

IN THE HIGH COURT OF DELHI AT NEW DELHI

**W. P. (C) 5220/2005 & CM APPLs 19889/10 (for delay),
19888/2010 (for restoration)**

Reserved on: March 28, 2011

Decision on: May 3, 2011

UNITED BROTHERS Petitioner

Through: Mr. Sushant Singh with
Mr. P.C. Arya, Mr. Gautam Panjwani,
Mr. Tejinder Singh, Mr. V.K. Sinha and
Ms. Parveen, Advocates

versus

AZIZ ULGHANI & ANR. Respondents

Through: Mr. Hemant Singh with
Mr. Animesh Rastogi, Advocates,

And

W. P. (C) 2007/2010 & CM APPLs 4027, 4028/2010

AZIZ ULGHANI Petitioner

Through: Mr. Hemant Singh with
Mr. Animesh Rastogi, Advocates

versus

UNION OF INDIA & ORS. Respondents

Through: Mr. Sushant Singh with
Mr. P.C. Arya, Mr. Gautam Panjwani,
Mr. Tejinder Singh, Mr. V.K. Sinha, and
Ms. Parveen, Advocates for R-2.
Mr. Gaurav Liberhan with
Mr. Neeraj Kumar Gupta, Advocates
for R-1 & 3.

CORAM: JUSTICE S. MURALIDHAR

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| 1. Whether Reporters of local papers may be allowed to see the judgment? | No |
| 2. To be referred to the Reporter or not? | Yes |
| 3. Whether the judgment should be reported in Digest? | Yes |

JUDGMENT
03.05.2011

CM APPLs 19889/10 (for delay), 19888/2010 (for restoration) in W.P.(C) No. 5220 of 2005

For the reasons stated therein both applications are allowed and W.P.(C)

No. 5220 of 2005 is restored to file.

W.P. (C) No. 5220 of 2005 and W.P.(C) No. 2007 of 2010 with CM Nos. 4027-28 of 2010

1. W.P. (C) No. 5220 of 2005 is by M/s. United Brothers ('UB'), a partnership firm engaged in the business of manufacturing and marketing of aluminium halloware and other household utensils since 1957, under the trade mark 'UNITED'. UB challenges an order dated 3rd December, 2004 passed by the Intellectual Property Appellate Board ('IPAB') dismissing its application No. TRA No. 92/2004/TM/DEL (C.O. No. 6/96) under Sections 46 and 56 of the Trade and Merchandise Marks Act, 1958 ('TM Act 1958') for cancellation/removal of registration No. 388765 in Class 9 in respect of electric flat iron, granted for the mark 'UNITED' in favour of Respondent No. 1 Mr. Aziz Ulghani ('AU'), the sole proprietor of M/s. United Electric Co. ('UEC').

2. W.P. (C) No. 2007 of 2010 is by AU the sole proprietor of UEC. The

said petition challenges an order dated 28th January, 2010 passed by the IPAB dismissing an appeal TRA/177/2003/TM/DEL filed by AU against the order dated 7th December, 2000 of the Registrar of Trade Marks allowing the opposition of UB to the Application No. 518071 filed by AU for registration of the trade mark 'UNITED', the word, *per se*, in Class 7 in respect of mixer grinder, hair dryer (machine) and washing machine.

3. UB claims that it has been using the trade mark 'UNITED' for manufacturing and marketing of aluminium halloware and other household utensils since 1957. It is stated that on account of extensive user, large scale advertising and immense popularity, the products under the trade mark 'UNITED' are associated by the purchasing public and the trade with the goods and business of UB exclusively. It is stated that the trade mark 'UNITED' was adopted by UB from its firm's name, and that UB had a unique goodwill and reputation in respect of pressure cookers. It has enclosed with W.P. (C) No. 5220 of 2005 a statement of sale figures as well as the advertisement expenses from 1971-72 to 2003-04. UB claims to have regularly exported pressure cookers under the trade mark 'UNITED'. It is stated that UB holds registration under No. 274649 for the trade mark 'UNITED' claiming user since 15th October, 1957 in respect of aluminium halloware, utensils for household use in Class 21. It also holds registration No. 369826 claiming user since 1st April, 1957 associated with the other registered trade mark 274649 for the trade mark 'UNITED' in respect of

household, domestic utensils and containers (not of precious metal or coats therewith), pressure cookers (non-electrical), milk cans and soap cases (boxes), all being goods included in Class 21. It is stated that the above trademarks have been renewed from time to time and are still valid and subsisting on the Register of Trade Marks.

