

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% Reserved on : 27.01.2010
Date of decision: 05.02.2010

+ **OCJA No.3/2000**

PRAMOD KUMAR GARG APPELLANT

Through : Mr.Neeraj Grover, Advocate

VERSUS

M/S PUNJAB TRACTOR LIMITED RESPONDENT

Through : Mr.M.G.Ramachandran and
Mr.Atishi Dipankar, Advocates

CORAM:

HON'BLE MR. JUSTICE SANJAY KISHAN KAUL

HON'BLE MS. JUSTICE VEENA BIRBAL

1. Whether the Reporters of local papers may be allowed to see the judgment? YES
2. To be referred to Reporter or not? YES
3. Whether the judgment should be reported in the Digest? YES

SANJAY KISHAN KAUL, J.

1. The appellant as a sole proprietor of M/s Prakash Agricultural Industries (India) filed an application with the Trade Mark Registry on 22.06.1979 seeking registration of the trade mark 'SWARAJ' in respect of Diesel Oil Engines (not for land vehicles), hand water pumps and parts thereof in Class 7 for sale in the States of Uttar Pradesh, Madhya Pradesh, Rajasthan, Bihar and Haryana. The appellant claimed user of

the mark since 1975 on an advertisement of the mark in the Trade Mark Journal on 16.03.1984. The respondent gave a notice of intention to oppose the registration of the mark on the ground that it was violative of Sections 11, 12 & 18 of the Trade and Merchandise Marks Act, 1958 ('the said Act' for short). On completion of trial on this question, the Registrar was pleased to dismiss the opposition and accepted the request for registration of the mark.

2. Respondent aggrieved by this Order, preferred C.M.(M) No.49/1994 and succeeded vide Order dated 27.01.1997 in seeking a remand for fresh consideration of the matter after giving sufficient opportunities to the parties to lead their evidence. Fresh evidence was filed and once again the opposition to the mark was dismissed by the Order dated 30.12.1997. Respondent aggrieved by this Order preferred C.M.(M) No.97/98 before the learned Single Judge of this Court (as he then was) which was allowed on 14.01.2000.
3. The present appeal has thereafter been preferred under Section 109 (5) of the said Act.
4. The opposition arose on account of the claim of the respondent that the trade mark 'SWARAJ' was registered in its name under Class 12 on 12.12.1977 for tractors and parts thereof and on 13.05.1986 in respect of hand tools in Class 8 as also on 13.05.1986 in respect of the tractors/harvester combines, forklifts and parts thereof in Class 12. The respondent claimed identity of marks in respect of similar goods as both sets of goods are used in agricultural activity,

the source of supply is same from the concerned shops and there is commonality of the consumer. Thus, the plea raised was of likelihood of discipline or causing confusion in the mind of the consumer in respect of the trade source. The respondent claimed reputation on account of extensive use and pleaded that the registration of the mark of the appellant is prohibited on that account in view of the provisions of Section 11 (a) of the said Act. On the other hand, the appellant pleaded that the goods are quite similar in nature in attracting the provisions of Section 10 of the said Act.

5. The impugned order has discussed the aforesaid pleas and the finding of the Registrar is that there was no likelihood of deception. The plea of the respondent that the evidence produced by the appellant of user from 1975 to 1980 being of a doubtful nature has also been considered. The alternative plea of an honest concurrent user has also been examined.
6. The learned Single Judge has found that the undisputed facts show the registration of the mark of the respondent. The sale figures for tractors show a limited sale between October, 1974 to June, 1975. The application of the appellant was filed on 22.06.1979 but they claimed user from 01.06.1975. The two marks were identical. The learned Judge has observed that a tractor also has an engine fitted to it and is operated with diesel oil. It has a four-stroke engine whereas harvester combines are the attachments to the tractor. On the other hand, the goods of the appellant are a unit for conversion of chemical energy of diesel oil into mechanical energy. Thus,

though the goods may not be same in a technical sense but both the equipments are machines for conversion of chemical energy into mechanical energy. The important aspect considered is the user which is primarily in agricultural activity forming one class of consumers with the trade channels being the same. Thus, the finding is of a broad similarity, affinity and other circumstances like the purchasing public and thus if the dispute is judged from a commercial and business point of view, there is a chance of confusion and deception in the minds of the purchasing public. A finding has also been given that the respondent has been in the trade from 1972, registration was obtained in 1977 while the appellant filed an application for registration in June, 1979 though alleging user from 01.06.1975. The knowledge is attributed to the appellant on the ground that while making the application they consciously made the same for diesel oil engines (not for land vehicles) being aware of the fact that for the tractors the mark was already registered and thus sought to specifically include the goods of the respondent and there cannot thus be an honest concurrent user.

