

IN THE HIGH COURT OF DELHI AT NEW DELHI

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Judgment delivered on: 03.11.2017

+ **W.P.(C) 2496/2012**

VIVEK KOCHHER & ANR

..... Petitioner

versus

M/S KYK CORPORATION LTD & ANR

..... Respondents

Advocates who appeared in this case:

For the Petitioner : Mr Satish Kumar and Mr Umesh Mishra,
Advocates.

For the Respondent : Mr Aayushmaan Gauba, Advocate for R-1.
Mr Sanjeev Narula, CGSC with Ms Anumita
Chandra, Advocate for UOI.

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HON'BLE MR JUSTICE VIBHU BAKHRU

JUDGMENT

VIBHU BAKHRU, J

1. The petitioners - who claim to be carrying on the business under the name and style of M/s V.K. Automobiles and M/S KYK International respectively - have filed the present petition impugning an order dated 10.02.2012 (hereafter 'the impugned order') passed by the Intellectual Property Appellate Board (hereafter 'IPAB'), allowing the applications filed by respondent no.1 (hereafter 'KYK Corp') for rectification of the Registration with respect to the trademark 'KYK' (hereafter 'the impugned mark').

2. The IPAB passed the impugned order as it came to the conclusion that the impugned mark, registered in favour of the petitioners, was identical to the trademark used by KYK Corp in respect of similar goods

and the registration of the mark in favour of the petitioners is likely to cause injury to KYK Corp. The IPAB further noted that the registration of the impugned mark was granted in favour of the petitioners in class 12 and class 7 on the basis of a claim that they had been using the said trademark in respect of goods under Class 12 since 1996 and in respect of Class 7 since 2000. However, the petitioners had been unable to establish their use for the period claimed by them and thus, the registration of the impugned mark was liable to be cancelled.

3. The petitioners have challenged the impugned order principally on the ground that the IPAB's finding that there was no evidence regarding the petitioners' use of the impugned mark prior to 2005 is *ex facie* erroneous.

4. Briefly stated, the relevant facts necessary to address the controversy are as under:-

4.1 KYK Corp. is a company incorporated under the laws of Japan and its principal office is located at Sakai City, Japan. KYK Corp claims that it was founded by one Mr. Kiyosias Yamamoto and was originally incorporated in the year 1952 under the name Kabusikikaisiya Yamakei Bearing Limited and the trademark KYK was coined by using the first letters of its corporate name. KYK Corp claims that the impugned mark was put to commercial use in 1952 and although the corporate name of KYK Corp underwent a change in 1982 and thereafter in the year 2000 (when it was changed to its current name), it continued to use the trademark KYK in respect of its goods. KYK claims that it has been exporting its goods to several countries since 1953 and has also expanded its market to India.

4.2 It is not disputed that the trademark KYK is registered in the name

of KYK Corp in class 7 and/or 12 in Bangladesh, China, Taiwan, Iran, Japan, Korea and Singapore. KYK Corp has also filed applications for registration of the trademark KYK in India - application No. 1460575 in Class 7 and the application no. 1460576 in Class 12 - which were advertised in the Trade Marks Journal on 01.08.2008. KYK Corp also asserts that its mark, KYK, is a well known trademark as defined under Section 2 (1)(zg) of the Trademarks Act, 1999 (hereafter 'the Act')

5. Petitioner no.1 and 2 are brothers. Petitioner no.1 claims to be carrying on the business under the name and style of M/s V.K. Automobiles and petitioner no. 2 claims to be carrying on the business under the name and style of M/s KYK International. The petitioners claim that they were earlier constituent partners of a firm M/s KYK Bearing International and were engaged in the business of marketing and selling automobile parts and fittings including bearings, filters, gear and gear parts, v-belts, fan belts, etc. Petitioner no.1 claims that he acquired the impugned trademark registered in class 12 along with its goodwill from the firm M/s KYK Bearing International in terms of an agreement dated 25.08.2000.

6. It is also stated that the impugned mark was first adopted by petitioner no.1 in 1996 for automotive goods; at the material time the petitioners were partners of the firm M/s KYK Bearing International. The petitioners claim that petitioner no.2 has also been using the impugned trademark with the permission of petitioner no.1 and has adopted the same in respect of bearings, filters, gear and gear parts, etc. It is further asserted that petitioner no.2 has been getting the aforesaid goods manufactured by M/s Techno Mek Gindwell Industries.