4. It is stated that UB came to know that AU got the trade mark 'UNITED' registered under registration No. 388765 as of 14th April, 1982 in relation to electric flat iron in Class 9. UB opposed the registration of AU bearing No. 518071 in Class 7 under opposition No. DEL-8511. UB also opposed another application of AU bearing No. 5488524 advertised in the Trade Marks Journal No. 1190 in Class 11 dated 16th November, 1984 at page 1190. The main objection was that while obtaining the registration No. 388765 in Class 9 in relation to electric flat iron AU made false statements and concealed certain material facts. The other ground was that the trade mark offended provisions of Sections 9, 11 and 18 of the TM Act 1958.

5. The findings of the IPAB in the impugned order dated 3rd December, 2004 while dismissing the application of UB for rectification of trade mark under registration No. 388765 in favour of AU were as under:

- (i) The date of registration of the impugned mark under registration No. 388765 was dated 14th April 1982 and UB's application for rectification was made on 14th February 1996. A period of more

than seven years had elapsed since the registration was granted.

(ii) The onus in terms of Section 32 of the TM Act, 1958 was on UB to show that the registration was obtained by committing fraud, or that it contravened any provision of Section 11 and suffered from non-distinctiveness of the mark at the commencement of the proceedings. UB failed to bring any evidence to substantiate any of the above grounds.

6. In W.P. (C) No. 2007 of 2010 the facts are that UEC, of which AU is the sole proprietor, filed an application on 6th October, 1989 for registration of a trade mark 'UNITED' in Class 7 in respect of mixer, grinder, hair dryer (machine) and washing machine. The said application was ordered to be advertised by the Trade Mark Registry and accepted for registration in Trade Mark Journal No. 1067 dated 16th November, 1993 at page 885. On 11th March, 1994 UB gave a notice of opposition to AU on several grounds. The principal one was that the mark applied for was likely to cause confusion and deception in the course of trade and therefore offended Section 11 (a) of the TM Act, 1958. Affidavits were filed in respect of applications as well as opposition by the respective parties.

7. The findings of the Assistant Registrar in the order dated 7th December, 2000 allowing the opposition No. DEL-8511 of UB and refusing registration to AU (UEC) under Application No. 518071 in Class 7 were as

under:

(i) The rival marks were identical to each other and therefore, the condition under Section 12 (1) of the TM Act was attracted.

(ii) Items like mixer grinders of the applicants are used in the kitchen being household goods and these goods are sold on the same counter and in the same shops where goods like aluminium halloware, utensils for household use, including domestic utensils etc. are sold. The purchasers also belong to the same class. Therefore, in view of the nature of the goods and class of purchasers, the second requirement of Section 12 (1) of the TM Act, 1958 also stood attracted.

(iii) The likelihood of confusion or deception was inherent in the trade mark 'UNITED' itself. The consumers of the products of UB while coming across the applicant's (AU's) trade mark under the same trade mark 'UNITED' would be led to the impression that the goods sold by the latter are in fact those of UB. There was likelihood of confusion or deception. Consequently, Section 11 (a) of the TM Act, 1958 was also attracted.

(iv) The mark applied for by UEC was identical to the registered trade mark of UB. It was likely to deceive or cause confusion. In the circumstances, UEC would not be permitted to claim to be the proprietors of the trade mark 'UNITED' in terms of Section 18 (1) of the TM Act, 1958.

8. In dismissing the appeal filed by UEC by the impugned order dated 28th

January, 2010, the IPAB held as under:

(i) By long and continuous use of the trade mark since 1957 UB have acquired reputation and goodwill among the public. If UEC was granted registration for the mark 'UNITED' the consumers would definitely associate the goods of UEC as those of UB. There was therefore every possibility of confusion and deception.

(ii) When the marks are identical and the goods are of same description, the marks could not be registered since that would lead to dilution of the reputation of UB.

