY”. The bonafide intention of Respondent No. 2 to use the impugned trademark “GATSBY” was noted and a finding was recorded by IPAB in their Order dated 5th April 2013 while dismissing the Applicant’s earlier rectification application.

24. It is stated on behalf of respondent No.2 that the The Applicant is not aggrieved person by the presence of the impugned trademark on the trademark register and is therefore disentitled to seek removal of the impugned trademark. The Applicant is not the prior adopter and owner of the trademark “GATSBY”. Respondent No.1 is the prior adopter and user of the impugned trademarks and consequently the Applicant

does not possess any proprietary right title or interest in the said trademark. In the Applicant's application for registration of the said trademark it was expressly stated that they ***proposed to be used*** the trademark "GATSBY". The Applicant has not brought forth any evidence of user of the Applicant's said trademark in India prior to the year 1994 which is the year of adoption of the trademark by Respondent No.1 in India. Consequently the Applicant is disentitled from asserting any proprietary rights in India in the said trademark. In support of this submission, Respondent No.2 relies upon the following judgement of the Hon'ble Bombay High Court in ***Sunder Paramanand Lalwanis Caltex (India) Ltd. reported in AIR 1969 BOM 24. (Refer paragraph number 9.)***

25. *It is stated on behalf of Respondent No.2 that the said Act is not extra territorial. Section 1 (2) of the said Act states that the statute extends to the whole of India. The definition of trademark under Section 2 (zb) (ii) and Section 2(2) of the said Act speaks of use in relation to goods which is understood as use within the territory of India and not use abroad. The alleged user by the Applicant of the Applicant's said trademark outside India cannot be considered as user in India for the purpose of seeking rectification of the impugned trademark especially when Fem Care and thereafter the Respondent No.2 had asserted that they are prior adopters and user of the said impugned trademark. In support of this submission the Respondent No.2 relies upon the judgement of the Hon'ble Kolkata High Court in ***Aktiebolaget Jonkoping Vulcan vs V.S.V.P Nadar reported in AIR 1969 CAL 43. (refer paragraph number 28).****

26. The Respondent No.2 submits that the present rectification application be dismissed on the ground of acquiescence. In support of this submission Respondent No.2 relies upon the judgment of the Hon'ble Bombay High Court in the case of

**AyushaktiAyurved Pvt Ltd. v/s. Hindustan Unilever Ltd reported in 2003 (5)
BomCR 523.).**

It was held in paragraph numbers 7 to 10 as follows:

“7. 6-7. *In the affidavit in reply, the defendants have categorically referred to this search and stated, in paragraph 33, that the plaintiffs have not disclosed the result of the search report as to the availability of the mark. In rejoinder, the defendants appear to be fully conscious of this challenge but have chosen to neither admit nor deny whether the manual search revealed that the mark AYUSH that was already on the register and that another application for registration of AYUSH was pending. In fact, it appears from the statement made in paragraph 25 of the plaint that the plaintiffs in any case were aware of the pending of the application, since that application was already under opposition from them when they took the search. Moreover, in paragraph 43 of the rejoinder, the plaintiffs have stated that the result of the search report for the mark AYUSHAKTI is “inconsequential” though this apparently refers to a search conducted in the year 2002. It is obvious that the plaintiffs were conscious of the crux of the defendants averment that when the plaintiffs took search in the year 1996 they came across the registered mark AYUSH and in any case came across the application for registration of the mark AYUSH and they copied the same. Even though the plaintiffs were conscious of the issue they have chosen not to even formally make a denial that when they took search in 1996 they did not come across the mark AYUSH either as a registered trade mark or as a mark for which an application was pending. In fact the plaintiffs have in their rejoinder made a statement which is vague and reads as follows:—*

“The manual search undertaken in and around 1996 for the mark AYUSHAKTI in class 5 did not cite the mark AYUSH under application No. 662361, since the records at the Trade Mark Registry in 1996 were grossly incomplete, and the search was complete only to the extent of application received until January 1994 and were available for search.”

8. *It appears highly unlikely that the plaintiffs did not come across the mark AYUSH when they took a search of the register. I am, therefore, prima facie of view that in this case knowledge of the mark AYUSH can be presumed. There does not appear to be any doubt about the fact that one of the mark AYUSH No. 4720378 was on the register on 11th May, 1997 and that the two marks bearing Nos. 603261 and 685711 for which applications were made on 8th July, 1994 and 6th November, 1995 were pending registration. The plaintiffs must be taken to have knowledge of these marks, which were subsequently assigned by Mr. Paraskhanewala to the defendants, on the principle of res ipsa loquitur as applied by an English Court in the case of Brown Shoe Company Inc. reported in 1959 RPC at page 29. The respondents there had evolved word*

“Natlurizet” as a trade mark in relation to ladies shoes. The trade mark “Naturalizer” belonging to the appellant was already in existence and on the register. The court observed as follows:—

*“Here it is true two words are involved “Naturalizer” and “Natlurizet”. The Assistant Comptroller disposed of this part of the case by saying that on the question of discretion he found nothing in the evidence to establish that the respondents had copied the appellants mark. With all respect to him, that can hardly be a satisfactory way of dealing with the problem. No evidence by the appellants on such a point could be expected. It must to my mind be a question of *res ipsa loquitur* or nothing. I find it impossible to treat the case as one of coincidence and to take the view that in evolving the word “Natlurizet” as a Trade Mark in relation to ladies shoes the respondents had no regard to the Appellants mark “Naturalizer”.*