7. Learned counsel for the appellant, at the inception, emphasized that the learned Single Judge of this Court ought not to have interfered lightly with the Order of the Registrar of Trade Marks merely because another conclusion was possible on the basis of the material on record. It was pleaded that the main aspect of the case was the likelihood of causing confusion in the minds of the purchasing public and the

products of the appellant and respondent were registered in different classes. It was thus submitted that the prohibition of registration of the mark would arise in case of an identical or deceptively similar trade mark as per Section 12(1) of the said Act and in view of the registration of the mark being under separate classes there was no such likelihood. It was also emphasized that the relevant date was the date of application. The alternative submission once again advanced was based on the plea of honest concurrent user under Section 12(3) of the said Act. It was pleaded on behalf of the appellant that the registration of the mark and the sale of goods are two different aspects and though the appeal succeeded no action had ever been taken by the respondent from the inception of the registration of the mark in the form of the injunctive relief to prevent the appellant from selling its product under the mark in question, which is a factor to be taken into account.

8. Learned counsel for the appellant referred to the judgments of the learned Single Judges of the Calcutta High Court in Gopal Hossierey v. The Deputy Registrar of Trade Marks and Others; AIR 1981 Calcutta 53, J&W Hardie Ltd v. Joseph E.Seargram & Sons Inc. & Anr.; PTC (Suppl) (1) 567 to advance the plea of honest concurrent user. In this regard, judgments of the Supreme Court in Amritdhara Pharmacy v. Satyadeo Gupta; PTC (Suppl) (2) 1 (SC) and London Rubber Co.Ltd v. Durex Products Incorporated and Anr; AIR 1963 SC 1882 were also referred as also the judgment of the Division Bench of Madras High Court in National Match Works, Sivakasi v.

S.T.Karuppanna Nadar (died) and Ors; AIR 1979 Madras 157.

Learned counsel also referred to the observations of the Division Bench of the Bombay High Court in Sunder Parmanand Lalwani and Ors.v. Caltex (India) Ltd; AIR 1969 Bombay 24 to contend that all the factors must be considered in combination to come to a conclusion whether a mark was likely to deceive or cause confusion.

9. Learned counsel also referred to the judgment in Vishnudas Trading as Vishnudas Kishendas v. Vazir Sultan Tobacco Co. Ltd.; 1996 PTC (16) to support the plea arising out the word 'SWARAJ' not being an invented word but one of common use. Learned counsel also emphasized that while considering the present appeal the principles of a second appeal are not to be applied and the High Court has all the powers of the Registrar and can make any order which the Registrar could make under the said Act. In this behalf, learned counsel referred to the observations in Prem Nath Mayer v. Registrar of Trade Marks and Anr.; AIR 1972 Calcutta 261 in para 31 and 33, which are as under:

"31. We cannot accept this contention of Counsel for the respondent. In dealing with this appeal this Court is not a Court of second appeal as contemplated by Section 100 of the Civil Procedure Code. The appeal which this Court is dealing with, is not from the judgment of Court subordinate to the High Court. The trial Court dealt with the appeal as a High Court under Section 109 (2) of the Act and this Court is dealing with the appeal again as a High Court under Section 109 (5) of the Act. Secondly, under Section 109(6) of the Act, the High Court in dealing with an appeal, has all the powers of the Registrar and can make any order which the Registrar could make under the Act. Then again, in dealing with the question of deception and confusion under Section 11(a) of the Act and the question of deceptive similarity under Section 12 of

the Act this Court must necessarily look into the evidence adduced by the parties in order to determine whether the bar created by Section 11 and Section 12 of the Act can be invoked by a party opposing registration of a trade mark.

33. We are unable to accept the respondent's contention that this Court in dealing with the appeal under Section 109(5) of the Act is a Court of second appeal under Section 100 of the Code of Civil Procedure, and for that reason, is unable to go into questions of fact. The provisions of the Act enjoin this Court to determine questions of deception, confusion and deceptive similarity, and that can only be done by taking into consideration the evidence tendered on behalf of the parties."

10. Learned counsel for the respondent on the other hand has supported the impugned judgment to contend that the trade marks were identical to both in relation to products for agriculture. Learned counsel invited our attention to the observations made even by the Registrar while recording his finding that the evidence filed by the respondent definitely indicated a good reputation of their trade mark 'SWARAJ' in respect of their goods namely tractors but came to the conclusion that since the goods are of different descriptions, it nullifies the effect of likelihood of confusion ensuing due to the identicalness of the trade marks. The relevant observations are reproduced below:

"The evidence filed by the opponents definitely indicate a good reputation of the opponents trade mark SWARAJ in respect of their goods, namely, tractors. Since the applicant goods as held above are of different description, it nullifies the effect of likelihood of confusion ensuing due to the identicalness in trade marks."

11. Learned counsel for the respondent also submitted that the documents filed by the appellant as evidence of reputation are highly unreliable. The bills filed by the appellant show the trademark of the appellant as 'PRAKASH' in hand while describing the goods sold word 'SWARAJ' has been written. The other bills are also written in hand as 'SWARAJ'. It is thus submitted that the trade mark really utilized by the appellant is 'PRAKASH' and unreliable evidence has been led to sale under the trade mark 'SWARAJ'.