(iii) The IPAB concurred with the findings of the Assistant Registrar that the goods of UEC and the goods of UB are household goods which are sold to the same class of purchasers. Since the rival marks are identical and the goods are of the same description, the application of UEC for registration could not be accepted.

(iv) UEC which has been using the mark 'UNITED' since 1977 cannot claim to be the proprietor of the said trade mark and does not qualify for registration in terms of Section 18 (1) of the TM Act, 1958.

9. Mr. Sushant Singh, learned counsel appearing for UB first submitted that by the impugned order dated 3rd December, 2004 the IPAB dismissed the rectification application of UB only on the ground that no evidence had been placed on record to substantiate the contention that the mark 'UNITED' was likely to cause confusion and deception. Relying on the decisions in *Ciba Limited v. M. Ramalingam AIR 1958 Bom 56* and *L.D.*

Malhotra Industries v. Ropi Industries ILR 1976 Delhi 278, it is submitted that the IPAB had itself to decide, looking at the two trademarks, whether there was likelihood of deception. That function could not be discharged by a person in the witness box. While it was true that the absence of any evidence of deception may be a material fact which the Court may take into consideration, if the resemblance between the two marks was clear and obvious, then it was the duty of the Court to remove from the register a mark which was likely to cause deception.

10. Mr. Sushant Singh further submitted that if the normal and fair user of the mark upon a good gives rise to a likelihood of confusion and deception then the rectification application ought to be straightaway allowed. It is submitted that goods like pressure cookers ought to be considered as goods sold under the same trade channel as mixers and grinders. Relying on the decisions in *Corn Products Refining Co. v. Shangrila Food Products Limited AIR 1960 SC 142*, *Punjab Tractors Limited v. Pramod Kumar Garg 200 PTC 260* which was affirmed by the Division Bench of this Court in *Pramod Kumar Garg v. Punjab Tractors Limited 2010 (42) PTC 633 (Del)*, it is submitted that in particular the goods are purchased by the same class of consumers i.e. home makers. Both the products are invariably sold in the same shop. It is submitted that the Supreme Court in *Vishnudas Trading v. Vazir Sultan Tobacco Co. Ltd. 1996 (16) PTC 512 (SC)*, entered a caveat that the said judgment would not prejudice cases of

infringement and passing off where there was a likelihood of confusion and deception on the basis of commonality of trade channel. Relying on the decision in *Bajaj Electricals Limited v. Metal & Allied Products, Bombay 1988 PTC 133 (Bom)* it is submitted that the mixer grinder and pressure cookers are the goods of the same description and are sold in the same shop and therefore, there is likelihood of confusion and deception. It is denied that the rectification application filed by UB is barred by delay or laches. Further it is submitted that the impugned order of the IPAB does not discuss the ground of delay and acquiescence. This was raised for the first time by UEC in W.P. (C) No. 2007 of 2010. Referring to the decision in *Hindustan Pencils Limited v. India Stationary Products Co. 1989 (9) PTC 61 (Del)*, it is submitted that adoption of the mark 'UNITED' by UEC knowing that UB is using the said trade mark was tainted from the very inception. In the circumstances, the fact of subsequent user cannot operate in favour of UEC. Further a perusal of the document appearing at page 198 of the paper book which is produced by UEC itself shows that it has been using the trademark to sell the pressure cookers to the distributors of UB. The mark adopted is also the same.

11. Mr. Sushant Singh submitted that there was a difference between the onuses of proof in opposition proceedings and rectification applications. A reference is made to certain passages in his favour in **Kerly's Law of Trade Marks and Trade Names** (14th Ed., Thomson & Sweet & Maxwell,

pp. 271-272). Reference is made to the decision in *Amritdhara Pharmacy v. Satyadeo Gupta AIR 1963 SC 449*. Lastly, it is submitted that the trade mark 'UNITED' has been adopted by UB for more than 50 years and it has earned immense reputation and goodwill. A reference is made to the decision in *United Brothers v. Navin Kumar 2006 (32) PTC 661 (Del)* which impliedly departed from the earlier view of the learned Single Judge of this Court in *United Brothers v. United Traders 1997 (17) PTC 603 (Del)*. It is submitted that the question of whether the opponent is manufacturing mixer grinder or related goods for which the protection is sought becomes immaterial in the context of likelihood or probability of confusion and deception. A reference is made to the decision in *Shri Dalip Chand Aggarwal v. M/s. Escorts Limited, AIR 1981 Del 150*.

