

IN THE HIGH COURT OF DELHI AT NEW DELHI

W.P. (C) 1263/2005

Reserved on: 12th March 2010

Decision on: 22nd April 2010

SUPER CASSETTES INDUSTRIES LTD. Petitioner
Through Mr. Amit Sibal with
Mr. Jafar Alam and
Mr. N.K. Bhardwaj, Advocates.

versus

UNION OF INDIA & ORS. Respondents
Through Mr. N. Mahabir with
Ms. Sheetal Khetarpal, Advocate for R-3.

CORAM: JUSTICE S. MURALIDHAR

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

JUDGMENT
22.04.2010

1. The Petitioner Super Cassettes Industries Limited (hereafter `Super Cassettes') challenges the order dated 1<sup>st</sup> October 2004 passed by the Intellectual Property Appellate Board (IPAB), whereby Transferred Appeal No. TA/117/2003/TM/DEL filed by Respondent No. 3, Tata Engineering & Locomotive Company Ltd., (hereafter `TELCO') was allowed in part and the order dated 7th April 1995, passed by the Deputy Registrar of Trade Marks (DR), New Delhi was modified by directing Super Cassettes to remove the circle around the letter `T' and be granted registration in respect of the mark `T-SERIES' with letter `T' within a circle and below that the word `SERIES' in a rectangle.

2. Super Cassettes states that it is a company having its registered office at New Delhi and is the flagship of a diversified group engaged in the business of consumer electronics, CDs, audio/video magnetic tapes & cassettes and film production. It is stated that it markets its products under the trademark T-SERIES and is a leader in the consumer market in India having 2000 video titles, 40,000 Hindi film songs, around 30,000 Hindi non-film songs and around 50,000 songs in regional languages to its credit. Super Cassettes states that the T-SERIES is a well known mark adapted in 1979 by the Super Cassettes' predecessor, Super Music Centre, a sole proprietorship set up by Shri Gulshan Kumar who is the founder of the Super Cassettes. Super Cassettes was a private limited company in 1983 and became a deemed public company in October 1988. It is stated that Super Cassettes has been using the trademark and trade name T-SERIES extensively and continuously since 1979 in relation to its goods and services. The mark T-SERIES when applied to the Super Cassettes' products is arbitrary and inherently distinctive. It is stated that the trademark and trade name T-SERIES has acquired an immense reputation from the very beginning and that the members of the public associate the mark T-SERIES solely with Super Cassettes.

3. In para 5 of the petition, the list of the registrations of T-SERIES in Classes 9, 23, 28, 31, 32, 33 and 34 and certain other classes of goods, totalling 17 in number, have been set out.

4. Super Cassettes applied for registration of the device mark T-SERIES late in 1986 under No. 452037 in Class 9 in respect of electrical and

electronic apparatus and instruments, radio and television transmitting and receiving sets, electric and electronic devices, audio and video recording etc. The mark was accepted for registration and advertised in Trade Marks Journal No. 1005 dated 20th June 1991.

5. Respondent No. 3 TELCO (later renamed as Tata Motors Ltd.) filed a notice of opposition No.DEL-7265 in June 1991. In its opposition TELCO claimed proprietorship of the letter T and maintained that it held registrations for the said mark for goods in Classes 6, 7, 9 and 12. It claimed that the letter T in a circle was the house mark of TELCO and there was likelihood of deception and confusion if the Super Cassettes' application was allowed and its mark T-SERIES granted registration. It was pointed out that the essential feature of Super Cassettes' mark was the letter T which was prima facie not distinctive.

6. A counter statement was filed by the Super Cassettes in July 1992 in which it was contended that the Super Cassettes was using the mark T-SERIES till 1979 in respect of audio cassettes and subsequently for a variety of electronic goods. It is stated that it had earned extensive goodwill, reputation and distinctiveness qua the goods of the Super Cassettes; that the TELCO could not claim monopoly over letter T since that letter was not distinctive of any goods; and that the registrations in Class 9 granted to TELCO were not for letter T simpliciter but in combination with TATA ENGINEERING with device of 2 twigs. It was submitted that the Super Cassettes' mark T-SERIES was phonetically,

visually and conceptually different from the trademarks of TELCO and that as required under Section 9 of the Trade and Merchandise Act, 1958 (TM Act 1958), Super Cassettes' mark had acquired distinctiveness since it had been used for more than seven years prior to the date of the application.