9. *In view of the above it is not possible to accept the submission of Mr. Kadam, learned Counsel for the plaintiffs that this Court must hesitate to draw this conclusion because there is no evidence to prove that the plaintiffs copied the mark AYUSH which was on the register and in any case in respect of which application for registration was pending. Such direct evidence can hardly be expected. Admittedly the plaintiffs have made a search when the mark was on the register. And they have failed to disclose the result of the search even when the defendants specifically made such an averment.*

10. *Prima facie, in view of the fact that the plaintiffs have admitted having taken a search and not disclosed the result of the search in spite of the specific plea raised by the defendants, there seems every reason to believe the defendants case that the plaintiffs have copied the mark AYUSH which they came across in the course of the search. It is interesting to note that the plaintiffs did not take an official search. Had they done so, it would have been virtually impossible for them to then say that they had no knowledge. I also do not accept the contention of the learned Counsel for the plaintiffs that merely because it is possible to miss a particular mark in the course of a search and that rule 24(2) of the Trade Marks Act contemplates that in a given case a mark may not be disclosed in a search, it should be believed that the plaintiffs did not come across the mark in the course of the search which they undertook. It may be possible to accept the general proposition that in the course of the search a mark may be missed. In this case, it is not possible to do so because in spite of a specific plea raised by the defendants the plaintiffs have failed to disclose the result of the search made by them. It appears to be an attempt to gloss over the fact that they came across the mark AYUSH in the course of the search.”*

In view of the aforesaid submissions, Respondent No.2 submits that the present rectification application is liable to be dismissed.

27. It is not in dispute that the Respondent No. 2 has filed Commercial (IP) Suit No. 300 of 2015 against Applicant in the Hon'ble Bombay High Court on the ground of infringement and passing off by the Applicant by adopting and using the impugned trademark. The aforesaid suit is pending. The said suit was filed on 09.12.2014.

The Hon'ble High Court at Bombay has in its order dated 13.08.2019 specifically observed that "*I.....It is obvious from the plaint that between 1995 till date of the suit, no product has been launched....*". Counsel for the respondent no.2 has stated that the same are prima facie finding at the interim stage hence no consequence.

28. The Applicant submits that Respondent No.2 has not established any user of the Impugned Mark in India at any material point of time in any of the proceedings.

29. The counsel has referred the order of Hon'ble High Court of Bombay in its said order dated 13.08.2019 in proceedings between the parties herein [*Notice of Motion No. 84 of 2015 in Commercial IP Suit No. 300 of 2015 and in Notice of Motion (L) No. 1655 of 2015 in Counter Claim No. 17 of 2016*] took note of the

absence of evidence establishing use of the Impugned Mark. Relevant excerpts from such order dated 13.08.2019 are reproduced herein below in detail:

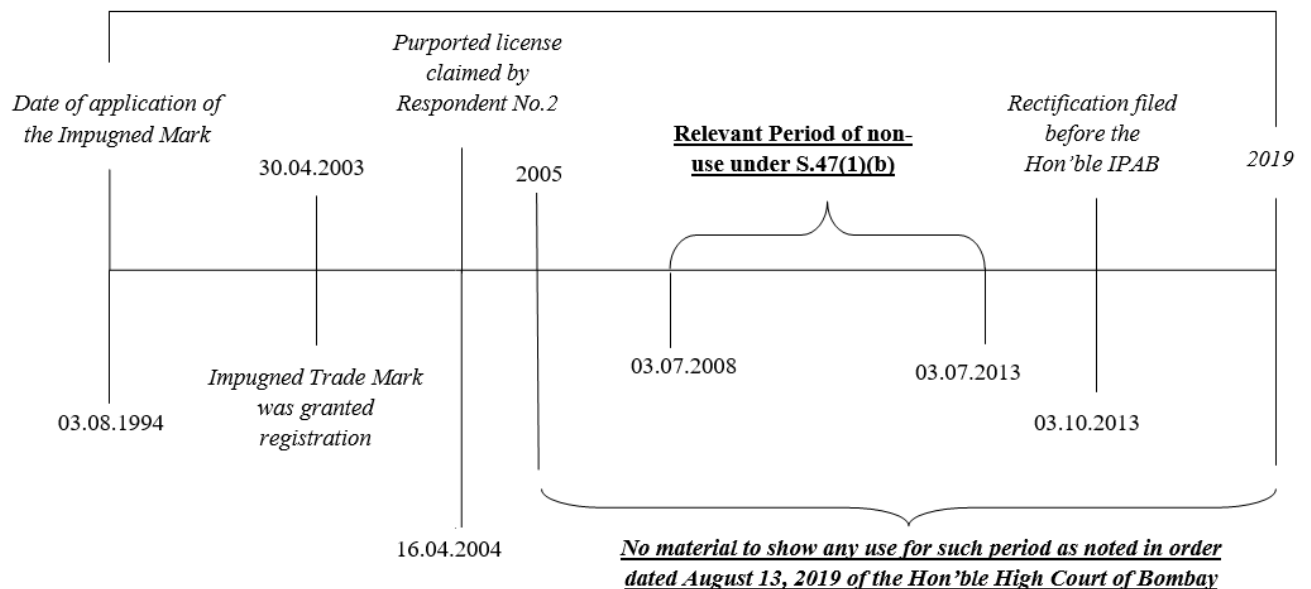
*“PARA 1: In paragraph-11 of the plaint, in the suit for infringement of trade mark and passing off, plaintiffs state that they had marketed some products in February-1994 upto October 1995 i.e., 20 years prior to filing of the suit and plaintiffs are proposing to launch other products. **It is obvious from the plaint that between 1995 till date of the suit, no product has been launched.** Plaintiffs also state that they have manufactured perfume, colognes under the manufacturing license obtained from FD Authorities in 2004 but plaintiffs state they are not selling any of those products.”*