12. Appearing on behalf of AU, Mr. Hemant Singh, learned counsel submitted at the outset that AU is the brother-in-law of Mr. M. Nawshah, the partner of UB. AU has been trading under the name of UEC since 1974 to the knowledge of Mr. Nawshah. He referred to the affidavit by way of evidence dated 3rd September, 2004 of AU in the cancellation petition TRA No. 92 of 2004. He also referred to the fact that AU produced 29 original bill books of sale invoices for the period 1974-75 in the proceedings in CO. No. 6 of 1996 in this Court. This was unfortunately misplaced by the Registry of this Court and could not be looked at by the IPAB. He also referred to the sales tax registration certificate and challans since 1975 that

had been placed on record.

13. Mr. Hemant Singh next submitted that the IPAB had negated the challenge of UB to the registration granted to AU in Class 9 for electric flat iron whereas it allowed the opposition filed by UB to the grant of registration to AU in Class 7 for mixer grinder, hair dryer, washing machine etc. It is submitted that UB's cancellation petition filed in 1996 was barred by laches and acquiescence. Reliance is placed on the decision in *Khoday Distilleries Ltd. v. Scotch Whisky Association AIR 2008 SC 2737*. The registration had been granted since 1982. UB had been aware of use of the trade mark 'UNITED' by AU, the brother-in-law of Mr. Nawshah since 1974. The cancellation petition was filed in 1996 since the relationship between the two brothers-in-law turned sour.

14. Mr. Hemant Singh submitted that no evidence was produced by UB either in the opposition proceedings or in the cancellation proceedings to show that the trade channel of the competing goods was the same. It was settled in various judicial pronouncements that the goods could be considered to be of the same description only if following parameters were fulfilled:

- (i) If the nature and composition of competing goods are same;
- (ii) If the competing goods are used for common purpose; and
- (iii) If the competing goods are sold through common trading channels.

15. Relying on the decision in *Vishnudas v. Vazir Sultan Tobacco Co. Ltd.*

It is submitted that smoking cigarettes and chewing tobacco were not goods of same description, though it is common knowledge that they are sold at the same shop. Reliance is placed on the decision in *Eagle Potteries Private Limited v. Eagle Flask Industries Pvt Ltd. AIR 1993 Bom 185.*

The more distinctive and reputed the trade mark, the broader is the protection that it enjoys. It is submitted that 'UNITED' was one of the most commonly used marks as was evidenced by the telephone directory of Delhi for the year 1994. It showed that innumerable traders used UNITED as part of their trading name. 'UNITED' was therefore, a weak mark commonly used by the trade, and therefore enjoyed narrow protection which must be limited to the goods for which UB have used it i.e. pressure cookers and aluminium halloware utensils.

16. Relying on the decision in *Jugmug Electric & Radio Co. v. Telerad Private Ltd. 13 (1977) DLT 315* it is submitted by Mr. Hemant Singh that a common trade channel must be established by evidence. A common trade channel means a channel, at one end of which are common manufacturers manufacturing competing goods and on the other end are common distributors and dealers dealing in competing goods. Reliance is placed on the decision in *Beiersdorf A.G. v. Ajay Sukhwani 2009 (39) PTC 38 (Del)* and *Raleigh International Trade Mark (2001) RPC 11*. The judgments in *Corn Products Refining Co. v. Shangrila Food Products Ltd.* and *Bajaj*

Electricals Limited v. Metal & Allied Products, Bombay are sought to be distinguished on facts. It is, accordingly, prayed that AU is entitled to retain his registration of the trade mark 'UNITED' under application No. 388765 in Class 9 for electrical flat iron and that his application of trade mark 'UNITED' under application No. 518071 in Class 7 for other electrical appliances such as mixer grinder, hair dryer, washing machine ought to proceed for registration.

