

# **INTELLECTUAL PROPERTY APPELLATE BOARD**

**Guna Complex Annexe-I, 2nd Floor, 443 Anna Salai,**

**Teynampet, Chennai-600018**

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**(CIRCUIT BENCH SITTING AT DELHI)**

**(FRIDAY THIS THE 9<sup>th</sup> DAY OF MARCH, 2012)**

**M.P.NO. 278/2010 in**

**ORA /265/2010/TM/DEL**

**&**

**ORA/265/2010/TM/DEL**

**HON'BLE MS. S.USHA**

**...**

**VICE CHAIRMAN**

**HON'BLE MR. V.RAVI**

**...**

**TECHNICAL MEMBER**

M/s Associate Inc. India,

Through its Proprietor

Shri Mahendra Kumar,

29/1, 72<sup>nd</sup> Cross,

17<sup>th</sup> E Main Road,

Rajaji Nagar, 5<sup>th</sup> Block,

Bangalore

...Applicant/Appellant

(Represented by : Advocate Shri L.B. Rai)

**Vs**

M/s Zino Davidoff S.A.,

Routedes Arsenau,

15, Ch 1700 Fribourg,

Switzerland

Represented by its Constituted Attorney

Shri Rahul Sethi,

S/o Late Nirmal Kumar Sethi,

R/o Vatica Tower,

10<sup>th</sup> Floor, Block B,

Sector 54-  
Gurgaon.

...Respondent

(Represented by: Advocate Shri Manav Kumar)

**ORDER (No. 44 of 2012)**

**HON'BLE MR. V. RAVI, TECHNICAL MEMBER:**

In these proceedings, M/s Associate Inc., India through its Proprietor Shri Mahender Kumar are seeking the cancellation of the registered trade mark No.**454875** in Class 25 in the name of the respondent M/s Zino Davidoff S.A. The respondent had registered the trade mark "**DAVIDOFF**" in respect of clothings including boots, shoes and slippers under the said number.

2. The case of the applicant/appellant is that they are a proprietorship firm established in 2004 and since then have been manufacturing shirts and ties and garments under the trade mark "**DAVIDOFF**". The applicant submits that previously, one Smt Vimala Parmar wife of Shri Mahinder Kumar started manufacturing ready-made garments under the trade mark "Davidoff" and also applied for its registration at the Trade Mark Registry, Chennai. Before adopting the said mark Smt. Vimala Parmar had obtained a Search Report and found that the mark "DAVIDOFF" has not been registered in India. The applicant firm M/s Associate Inc. India took over the business from Smt. Vimala Parmar in 2004 and continued to use the trade mark "DAVIDOFF" ever since. According to the applicant "DAVIDOFF" is the common name among the Christian Community-that is popularly known for their best dressing sense. The said

mark has been used by various other traders for different goods. Therefore, the applicant had *bonafidely* and in good faith and without any knowledge of the respondent's mark adopted 'DAVIDOFF' for its product and have been using the same since 1998 openly and without any hindrance.

3. The applicant alleges that the respondents registered trade mark under no. 454875 in Class 25 had expired way back in 1993. The respondent had applied for the trade mark " DAVIDOFF" in 1986 and the registration was valid for seven years under the Trade Marks & Merchandise Act 1958 (hereinafter referred to as the 1958 Act) and as the said mark had not been renewed on time, the registration of the trade mark "Davidoff" of the respondent had lapsed due to non-renewal of their registered trade mark and hence the subject application for its removal from the register of trade mark. The case of the applicant is that the respondent had played a fraud on the trade marks registry and illegally secured renewal of a long lapsed trade mark. The applicant further contend that the respondent does not have any business in India. The applicant therefore state that the registered trade mark no. 454875 in Class 25 is wrongly remaining in the Register and is an entry without sufficient cause.

4. It is further alleged that the registration of mark was obtained without any *bonafide* intention to use it in relation to the goods to which it was registered. In the

circumstances, the registration of the said mark is barred under Section 47 of the Trade Marks Act, 1999 (hereinafter referred to as the 1999 Act). It is alleged that the renewal of the lapsed trade mark "Davidoff" of the respondent was effected 14 years after it had become due for first renewal in 1993. It is also alleged that the respondent have not used their lapsed trade mark in India for more than 28 years. The respondent have now threatened legal action against the applicant which has affected the applicants business to a large extent. The registered trade mark No. 454875 is accordingly liable to be rectified for non-use and the same is non-est in the eye of law. The Trade Mark Registry has illegally renewed the trade mark "DAVIDOFF" used by the respondent which is now being used is a groundless threat against the applicant and further there has been no *bonafide* use of the mark continuously for the period of five years and three months upto the date of filing of the subject application for rectification before this Board. The applicants further allege that the respondents have no establishment in India nor any show room or office or factory for manufacturing the goods. The applicant therefore submit that the present application for rectification of the registered trade mark of 454875 in Class 25 should be allowed and its continuing registration is contrary to the provision of the 1999 Act.