*PARA 2: **Mr. Parikh for applicants also stated that no product by name trade mark GATSBY is being sold by plaintiffs today.**”*

PARA 3: In page-224 which is an affidavit filed by one Sunil Pophale who was the managing director of Fem Care Pharma Limited, predecessor in title of plaintiffs, opposing an application of defendant no.1, it is stated “to start with, my company test-marketed perfumes, outsourced from the market, under the impugned mark during February 1994 to October 1995 of which the record is not presently available”. It is also stated in or about April-2004 my company decided to revive its product range under its registered trademark GATSBY and manufacture the product in its factory at Nashik. It is stated that Fem Care Pharma Limited took up the manufacture of the said products and the clinical trials relating thereto were at the final stage and after completion of the clinical trial and testing process, the company ‘proposes’ to re-launch its products under its trademark GATSBY in a big way. That was on 14.11.2005. Plaintiffs have acquired right, title and interest on the trade mark GATSBY only in 2010. There is nothing on record that after 2005 any product with the trade mark GATSBY has been launched in the market. Therefore, question of granting any relief does not arise. If and when plaintiffs

decide to launch any product, they may give four weeks' notice in advance to defendants. Notice of Motion No.84 of 2015 accordingly disposed.”

30. The applicant has provided below is a chart capturing the dates and the relevant period:



31. Case of the applicant (mandomcorp) as per pleadings about its use and non-use of respondent no.2.

a) The Applicant is the world-wide prior user of the trade mark “GATSBY” having used the same since the year 1978 in Japan and in several other countries across the world.

b) In India, the Applicant has been using the trade mark in respect of goods in Class 3 since the year 1998 and significant goodwill and reputation is enjoyed by the Applicant in the market.

c) Up to a date of three months prior to the date of filing of the instant Application for Rectification, a continuous period of five years has elapsed during which there has been no use of the Impugned Mark.

d) The Respondent No. 2 has failed to bring on record any evidence to show any use of the Impugned Mark.

e) The Applicant being the world wide prior adopter, prior user worldwide as well as in India is a person aggrieved within the meaning of Section 47(1)(b) of the Act due to the subsistence of the Impugned Mark on the register in the name of Respondent No.2.

32. The Respondent No.2's main defence is based on prior registration of the Impugned Mark. It is a settled position of law that mere registration does not establish use. The Respondent No.2 has miserably failed to adduce any document establishing use of the Impugned Mark in the "relevant period" as envisaged under Section 47(1)(b) of the Act. Even during the course of hearing, it was enquired about the user, no positive answer was given, except that only licence was obtained.

33. Resjudicata

The respondent no.2 has raised this issue in its pleadings. The law relating to resjudicata is applied if any case is made under the principles of Section - 11 of Code of Civil Procedure 1908, though the said provisions are not applicable in the trade mark cases. As per settled law, we are of the opinion that if any ground of defence or attack already agitated in the previous matter i.e. in the

opposition proceedings or in the rectification proceedings and the same has been determined on merit by the decision which has attained finality, the party after such decision can not be allowed to be re-agitated again in the proceedings. Example thereby if in the opposition proceedings after hearing on merit, the decision is given, the said same issue cannot be re-agitated in the rectification proceedings later on for the same subject matter and between the same parties. In the present case, the fresh rectification proceedings are filed in 2014. The earlier rectification petition was filed about the non-use of the mark for different period. The present rectification is pressed under Section 47(1)(b) of the Act for different relevant period between 03.07.2008 to 03.07.2013. The rectification proceedings of non-user is a recurring cause of action. Thus, in the present case fresh cause of action exists. The present petition was filed on 05.10.2013. Even the Hon'ble Bombay High Court on 13.08.2014 has recorded that there was no use of the mark between 1995 and till date of suit which was filed in 2014. The present rectification was also filed in 2014. Thus, resjudicata does not apply. Even court has allowed IPAB to decide the matter subject to the objection of respondent no.2.

34. **No bonafide use of the Impugned Trade Mark, thus attracting Section 47(1)(b)**

Under Section 47(1)(b), a registered trade mark may be removed if a continuous period of five years has elapsed after registration of the mark, prior to three months from the date of filing of the Application for Rectification, wherein the Impugned Trade Mark has not been used, unless special circumstances exist which prevented the registered proprietor from using the trade mark.