17. The issues that arise for consideration in the present petitions are:

(a) Whether AU is entitled to registration of the trade mark 'UNITED' for mixer, grinder, hair dryer, washing machine etc. which, according to him, has no commonality of trade with pressure cookers and aluminium halloware in respect of which UB holds registration for the identical mark 'UNITED'?

(b) Whether the trade mark 'UNITED' registered in favour of AU in Class 9 for electrical flat iron is liable to be cancelled on the grounds urged by UB?

18. The trade mark 'UNITED' is a word mark which by its very nature is descriptive. 'UNITED' is undoubtedly a weak mark commonly used by the trade and therefore enjoys narrow protection. Learned counsel for AU (UEC) is right in his contention that the mark 'UNITED' is extensively used either as a prefix or suffix or by itself by numerous traders. In other

words, there is absolutely nothing distinctive in the mark 'UNITED' whether by itself or in association with goods which are sold under that trade mark. The mark 'UNITED' cannot enable customers to recall any particular goods with which such mark is associated as it is extensively used over a range of goods and services.

19. The analysis of the orders passed by the Assistant Registrar and the IPAB in these cases reveals that

(i) The parties are related to each other. In other words the sole proprietor of UEC (AU) is the brother-in-law of the partner of M/s. United Brothers. Therefore, each of them is definitely aware of the use of the trade mark 'UNITED' by UB since 1957. Likewise, UB was aware of the use by AU, proprietor of UEC of the mark 'UNITED' since 1974.

(ii) Both parties have been able to co-exist with their respective marks in their respective trades.

(iii) The fact is that UB applied for and was granted the registered mark 'UNITED' for pressure cookers with effect from 17th December, 1980 and was, therefore, prior user of the trade mark for pressure cookers. Till 1996 UB did not oppose the registration granted in favour of UEC for the mark 'UNITED' for electrical flat

iron which was granted with effect from 14th April 1982. There is merit in the submission of learned counsel for UEC that the cancellation petition filed by UB more than 14 years after 1996 was barred by the principles of laches and acquiescence. The observations in *Khoday Distillery v. Scotch Whisky Association* are sufficient to negative the challenge of UB to the grant of registration of trade mark 'UNITED' in favour of AU (UEC) in Class 9 for electrical flat iron.

(iv) The application by AU for registration of the mark 'UNITED' mixer, grinder, hair dryer, washing machine etc. was rightly rejected by the Assistant Registrar by an order dated 7th December 2000 on the ground that there was likelihood of confusion, deception and commonality of trade. It rightly held that the pressure cookers and mixer grinders and even washing machines are sold in the same shops dealing with household appliances. Going on the observations of the Bombay High Court in *Bajaj Electricals v. Metal & Allied Products, Bombay*, it is not difficult to imagine that these goods are sold in the same shop. There is absolutely nothing distinguishing the mark used by UEC from use of the same mark by UB. The mark is not even used along with prefix or suffix which could distinguish one from the other.

20. For the above reasons, this Court is not inclined to interfere with the order of either the Assistant Registrar or the IPAB holding that there is likelihood of confusion or deception in granting registration of the trade mark 'UNITED' in respect of mixer, grinder, hair dryer, washing machine in favour of AU. This Court concurs with the view that the opposition by UB to the grant of registration of the mark 'UNITED' in favour of AU for the goods in Class 7 ought to be allowed.

21. This Court also holds that there is no legal infirmity in the order of the IPAB which dismissed the cancellation petition of UB for the grant of registration in favour of AU for electrical flat iron in Class 9. The cancellation petition is barred both by laches and acquiescence. The mark 'UNITED' is a weak one and the registrations already granted to the respective parties can be allowed to continue on account of the long number of years during which both AU and UB have used the mark for their respective goods without there being deception and confusion in the minds of the consumers as regards the origin of their respective goods i.e. electric flat irons and pressure cookers.

22. In the circumstances, neither the order dated 3rd December, 2004 passed by the IPAB dismissing UB's application No. TRA No. 92/2004/TM/DEL (CO. No. 6/96) nor the order dated 28th January, 2010 of the IPAB dismissing the appeal filed by AU TRA/177/2003/TM/DEL

calls for interference.

23. Both the petitions are dismissed but in the circumstances with no orders as to costs. The pending applications are disposed of.

S. MURALIDHAR, J.

MAY 3, 2011

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