12. Learned counsel for the respondent emphasized that the products have the same trade source for the sale and there are common dealers through whom sales take place. The application for registration of the mark by the appellant was made only in 1979 though he claimed sale from 1975.

13. Learned counsel emphasized that the factors to be taken into consideration to decide whether the goods of same description are :

- a) Nature and composition of the goods
- b) Respective uses and functions.
- c) The particular channel through which they are bought and sold.

There is no single conclusive test in this behalf and the phrase "goods of same description" ought not to be given too restrictive a construction so as to be limited to goods substantially analogous in kind or commonly used as mere substitute or alternative to one another. Learned counsel to advance this proposition referred to the commentary of

P.Narayanan's Law of Trade Marks and Passing Off, Sixth Edition, Kerly's Law of Trade Marks and Trade Name, Twelfth Edition and Escorts Limited, New Delhi v. Escort Engineering Corporation, Rajkot before the Trade Marks Registry, Bombay; 1981 PTC 223.

14. Learned counsel submitted that with reference to the order passed by the Trade Mark Registry, Bombay, same can be of assistance though not a binding force where the mark 'ESCORT' was sought to be registered for diesel engines and was opposed by the proprietors of trade mark of the same name for agricultural machinery, tractors, motor cycles etc. It was found that the applicants had copied the trade mark and thus the trade name could not be registered. We may state at this stage itself that, as pointed out by learned counsel for the appellant, one aspect considered in this case is the manner of writing 'ESCORTS' which was also similar. Learned counsel for the respondent also referred to the Judgment of the Chancery Division in the matter of Turney and Sons' Trade Mark; 1984 10 TLR 175 where it has been observed that in deciding whether an application is *bona fide* or not the first question to be asked is as to why the applicant seeks to use this mark which a great many people think is calculated to deceive especially when it is not a mark being used by them for some time but a new mark. If suspicious circumstances are found, then the trade mark ought not to be registered.

15. Lastly learned counsel referred to the Judgment of the Division Bench of this Court in Dalip Chand Aggarwal & Ors.v. M/s Escorts Ltd., New Delhi; AIR 1981 Delhi 150 to deal with the aspect of scope of jurisdiction to rebut the plea of the learned Single Judge in respect of findings of the Registrar being interfered lightly. It was observed that a Registrar having expert familiarity with the subject, his finding should not be lightly interfered with by the appellant court, but at the same time the discretion of the Registrar does not relieve the court of its individual responsibility. Thus, the discretion of the Registrar is like the discretion of everybody else which is liable to be controlled by a superior tribunal and the discretion should have been judicially exercised.

16. On consideration of the relevant pleas of the learned counsel for the parties, the principles of law as enunciated in the aforesaid judgments are abundantly clear. The question is whether the Registrar exercised the discretion judicially and on the well-accepted principles. It is no doubt true that the goods are registered under different classes and are not identical. The matter has, however, to be looked at also from the business and commercial point of view and in this behalf the trade channel becomes an important consideration. The manufactured products in question are both used in the agricultural sector. What is important is the profile of the customer. The test is of a man of an average intelligence with imperfect recollection. The profile of the customer in the present case is likely to be less educated and less discerning.

17. We thus find that the conclusion arrived at by the learned Single Judge that the customer may assume the source of supply to be one from the respondent in case of the product of the appellant on the basis of the same trade mark is a grave possibility. Learned Single Judge has also rightly emphasized that the products of both descriptions convert chemical energy into mechanical energy. The channel for buying and selling is also same.
18. The evidence filed by the respondent shows that they have another trade mark 'PRAKASH'. The bills are printed in the name of 'PRAKASH'. The word 'SWARAJ' has been added in front of the office copy of the bills. There are some non-printed bills. It is not understood that if the trade mark 'SWARAJ' was being used from the inception as claimed by the appellant, why the bills with the trade mark 'PRAKASH' were printed and not with the trade mark 'SWARAJ'. This throws doubt on the nature of evidence led.
19. Insofar as the alternative plea of honest concurrent user is concerned, the appellant claims to be user from 1975, but as stated above the evidence led does not evoke confidence. This is coupled with the fact that the application for registration was filed only in 1979. If the mark was being used from 1975, there was no reason for the appellant not to have applied for a period of four years. On the other hand, the mark of the respondent is registered and sales have been shown at least from 1974 albeit the initial sales were not very high. The application filed by the respondent was much earlier

in 1977. Thus, even if the date of the application is taken into consideration, the plea of honest concurrent user by the appellant is not really advanced. The reputation of the trade mark of the respondent has been recognized even by the Registrar. The appellant succeeded before the Registrar on the plea of the goods being of different descriptions and thus there being no likelihood of confusion.

20. In view of the aforesaid, we find that the appellant has not been able to point out any infirmity in the impugned order so as to call for our interference.

21. The appeal is accordingly dismissed with costs of Rs.10,000/-.

SANJAY KISHAN KAUL, J.

FEBRUARY 05, 2010
dm

VEENA BIRBAL, J.