35. It is settled law and rightly held in the decision referred by the respondent No.2 that if evidence of user is produced by the registered proprietor

even to some extent, the burden of proof lies with the applicant but if no evidence is produced, then the burden will shift to the registered proprietor. Therefore, when the proceedings under section 47(1)(b) non use for statutory period of five years is admitted as a fact, then the defence that the non-use must be proved by a party taking a defence. The onus is upon the registered proprietor who is claiming continuous user. The use here means impugned trade mark in question. In the present case, the respondent No.2 is not able to produce any cogent and clear evidence of user during the relevant period as per record, even not a single evidence available. Thus the decisions referred do not help the case of respondent no.2. In case even evidence of small user of the mark has been produced then all decisions referred by the counsel for respondent no.2 would apply and burden would be upon the applicant but the position is otherwise.

36. From the material on record it is apparent that the Respondent No. 2 has not undertaken any use, much less bona fide use, of the Impugned Trade Mark.

37. It is well-settled that once an Applicant for Rectification pleads non-use of the trade mark based on cogent material, the Respondent No.2 must specifically deny setting out the facts on which he denies non-use of the trade mark and produce at least some evidence. In failure to do so the burden of proving bonafide use as also bonafide intention to use is wholly on the Registered Proprietor/ Respondent No. 2. In the present case burden has not been discharged by the Respondent No. 2.

38. The Respondent No.2's tacit reliance on the purported manufacturing license issued in the year 2004, even if considered for the sake of arguments, is beyond the relevant period and as such inconsequential for the present proceedings. In any event such document can in no manner be considered to be use of a mark.

39. **Person aggrieved**

Being in the same trade couple with the fact about the pendency of suit for infringement of the same trademark is pending files by the respondent no.1 against the applicant where both parties are claiming the proprietaryship. The applicant is the person aggrieved within the meaning of Section 47 of the Act. It is also a matter of fact that the applicant has filed a counter-claim. The suit seeking injunction against the respondent No.2. The respondent No.2's application for rectification of application registration is also filed. Thus, the submissions of the respondent No.2 has no force.

40. In *Kellogg Company vs. Pops Food Products (P) Ltd.* the Hon'ble High Court of Delhi observed while referring to the decision of the Hon'ble Supreme Court of India in *Hardie Trading Ltd. and Anr. vs. Addisons Paint & Chemicals Ltd* reported in *2003 (27) PTC 241 (SC)*, that:

"11....The Supreme Court referred to the following passage from the decision of the House of Lords in Powell's Trade Mark: 1894 11 RPC 4, in its decision:

.....Whenever 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."

41. The applicant has relied upon the statement which would show that survey report about the non-use of the trade mark of the respondent no.2. The

respondent no.2 is not able to produce even a single piece of cogent and clear evidence to establish that the mark in question has been used during relevant period of time. Therefore, it is apparent that the respondent no.2 or its predecessor in interest has not used the impugned mark. The respondent no.2 has no right under law or in equity to sustain the registration of the impugned mark.

42. It has been observed in **Shell Transource Limited vs. Shell International Petroleum Company Limited**, that, “The mere fact that a mark is registered cannot be evidence of use or bonafide intention to use, for then all S. 47 applications must fail [PARA 17]”. Moreover, it further proceeded to observe in paragraph 18 that, “In J.T. McCarthy, McCarthy on Trademarks and Unfair Competition, 19:14 (4th ed. 2009) it is observed "here the complete lack of documentation or testimony clearly outweighs any subjective or sworn intent to use the mark”.

43. The Applicant submits that the Respondent No.1 and 2 have never used the impugned mark and the same ought to be removed under Section 47(1)(b) of the Act. A right over a trade mark is acquired by way of use. Registration of a trade mark without any use is of no consequence.

In Fedders Lloyd Corporation Ltd. &Anr.vs. Fedders Corporation &Anr., theHon’ble Delhi High Court has observed that:

“23. Though the object of the Trade Marks Act is to protect the proprietary rights of a registered trademark holder, at the same time the object is not to facilitate any monopoly of such registered trade mark holder, despite non use of the trademark by him as contemplated by the Act. A trademark has no meaning, even if it is registered, unless it is used in relation to goods and/or services. A Trademark which drops out of the use, dies when there are no goods offered for sale as there is no use of the trademark. The mark can lose its distinctiveness by non use, where

non use is on the part of registered trade mark holder but not on account of external factors beyond the control of such registered trade mark holder.”

44. **In Fedders Lloyd Corporation Ltd. & Anr. vs. Fedders Corporation & Anr.**, the Hon'ble Delhi High Court held that non-user of a trade mark is a continuing cause and every day of non-use gives rise to a fresh cause of action.

PARA 47: “...On a conjoint reading of the provisions under the Trade and Merchandise Marks Act, 1958 and the Limitation Act, 1963, it is apparent that the application under Section 46 of the Act can be filed after there has been ‘non-use’ of the trade mark for a continuous period of five years and one month. The provision does not contemplate that the application has to be filed just after completion of five years and one month of ‘nonuse’ and cause of action will crystallize on that date irrespective of continuous nonuse by the proprietor of trade mark. The provision also does not stipulate as to when the cause of action will start. Emphasis is not on the time when the cause of action will start but that at the time of filing the application, a continuous period of five years and one month must elapse of such non-use before an application can be filed. Thus, what is relevant is not when the right to sue commenced but when the right to sue matured for institution of the application under Section 46 of the Trade & Merchandise Marks Act, 1958. The nonuse in such case on everyday gives a new cause of action an law”

45. In the light of the above, it is clear to us that the entry relating to the impugned mark being trade mark no. 635739 in class 3 is removed/expunged from the Register of Trade Marks as the respondent no.1 and 2 have no intention to use the same in the course of trade. It has merely blocked the Register of Trade Mark as the impugned trade mark has not been put to use over or in the relevant period of time on commercial purposes or otherwise. The prayer in the petition is allowed accordingly.