7. Both parties filed their respective evidence. The DR by an order dated 7th April 1995 rejected the opposition filed by TELCO and directed that Super Cassettes' application in Class 9 be accepted and proceeded for registration. The DR found that the design of Super Cassettes' mark was different from those of TELCO; that there was no likelihood of deception and confusion; that the letter T could not be monopolized by TELCO; that Super Cassettes' mark was advertised on TV and the characteristic feature of the Super Cassettes' mark was the letter T and not the device of circle.

8. The appeal in this Court filed by TELCO being CM(M) No. 344 of 1995 stood transferred after the enactment of the Trade Marks Act, 1999 (TM Act 1999) to the IPAB. By the impugned order dated 1st October 2004, the IPAB partly allowed the appeal and modified the order passed by the DR of Trade Marks in the manner noticed hereinbefore.

9. This Court has heard the submissions of Mr. Amit Sibal, the learned counsel appearing for Super Cassettes and Mr. N. Mahabir, the learned counsel appearing for TELCO.

10. The trademark of Super Cassettes of which it sought registration as advertised in the aforementioned Journal is as under:



11. According to TELCO, above trademark is similar to the following two marks for which it had registration:



12. The first issue to be considered is whether there is a similarity between the competing marks of Super Cassettes and TELCO respectively. In other words, would there be a likelihood of deception and confusion vis-à-vis TELCO's marks if Super Cassettes' trademark T-SERIES were to be granted registration. Although at the time the DR proceeded with the matter, it was TM Act, 1958 that applied, counsel for both parties have made submissions on the basis of the corresponding provisions of the TM Act, 1999 since they only explicate the known principles concerning 'deceptive similarity' in terms of the TM Act, 1958. Under Section 2 (1) (h) of the TM Act, 1999 a trade mark is deemed to be "deceptively similar" to

an earlier if it “so nearly resembles that other mark as to be likely to deceive or cause confusion.” Under Section 11 (1) (a) registration will be refused if it is either identical to or similar to an earlier mark and further the goods covered by the earlier mark are identical or similar. Section 11 (2) permits refusal of registration of a mark similar or identical to an earlier mark even if the goods covered by the earlier mark are not similar or identical. However it will have to be shown that the earlier mark is a “well-known” trademark and the use of the later mark would “take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.” Under Section 2 (1) (zg) of the TM Act 1999 a “well-known” mark has been defined as:

“2. (1)(zg) "well-known trade mark", in relation to any goods or services, means a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services.”

13. The first of the two marks of TELCO when examined as a whole shows that it consists of two concentric circles with the letter ‘T’ written in a non-italicized manner, its arms touching the circumference of the smaller circle at their centre and the words “TATA ENGINEERING” written between the two concentric circles and two twigs suspended between the words “TATA” and “ENGINEERING”. The second mark is at best a defensive registration. It consists of the letter ‘T’ written in a non-italicized manner with its arms touching the circumference of a circle. On a comparison with

TELCO's aforementioned two marks, Super Cassettes' mark T-SERIES is structurally, stylistically and substantially different. Super Cassettes' mark T-SERIES consists of an italicized capital letter 'T' enclosed within a circle with the word 'SERIES' written below, along and off the circumference of the circle. There is no distinctiveness about the letter 'T' *per se*. If at all, the stylistic depiction of the letter 'T' its peculiar font or depiction in a certain colour against a background may make it distinctive. On those parameters however, there is no similarity between the two competing marks in the present case. This court is also of the view that an average consumer is unlikely to be either confused or deceived into mistakenly associating the mark T-SERIES with TELCO (Tata Motors Ltd.) or its products which are primarily and predominantly trucks and automobiles. It is also unlikely that the customer will be deceived about the origin of the goods of Super Cassettes which are basically electronic goods including CDs, audio tapes and cassettes. This Court has in arriving at this conclusion followed the time tested principles laid down in the decisions in *Amrit Dhara Pharamcy v. Satya Deo Gupta AIR 1963 SC 449*, *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceuticals Laboratories (1965) 1 SCR 737* and the more recent decisions in *Cadilla Health Care Ltd. v. Cadila Pharamceuticals Ltd. (2001) 5 SCC 73* and *Ram Dev Food Products (P) Ltd. v. Arvindhbai Rambhai Patel (2006) 8 SCC 726*.