5. The case of the respondent is that the applicant are not the 'person aggrieved' under the 1999 Act. The respondents had initially filed a Civil Suit for permanent injunction, infringement of trademark, passing off and damages against the applicant before the Delhi High Court in 2008. The Hon'ble High Court after considering the submissions of the respondent restrained the applicant from manufacturing and selling goods under the said trademark DAVIDOFF. The injunction

was valid till July, 2010 when the Delhi High Court found that it was lacking jurisdiction and it returned the plaint for filing in the court of competent jurisdiction. The respondent re-presented the case before the District Court at Karnataka which failed to grant the respondent an interim injunction. Against the said order, the respondent filed an appeal before the Hon'ble High Court of Karnataka and vide order dated April 21, 2011, it restrained the applicant from using the trade mark "DAVIDOFF". During the effect and operation of this injunction, the applicant filed the present rectification in October, 2010. Therefore, the present petition is nothing but a counter blast to the Civil Suit pending against the applicant.

6. The respondent state that the applicant have failed to file any documentary evidence to show physical existence of its business in the market place since 1998 and the very purpose of adopting the trade mark "DAVIDOFF" was only to ride piggyback upon the goodwill and reputation of the respondent and the applicant have deliberately and willfully adopted an identical mark and is therefore not the "person aggrieved" under the Act. The respondent further state that the trade mark "DAVIDOFF is sold world-wide including India through its distribution systems of its licensees. In fact, the trade mark DAVIDOFF have achieved trans border reputation. The respondent submit that the burden is always upon the applicant to prove non-user of the mark by the

respondent and as this has not been discharged, the burden does not shift on the respondent. The entire petition is mis-conceived and based on frivolous averments. The respondent submit that the registration certificate of the respondent's mark DAVIDOFF under No.454875 in class 25 was received by them only on December, 31, 1997 and in terms of Rule 66 of the Trade Marks Rules, 2002 (in short the 2002 Rules) the respondent applied for its renewal within six months i.e. on June, 29, 1998. The respondent , therefore, pray that no case has been made out by the applicant for removal of the impugned registered trade mark under no. 454875 and the impugned application should be dismissed.

7. We have heard both the learned counsel. The counsel for the respondent was directed to furnish the proof of timely renewal within two weeks on or before 27.01.2012 and the orders were reserved. The respondent's counsel have furnished written submissions to file additional documents by their letter dated 25.12.2012. The applicants counsel has also filed written submissions. The Board is inclined to dispose off this application on the basis of the arguments and material on record after considering the materials directed to be furnished .

8. The Appellate Board has jurisdiction to entertain an application for rectification of the registered trade mark, whatever may be the appropriate office entered in the

register in respect of the trade mark. An application for rectification can only be made by a “person aggrieved”. The expression “person aggrieved” has been construed liberally by the Courts and has a filtering function. It includes removal of a competitor’s mark that may be wrongly remaining in the register. In this case, the applicant has a trading interest in the goods concerned and has the necessary *locus standi* for the purpose of initiating rectification proceedings. Decisions of high authority appear to us to establish that the expression has no special or technical meaning. The applicant here have a real interest and are not mere busybodies seeking to expunge the registered trademark “DAVIDOFF” and they would be appreciably disadvantaged in a legal or practical sense by the trade mark remaining unremoved. Any trader in the sense of the statute is “aggrieved” whenever the registration of particular trade mark operates to restraint him of doing what would otherwise have been his legal right. Persons who are aggrieved are those who are in some way or other substantially interested in having the mark removed from the register or persons would have substantially damaged if the mark continues to remain in the register. In this case, a suit has been filed against the applicant and he has been restrained by the Hon’ble Karnataka High Court from using a trade mark which is identical to that of the respondent. There is, therefore, sufficient grounds to hold that the applicants are “person aggrieved” within the meaning of the Act.

9. In the instant case, the trade mark “DAVIDOFF” of the respondent was filed on 30.05.1986 under No. 454875 in class 25 and it was registered and the Certificate of Registration issued by the registry on 31.12.1997. The legal position in this regard should be examined with reference to the then Trade & Merchandise Mark Act, 1958. Section 25(2) of the 1958 Act had provided that the Registrar shall on an application by the registered proprietor and subject to the payment of prescribed fees, renew the registration of the trade mark for a period of **seven years** from the date of expiration of the original registration or of the last registration, as the case may be. Section 25(3) of the repealed Act further provided that the Registrar shall “send notice” in the prescribed manner of the date of approaching expiration and upon payment of the renewal fee, renew the registered trade mark, failing which Registrar **may remove** the trade mark from the Register. Further, Section 25(4) of the repealed Act also provided that where a trade mark has been removed from the Register for non-payment of prescribed fees, the Registrar **may** within one year from the expiration of last registration restore the trade mark to the register and renew the registration either generally or subject to such condition or limitation as imposed for a further period of seven years.