ORA/126/2015/TM/KOL filed by Dabur Ltd./applicant

46. The appellant has filed the present rectification application being ORA No. 126/2015 for removal of the Respondent's trademark "GATSBY" registered under No. 830235 in Class 3 ("impugned trademark). The applicant seeks removal of the impugned trademark under Sections 9,11,18(1),47,57 and 125 of the Trade Marks Act, 1999. The respondent No.1 has filed the counter statement as well as large number of documents.

47. The brief facts already mentioned while deciding ORA/293/2014/TM/Ko01. However, few facts are repeated again for the purpose of determining the present petition.

a) The applicant is a subsequent proprietor of two registered trademarks "GATSBY" in class 3 bearing registration No. 635739 and in class 5 bearing registration No. 635744.

b) The original proprietor of the Applicant's said registered trademarks was a company named Fem Care Pharma Limited (Fem Care). In August, 1994, Fem Care made an application in Class 3 and 5 for registration of the trademark "GATSBY". These applications were advertised on 1st October 2002 in the trademark journal and no objections were received by the Trademark Registry with regard to the same. Subsequently on 30th April 2003 the aforesaid trademarks came to be registered in favour of Fem Care.

c). With effect from 1st April 2010, Fem Care merged into the Applicant. The merger was effected pursuant to the order of the Hon'ble Delhi High Court dated 19th April 2010 issued in Company Petition No 72 of 2009 and order of the Hon'ble Bombay High Court dated 7th May 2010 issued in Company Petition No 24 of 2010. Pursuant to the merger of Fem Care into the Applicant, the registered trademarks of Fem Care were transferred to the Applicant.

d) In order to effectuate the change of owner's name of the registered trademarks, the Applicant filed the prescribed form TM-24 to register as a subsequent proprietor of the trademark "GATSBY" in Class 3 and Class 5 with the Registrar of Trademarks, Mumbai.

e) Fem Care had continuously used the aforesaid registered trademarks from 1st February 1994. Fem Care is the prior adopter and user of the aforesaid registered trademarks in India from 1st February 1994. The Applicant is the subsequent proprietor of the aforesaid registered trademarks and consequently the prior adoption of the aforesaid trademarks by Fem Care enures to the benefit of the Applicant. It is in this manner that the Applicant is the prior adopter and user of the Applicant's said registered trademarks.

48. The Applicant seeks the rectification of the impugned trademark on the following grounds:

a. The Applicant is aggrieved by the presence of the impugned trademark on the trademark register and has therefore preferred the present application for removal of the impugned trademark. The Applicant is the prior adopter and owner of the Applicant's said registered trademarks. As set out in the present ORA and these submissions, the Applicant duly satisfies the requirement of Section 57(2) of the said Act and the Applicant therefore submits that the Applicant is entitled to maintain the present rectification application.

b. The Applicant submits that the impugned trademark is registered contrary to the provisions of Section 11 (1) of the said Act. The Applicant's said registered trademarks and the impugned trademark are identical and are registered for the same class of goods. The Applicant submits that the entry of the impugned trademark in the register is made without sufficient cause as the impugned trademark is not distinctive of the goods of Respondent No 1 and will deceive and cause confusion. In support of this submission, the Applicant relies upon the judgement of this Appellate Board in the case of **USV Limited vs Cadila Pharmaceuticals Limited reported in 2008 (37) PTC 637. (Refer paragraph number 17).**

c. The Applicant's said registered trademarks and the impugned trademark is identical and are registered for the same class of goods and hence there is every likelihood that the continuance of the impugned trademark on the Register will cause confusion and therefore the Applicant is justified to seek rectification and removal of the impugned trademark. In support of this submission the Applicant relies upon the

judgement of the Hon'ble Bombay High Court in the case of **Kashiramvs Thakur Das reported in AIR 1982 BOM 505. (Refer paragraph numbers 7 to 13).**

d. The Applicant submits that the Registrar of Trademarks owes a primary duty towards the public and the maintenance of the purity of the Register. The continuance of the impugned trademark in the Register results in a breach of the aforesaid primary duty of the Registrar of Trademarks both towards the public and the maintenance of the purity Register. In support of this submission, the Applicant relies upon the judgement of the Hon'ble Bombay High Court reported in the case of **Ciba vsRamalingam (1957) BOM 702 (Refer paragraph number 5).**