14. One aspect which was not considered by the IPAB was that the Super Cassettes and TELCO were using the marks for different kinds of goods although they have been in the same Class 9. While Super Cassettes was

using the mark on CDs, audio cassettes, the claim of TELCO was that its marks covered electronic apparatus and instruments. In regard to the first of its above two marks, TELCO claimed user since 1974 and the other was 'proposed to be used'. In the instant case, Section 11 (1) of the TM Act 1999 did not apply since both sub-sections (1) (a) and (1) (b) of Section 11 (1) required to be satisfied conjunctively. In other words, both identity or similarity with an earlier trade mark **and** similarity of goods and services in respect of which were covered by the earlier trade mark had to be shown. Although Section 11 (2) was not adverted to, it appears that the IPAB applied the test set out therein. In other words it proceeded on the footing that in terms of Section 11 (2) (a) the T-SERIES mark of Super Cassettes was similar to the earlier mark of TELCO and in terms of Section 11 (2) (b) the mark T-SERIES was sought to be registered in respect of goods not similar to the goods covered by TELCO's earlier mark. This Court is of the view the IPAB erred in doing so. Unless the IPAB first came to a definite conclusion that the two marks were similar in terms of either Section 11(1) or 11 (2) (a), the question of proceeding to apply Section 11 (2) (b) did not arise. As already noted, on a comparison of the competing marks of TELCO and Super Cassettes, this Court is of the view that there is no similarity in the two marks much less a deceptive similarity which is likely to cause confusion. In its rejoinder, Super Cassettes points out that recently Tata Motors Ltd. has been using a mark on its trucks and automobiles which consists of two inverted 'L' shaped motifs with their arms touching the circumference of the ellipse. This makes the trade mark T-SERIES of Super Cassettes for which it has sought registration even less likely to cause deception or confusion as to the origin of its goods.

15. Learned counsel for TELCO urged submitted that Super Cassettes had not proved the continuous use of the mark 'T-SERIES' in relation to electronic goods since 1979. He further pointed out that in the application for registration Super Cassettes indicated the user as 'proposed to be used'. On the other hand it is pointed out by the learned counsel for Super Cassettes that its progressively increasing sales figures from 1979-80 till 1986-87 formed part of its affidavit by way of evidence and this was demonstrative of the goodwill and reputation earned by the mark T-SERIES.

16. The question of honest prior user or continuous use will be relevant if it is demonstrated that the two competing marks are either identical or deceptively similar. If they are not, the aspect of who is the prior user whether it was continuous, and whether the adoption of the mark was honest need not be gone into. In the considered view of this Court, without first returning a finding on whether there was similarity in the two marks or that there was likelihood of deception or confusion between the two marks, the IPAB fell into error by proceeding on the footing that the adoption of the mark T-SERIES by Super Cassettes was not bona fide. There is no material produced by TELCO to substantiate this.

17. There is merit in the contention of the counsel for Super Cassettes that the relief granted to TELCO by the IPAB was beyond what was prayed for by it. TELCO's objection was that the use of the letter 'T' by Super Cassettes was likely to cause deception and confusion and therefore its

mark, the prominent feature of which was the letter T, should not be registered. The relief granted by the IPAB, however, was for removal of the circle surrounding the letter 'T'. TELCO initially opposed the registration of the Super Cassettes' mark on the ground that the distinctive feature of T-SERIES was the letter 'T'. TELCO claimed in para 9 of the opposition that "by reason of extensive use and advertisement, the letter 'T' has come to be identified with its company (TELCO) and its goods. In para 11 it was stated by TELCO that the letter 'T' is the essential feature of TELCO's trademarks. The DR noted in his order that "the opponents have taken objection to letter 'T' and not the device whatever being used by them." It is on that basis the DR proceeded to hold that there was no likelihood of deception or confusion between the two marks. However, before the IPAB the TELCO appears to have contended that it would be satisfied if the circle was removed. Therefore, there was a shift in the stand of the TELCO by the time the appeal was heard by the IPAB. This shift in the stand of TELCO which ought not to have been permitted was obviously not noticed by the IPAB.