10. The registered trade mark 454875 was in fact registered only on 31.12.1997. The first renewal of this registered trade mark was due from 30.05.1993 in as much as the original application was filed seven years earlier in 1986 on the said date. It appears from the record that the first renewal from 30.05.1993 to 30.05.2000 was in fact effected only on 17.05.2007 as per the computer record available on the file and duly notified in Trade Marks Journal No. 1367. Similarly, the renewal of the registered trade mark for the second cycle from 30.05.2000 for a further period of seven years was effected on 17.05.2007 and notified in the same journal. The current renewal was effected under present Trade Marks Act 1999, for a further period of ten years on 30.05.2007 and notified in TMR Journal No. 1385.

11. The substantive question of law for determination is whether a trade mark due for renewal under the repealed Trade & Merchandise Marks Act, 1958 which was in fact not renewed on time can nevertheless be renewed belatedly in 2007 provided the registrar had not yet removed the trade mark from the Register?.

12. Section 25(3) of the 1999 Act is a mere reproduction of Section 25(3) of the repealed Act, 1958. But a **new proviso** has now been added to Section 25(3) under the 1999 Act as reproduced below:-

**“Provided that the Registrar shall not remove the trade mark from the register if an application is made in the prescribed form and the prescribed fee and surcharge**

**is paid within six months from the expiration of the last registration of the trade mark and shall renew the registration of the trade mark for a period of ten years under sub-section(2).”**

Implication of this proviso is that the Registrar cannot remove a lapsed trade mark (registered trade mark not renewed on due date) **within six months** of expiration of last registration. Further, Registrar **shall renew** the registration in such cases and this is mandated by law.

13. Further, comparison of Section 25(4) of the 1999 Act and the repealed Act brings out vital distinction. The language of the repealed Act had mentioned that the Registrar **may** within one year restore and renew the removed trade mark. But section 25(4) of the Act states that the Registrar shall, **after six months and within one year from expiration of the last registration** restore and renew the removed trade mark, if it is just to do so.

14. What is the net effect of this change in these proceedings? A perusal of the record indicates that the respondent had renewed the registered trade mark 454875 under the repealed Act twice over – once from 1993 – 2000 and the second time from

2000- 2007. But there is no documentary proof to support this condonation. Reliance cannot be placed on the purported letter of the respondent dated 29.06.1998 as it mentions tendering of renewal fee within six months of issuance of the registration certification on 30.12.1997. However, this concept was only imported into the 1999 Act which came into effect from 15.09.2003. The inference is that the letter furnished by the respondent as proof of timely renewal is an after thought and of doubtful veracity. Further, the simultaneous notification in the Trade Marks Journal No. 1367 of both the first and second cycle of renewal raises suspicion of how this happened? The crucial document namely proof of payment of renewal fee both for first and second cycle under the repealed 1958 Act has not been furnished. Mere notification in the Trade Marks Journal in 2007 cannot be taken as absolute proof of timely renewal. All things considered, there is no material on record to conclude that the renewal of the first and second cycle was effected lawfully. For the third cycle, further renewal from 2007 till 2017 is merely the after effect of supposedly timely earlier renewal that has not been established beyond reasonable doubts.

15. There is also force in the plea of the applicant that the respondents have applied afresh for the trade mark "DAVIDOFF" under No. 1387684 realising that their original registered trade mark 454875 have lapsed due to non- renewal. In the

meantime, the applicant themselves have sought registration of the trade mark “DAVIDOFF” under No. 812224 in Class 25 which has been opposed. The Hon’ble High Court of Karnataka had injuncted & restrained the applicant from using the trade mark “DAVIDOFF”. This is on the embedded assumption that the registered trade mark is valid and subsisting. That basic premises has been proved wrong in this proceeding.

16. The limited issue before the Board that has been examined is whether the respondent’s registered trade mark is validly remaining in the register or not. In our view, the registered trade mark 454875 has been wrongly renewed long after the statutory deadline date for renewal and accordingly it is to be treated as a lapsed trade mark fit to be removed from the Register. We allow the application for rectification accordingly with costs of Rs. 5000/-. The Registrar is directed to cancel/remove the impugned mark DAVIDOFF registered under No.454875 in Class 25. Miscellaneous Petition is closed.

**(V. RAVI)**

**Technical Member**

**(S. USHA)**

**Vice Chairman**

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