e. The Applicant submits that the impugned trademark is registered in contravention of Section 9 of the said Act. As on date of the application for registration of the impugned trademark the application for registration of the Applicant's said registered trademarks was pending and this fact was duly communicated by the Registrar of Trademarks to Respondent No 1. The Applicant submits that the registration of the impugned trademark infringes the Applicant's proprietary rights in the Applicant's said registered trademarks. The Applicant is the prior adopter and user of the Applicant's said registered trademarks and consequently on the date of application made by Respondent No 1 of the impugned trademark the Respondent No 1 did not possess any proprietorial right title or interest in the impugned trademark. In the application it was expressly stated by Respondent No 1 that they proposed to use the trademark "GATSBY". The Respondent No 1 has not brought forth any evidence of user of the impugned trademark in India prior to adoption of the trademark by the Applicant in India. Consequently Respondent No. 1 is disentitled from asserting any proprietary rights in India in the impugned trademark. In support of this submission, the Applicant relies upon the judgement of the Hon'ble Bombay High Court in the case of **Sunder ParamanandLalwanivs Caltex (India) Ltd. reported in AIR 1969 BOM 24 (Refer paragraph number 9).**

f.The Applicant submits that the said Act is not extra territorial. Section 1 (2) of the said Act states that the statute extends to the whole of India. The definition of trademark under Section 2 (zb) (ii) and Section 2(2) of the said Act speaks of use in relation to goods which is understood as use within the territory of India and not use abroad. The alleged user by Respondent No. 1 of the impugned trademark outside India cannot be considered as user in India for the purpose of obtaining registration of the impugned trademark especially when Fem Care and thereafter the Applicant had asserted that they are prior adopters and user of the Applicant's said registered trademarks. In support of this submission the Applicant relies upon the judgement of the Hon'ble Kolkata High Court in *Aktiebolaget Jonkoping Vulcan vs V.S.V.P Nadar reported in AIR 1969 CAL 43 (Refer paragraph number 28)*.

49.The Applicant submits that the impugned trademark is registered in contravention of Section 47 (1) (a) of the said Act. Respondent No 1 had in its application for registration of the impugned trademark falsely stated that they proposed to use the impugned trademark. The Applicant submits that the impugned trademark was registered without any bonafide intention on the part of Respondent No. 1 that the impugned mark should be used in relation of the goods mentioned in Class 3.

50.In view of the above, the Applicant submits entry relating to Trademark No. 830235 in Class 3 in the name of Respondent No. 1 be removed / expunged from the Register of Trademarks.

51.Relevant facts and case of the respondent No.1

i)The Registered Proprietor had earlier filed an application for rectification under Section 47 and Section 57 of the Act against the Applicant's trade mark 'GATSBY'

registered under no. 635739 on 06.08.2005 before this Hon'ble Tribunal. It is pertinent to mention that in such application being No. ORA/56/2005/TM/MUM, the ground of non-use under Section 47(1)(b) of the Act was not mature.

During pendency of the said rectification proceedings under no.ORA/56/2005/TM/MUM, the subject trade mark was granted registration on 13.01.2006. On 05.04.2013, the Tribunal was pleased to refuse the application for rectification being ORA/56/2005/TM/MUM.

ii)The Registered Proprietor being aggrieved by the aforesaid order dated 05.04.2013 filed a Writ Petition [WP No. 1656 of 2013] challenging the said order which is pending before the Hon'ble High Court of Judicature at Bombay.

During the pendency of the aforesaid Writ Petition, the Registered Proprietor preferred a new application for rectification on or about 03.10.2013 against the trade mark 'GATSBY' registered under No. 635739 in Class 3, *inter alia* on the ground that the mark ought to be rectified under Section 47(1)(b) of the Act.

iii)This Tribunal objected to the subsequent rectification application owing to the pendency of the Writ Petition before the Hon'ble High Court of Judicature at Bombay. Upon hearing the parties, the Tribunal by an order on 13.11.2014 has passed an order accepting the maintainability of the new application for rectification, limiting the proceedings only to the ground of non-use as envisaged under Section 47(1)(b) of the Act which was then taken on record and numbered as ORA/293/2014/TM/MUM.

iv)Significantly, just after the aforesaid order dated 13.11.2014 was passed, on or about 09.12.2014, the Applicant filed a vexatious, misconceived suit being Commercial IP No. 300 of 2015 against the Registered Proprietor amongst others alleging infringement and passing of its trade mark "GATSBY". The Applicant also

claimed to 'launch' products under the mark 'GATSBY' in the plaint. In order to prevent the Applicant from launching any products, given the Registered Proprietor's prior and superior rights over the trade mark 'GATSBY', the Registered Proprietor filed a *quiatimet* action in the form of a Counter Claim [CC (L) 635 of 2015] before the Hon'ble High Court of Judicature at Bombay.

Around the same time, on or about 15.12.2014, the Applicant filed the present rectification application as a counter blast, against the subject trade mark. Significantly, not a single shred of evidence has been adduced by Applicant showing use of the mark 'GATSBY'.

v)The Applicant has been aware of the subject trade mark at least since the year 2006. For the entire period between 2006-2014, the Applicant neither objected to the use nor registration of the subject trade mark. Only when the rectification application, i.e. ORA/293/2014/TM/MUM filed by the Registered Proprietor was taken on record in November 2014 by the Tribunal, the Applicant herein chose to file this frivolous application for rectification under No. ORA/126/2015/TM/KOL with the sole intention to harass and cause prejudice to the Registered Proprietor.

vi)The Registered Proprietor's earlier filed rectification application on the ground of non-use praying for rectification of the Applicant's trade mark under no. 635739 in Class 3 for the mark "GATSBY" (ORA/293/2014/TM/MUM) has been listed together with the present proceedings.