18. In its written submissions before this Court TELCO has made a further shift by contending that the essential feature of its mark is T within a circle and that this is barred both under Sections 11 (1) and 11 (2) of the TM Act 1999. Reliance is placed on the decision in *K.R.Chinna Krishna Chettiar v. Sri Ambal & Co. AIR 1970 SC 146*. This submission on behalf of TELCO is untenable for more than one reason. First, TELCO's case earlier was that the distinctive feature of its trademark was the letter T and not T in a circle.

To repeat, there is nothing distinctive about the letter T as such. Secondly both Sections 11 (1) and 11 (2) of the TM Act require the opposer to show that the two marks are similar. That TELCO has failed to do. Thirdly, the contention that the letter T in a circle can constitute an essential feature of TELCO's mark is not a legally tenable proposition in view of Section 17 of the TM Act 1999.

19. Section 17 of the TM Act 1999 provides that the registration of a composite mark confers on its proprietor the exclusive right to use it only as a whole. The registration does not confer any exclusive right in any matter that forms only a part of the whole of the trade mark registered. Consequently, the registration granted to the TELCO of its composite mark did not give it any right to the exclusive use over the letter 'T' or over the letter 'T' within a circle. In fact both the IPAB and the learned DR concurrently held that TELCO cannot seek to monopolise the letter 'T'. Even otherwise, TELCO's claim that T within the circle is the essential feature of TELCO's mark is a desperate one developed at progressive stages of this case. By directing Super Cassettes to remove the circle from the mark T-SERIES the IPAB overlooked the above aspect. Impliedly it recognised the right of TELCO to use the letter T within a circle when in terms of Section 17 the exclusive use of neither feature independently could be claimed by TELCO.

20. The reliance by the IPAB on the decision in *Daimler Benz*

Aktiegesellschaft v. Hybo Hindustan AIR 1994 Delhi 239 was in the
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considered view of this Court, misplaced. In *Daimler Benz*, there was a clear finding arrived at by this Court that a man with his legs separated and hands joined together above his shoulder all within a circle, gave a strong suggestion of the link between the three pointed star of the “*Mercedes Benz*” car and the undergarment’s sold by the Defendant. Further the infringing mark was used in conjunction with the word BENZ. The said decision is distinguishable on facts. If one were to compare the first of TELCO’s competing marks with the mark of Super Cassettes, it is obvious that Super Cassettes is not using the word ‘TATA’ which forms a significant part of TELCO’s mark. Consequently the reliance placed by learned counsel for TELCO on the decisions in *Tata Chemicals Ltd. v. Deputy Registrar of Trade Marks 2003 (27) PTC 422* and *Tata Sons Ltd. v. The Advanced Information Technology Association 2001 PTC 129 (WIPO)* and *Tata Sons Ltd. v. Tata Industrial Recruitment 2009 (41) PTC 753 (Del)* is misplaced in the facts of the present case. It is perhaps the word TATA that gets immediately associated with products emanating from the house of the Tatas and not either the letter T or the depiction of letter T in a circle *per se*. Therefore the reliance placed on the decision of this Court in *Amar Singh Chawal Wala v. Shree Vardhman Rice and General Mills 2009 (40) PTC 417 (Del) (DB)* is also misplaced. There is no likelihood or confusion when one compares the trade mark T-SERIES of Super Cassettes, which makes no use of the word TATA, with that of TELCO’s marks as a whole.

21. In the considered view of this Court, there was no occasion for the

IPAB to modify the order of the DR by directing Super Cassettes to remove a circle surrounding the letter 'T'. Consequently the impugned order dated 1st October 2004 of the IPAB is hereby set aside. TELCO's Transferred Appeal No. TA/117/2003//TM/DEL stands dismissed and the order dated 7th April 1995 of the DR is affirmed.

22. The writ petition is allowed with costs of Rs. 10,000/- which will be paid by Respondent No. 3 to the Petitioner within a period of four weeks.

S. MURALIDHAR, J.

APRIL 22, 2010
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