53.It is settled law that in order to claim ownership of the mark and a proprietary right in a trade mark is that it should be ***used by the proprietor***. The Hon'ble High Court of Judicature at Bombay has opined on such position in *Consolidated Foods Corporation Vs. Brandon and Company Private Ltd*. Relevant excerpts have been reproduced herein below:

*“.....To summarise, therefore, a trader acquires a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and the extent of his trade. The trader who adopts such a mark is entitled to protection directly the article having assumed a vendible character is launched upon the market. As between two competitors who are each desirous of adopting such a mark, "it is, to use familiar language, entirely a question of who gets there first."GawKan Lye v. Saw KyoneSaing AIR 1939 Ran 343. Registration under the statute does not confer any new right to the mark claimed or any greater right than what already existed at common law and at equity without registration. It does, however, facilitate a remedy which may be enforced and obtained throughout the State and it established the record of facts affecting the right to the mark. **Registration itself does not create a trade mark.** The trade mark exists independently of the registration which merely affords further protection under the statute. Common law rights are left wholly unaffected. **Priority in adoption and use of a trade mark is superior to priority in registration.**”*

54. The Registered Proprietor/ respondent no.1 has been using the subject trade mark in India since 1998 and the subject mark was granted registration in the year 2006. The respondent No.1 has filed the documents / evidence supports the contentions of the Registered Proprietor. This is in addition to the fact that the Registered Proprietor is the prior adopter and user of the trade mark in the world market having adopted the trade mark ‘GATSBY’ in the year 1976 and was put to use in Japan since the year 1978 before expanding its business across the world. The said prior adoption in JAPAN has not been disputed by the applicant.

55. On the otherhand, time and again, it was enquired from the counsel appearing on behalf of Dabur India Ltd. to show documents to use of the mark from the date of filing of application till date. It may not be extensive but even small user would serve the purpose . There was silence in this regard. As per record no evidence of user is available in order to show any commercial user. Thus it is evident that the Applicant never had any intention of using the trade mark ‘GATSBY’ and the

instant proceeding is entirely on whims and fanciful grievances of the Applicant which have no basis either in law or in equity.

56.It has come on record that the Applicant has never used the trade mark 'GATSBY' in connection with its goods. In fact, the Hon'ble High Court of Judicature at Bombay in Commercial I.P. Suit No. 300 of 2015, has recorded in its order dated 13.08.2019, such non-use of the trade mark 'GATSBY' by the Applicant. Such order has also attained finality and has not been challenged by the Applicant.

57.As already mentioned that the respondent no.1/ Registered Proprietor adopted the trade mark "GATSBY" as early as in the year 1976 in Japan and commenced use of the same in the year 1978. As per material available on record.

The Registered Proprietor gradually proceeded to file several applications for and obtained registrations of the trade mark "GATSBY" in several countries across the world. A list of registrations pertaining to the trade mark "GATSBY" in the name of the Registered Proprietor has also been filed with the Counter Statement. .

58.It is stated on behalf of respondent no.1 that the Registered Proprietor entered the *Indian market* under the trade mark "GATSBY" in the year 1998 initially through exports and subsequently, through authorized dealers, marketers and distributors. It may be added, for the period April 1998 to March 1999, the Registered Proprietor's annual turnover was USD 123,283,558 in Japan and the Registered Proprietor had an overseas annual turnover of USD 13,717,292 under the trade mark 'GATSBY'. Significantly, the sales turnover under the subject trade mark "GATSBY" for the period April 2010 to May 2016 in India was **₹2926.24million**. There is a force in the submissions of the counsel for respondent no.1 in view of evidence available on record. The user of mark open, continuous in

India which is corroborated with several export invoices, bill of lading, packing lists, general invoices as well as advertisements which have been annexed to the Counter Statement.

59. In order to succeed in a proceeding under Section 57 of the Act, an Applicant has to establish that the trade mark registration is contrary to some other provision of the Act. In the present proceedings, the Applicant has made out no case other than bald statements seeking removal of the subject trade mark under Section 9, 11 and Section 18 of the Act. In fact, the Applicant's reliance on such provisions of law are entirely misplaced as would be evident from the following submissions:

60. The Hon'ble High Court of Judicature at Bombay in its order dated 13.08.2019 has expressly taken note of the admitted position of non-use of the mark "GATSBY" of Dabur India Limited (Applicant) and/or its predecessor, and excerpts from such order are given below:

"PARA 1: In paragraph-11 of the plaint, in the suit for infringement of trade mark and passing off, plaintiffs state that they had marketed some products in February-1994 upto October 1995 i.e., 20 years prior to filing of the suit and plaintiffs are proposing to launch other products. It is obvious from the plaint that between 1995 till date of the suit, no product has been launched. Plaintiffs also state that they have manufactured perfume, colognes under the manufacturing license obtained from FD Authorities in 2004 but plaintiffs state they are not selling any of those products."

PARA 2: Mr. Parikh for applicants also stated that no product by name trade mark GATSBY is being sold by plaintiffs today.

PARA 3: In page-224 which is an affidavit filed by one Sunil Pophale who was the managing director of Fem Care Pharma Limited, predecessor in title of plaintiffs, opposing an application of defendant no.1, it is stated "to start with, my company test-marketed perfumes, outsourced from the market, under the impugned mark during February 1994 to October 1995 of which the record is not presently available". It is also stated in or about April-2004 my company decided to revive its product range under its registered trademark GATSBY and manufacture the product in its factory at

Nashik. It is stated that Fem Care Pharma Limited took up the manufacture of the said products and the clinical trials relating thereto were at the final stage and after completion of the clinical trial and testing process, the company 'proposes' to re-launch its products under its trademark GATSBY in a big way. That was on 14.11.2005. Plaintiffs have acquired right, title and interest on the trade mark GATSBY only in 2010. There is nothing on record that after 2005 any product with the trade mark GATSBY has been launched in the market. Therefore, question of granting any relief does not arise. If and when plaintiffs decide to launch any product, they may give four weeks' notice in advance to defendants. Notice of Motion No.84 of 2015 accordingly disposed."

61. If the complainant in the rectification himself has not used the trade mark 'GATSBY', the provisions envisaged under Section 9 or Section 11 of the Act is of no consequence in as much as the registration obtained by the Applicant stands in vacuum as already stated herein above unless goodwill and reputation of the mark by other means proved.

62. The Registered Proprietor in the present case is able to establish with cogent and extensive evidence that it is the bonafide adopter and prior user of the trade mark "GATSBY". The requirements under Section 18 is satisfied by the Registered Proprietor

63. Furthermore, it is submitted that the law on prior user of trade mark *vis-à-vis* prior registration is fairly settled by numerous judicial precedents. In this context, it submitted that "***priority in adoption and use of a trade mark is superior to priority in registration***". In line with the principle laid down by the Hon'ble High Court of Judicature at Bombay, the Hon'ble Supreme Court in Neon Laboratories Ltd. v. Medical Technologies Ltd was pleased to observe the following:

11. What has actually transpired is that after applying for registration of its trade mark Rofol in 1992, the appellant-defendant took no steps whatsoever in placing its product in the market till 2004. It also was legally lethargic in not seeking a curial restraint against the respondent-plaintiffs. This reluctance to protect its mark could well be interpreted as an indication that the appellant-defendant had abandoned its mark at some point during the twelve-

year interregnum between its application and the commencement of its user, and that in 2004 it sought to exercise its rights afresh. It would not be unfair or fanciful to favour the view that the appellant-defendant's delayed user was to exploit the niche already created and built-up by the respondent-plaintiffs for themselves in the market. The "first in the market" test has always enjoyed pre-eminence. Additionally, in the recent decision in S. Syed Mohiden v. P. Sulochana Bai [S. Syed Mohiden v. P. Sulochana Bai, (2016) 2 SCC 683 : (2015) 7 Scale 136] this Court has pithily underscored that the rights in a passing-off action emanate from common law and not from statutory provisions, nevertheless the prior user's rights will override those of a subsequent user even though it had been accorded registration of its trade mark. The learned counsel for the appellant-defendant has endeavoured to minimise the relevance of Whirlpool [N.R. Dongre v. Whirlpool Corpn., (1996) 5 SCC 714] as well as Milmet [Milmet Oftho Industries v. Allergan Inc., (2004) 12 SCC 624] by drawing the distinction that those trade marks had attained worldwide reputation. However, we think that as world shrinks almost to a global village, the relevance of the transnational nature of a trade mark will progressively diminish into insignificance. In other words, the attainment of valuable goodwill will have ever increasing importance. At the present stage, the argument in favour of the appellant-defendant that we find holds more water is that in both Milmet [Milmet Oftho Industries v. Allergan Inc., (2004) 12 SCC 624] and Whirlpool [N.R. Dongre v. Whirlpool Corpn., (1996) 5 SCC 714], as distinct from the case before us, the prior user of the successful party predated the date of application for registration of the competing party.....”

64. One of the arguments addressed by the counsel for the applicant is that now the identical mark could be accepted by the respondent no.2 in the presence of earlier application of the applicant who is admittedly prior in filing the application. The said arguments have no force as the respondent no.1 at that time has filed the extensive user along with affidavit in order to claim concurrent user under the Act. Thus, the mark was rightly accepted for registration in view of prior adoption in Japan and user in India and Japan.

65. As regards the decisions referred on behalf of applicant, all the decisions correctly laid down law but not is applicable in the facts of the present case. Firstly the applicant has not adopted the mark prior in time and secondly the mark was not user. Not a single evidence of commercial user is available.

66. Therefore, the Applicant has miserably failed to make out any case in favour of the removal of the subject trade mark, while on the other hand, the Registered

Proprietor has made out a sufficient case for the subsistence/continuance of the subject trade mark on the register.

67. None of the provisions is applicable in the facts and circumstances of the present case.

68. The application for rectification filed by Dabur India Limited is accordingly dismissed as no case is made out. The applicant is not the proprietor of mark. Mere filing of application in prior does not help the case of the applicants. The prayer in ORA/293/2014/TM/MUM is allowed.

69. The petition No. ORA/126/2015/TM/KOL is dismissed.

70. No costs.

-Sd/-

(Dr. Onkar Nath Singh)
Technical Member (PVPAT)

-Sd/-

(Justice Manmohan Singh)
Chairman

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