7. The petitioners filed an application for registration of the impugned

trademark in Class 12 (Registration No. 949032) on 21.08.2000, claiming use since 10.10.1996. Another application was filed for registration of the impugned mark in Class 7 on 21.06.2001 (Registration No. 1291522) claiming use since 10.04.2000. It is seen from the documents that the application for the registration of the impugned mark in Class-12 was made in the joint name of the petitioners trading as KYK Bearing International. Accordingly, the impugned trademark was registered in Class 12 in the name of “VIVEK KOCHHER VINEET KOCHHER, TRADING AS KYK BEARING INTERNATIONAL”. Similarly the impugned mark was registered in Class 7 in the name of “VIVEK KOCHHER, VINEET KOCHHER TRADING AS KYK INTERNATIONAL”.

8. In view of the above, KYK Corp filed its application for rectification of the impugned mark, arraying the petitioners trading as KYK Bearing International as respondent in the rectification application relating to the impugned mark in class 12 and arraying the petitioners trading as KYK International as respondent in respect of the impugned trademark registered in Class 7.

9. It is apparent from the above pleading that it was the case of the petitioners that the impugned mark was adopted by the petitioners trading in their firm name KYK Bearing International since 1996 and that the impugned mark was thereafter adopted by the petitioners trading in the firm name KYK International in the year 2000 and subsequently by petitioner no.1 (proprietor of M/s V.K. Automobiles).

10. The learned counsel for the petitioners has assailed the impugned order initially on two grounds. First, he had submitted that the findings of the IPAB, that there was no evidence of user prior to 2005 was *ex facie* erroneous and secondly, that KYK Corp had not established any trans-

border reputation.

11. In order to consider the first contention that the findings of IPAB regarding lack of evidence of user is *ex facie* erroneous, it would be necessary to refer to the relevant passages of the impugned order which are set out below:-

“26. The other issue is regarding the proprietorship of the trade mark “KYK”. The respondents have not placed before us any record or documents to say that V.K. Automobiles is also the proprietor of the trade mark. The Civil Suit has been filed by V.K. Automobiles and M/s KYK International. The first application under No. 949032 filed on 21.08.2000 has been filed by KYK Bearing International. On 25.08.2000, KYK Bearing International has assigned the trade mark in favour of V.K. Automobiles. If that is the case then how is it the application under No. 1291522 on 21.6.2004 has been filed by KYK International. There is nothing on record to say if there had been any partial assignment. That apart the respondents claims user since 1996 as regards Class 12 application and 2000 as regards Class 7 application. When the mark was assigned to V.K. Automobiles in the year 2000 then the 1st bill dated 1999 in the name of V.K. Automobiles cannot be taken note of for deciding this case as it is not clear as to the proprietor. The respondent thus cannot be the proprietor of the trade mark and the registration is therefore in contravention of Section 18 of the Act.

27. The other issue is regarding the user claimed by the respondents in their application for registration. The respondents claim user since 1996 and 2000 in their application. There is no evidence prior to 2005. It is also the case of the respondent that the manufacturing of bearings were carried out through one M/s Techno Mark Grindwell Industries. The 1st invoice is dated 2005 by M/s Techno

Mark Grindwell Industries. The respondents have not proved their user as claimed.

28. The respondents have claimed user since 10.10.1996 for Class 12 goods and 10.4.2000 for Class 7 goods. The respondent's contention is that they had been dealing through one M/s. Techno Mark Grindwell Industries. It is not clear as to how long they were carrying on business through M/s. Techno Mark Grindwell Industries. As stated earlier 1st invoice is of the year 2005. In the absence of any documents either from 1996 or at least from 2000 the claim of user before the Registrar is wrong statement for which reason the mark cannot be allowed to continue on the Register."

12. Admittedly, the said findings must be construed in the context of the counter statements filed by the petitioners to oppose KYK Corp rectification applications.

13. In the counter statement filed on behalf of the petitioners in respect of the registered trademark no. 949302 in Class-12, the petitioners, *inter alia*, stated as under:-

"B. The respondent [Vivek Kocher, Vineet Kocher trading as KYK Bearing International] in the year 1996 adopted the trade mark KYK.... The respondent is the proprietor of the trademark KYK in relation to the aforementioned the said goods. The respondent has been using the said trade mark in a distinctive get up, make up and artistic manner."

C. The respondent has assigned the said trade mark KYK to its sister concern M/s. V.K. Automobile, whose proprietor is Sh Vivek Kocher, along with its goodwill and reputation. Accordingly as of now Sh. Vivek Kocher, Proprietor M/s V.K. Automobile, 363, Chowk Mori Gate, Delhi – 110006 is the lawful owner and proprietor of the registered trade mark KYK..."

14. Similarly, in the counter statement filed in respect of KYK Corp application pertaining to the registered trademark no. 1291522 in Class-07, the petitioners, *inter alia*, set out as under:-

“B. That the said trademark KYK was adopted by the present respondent [Vivek Kocher, Vineet Kocher trading as KYK International] in the year 2000 with the permission of the sister concerned namely M/s KYK Bearing International and subsequently M/s. V.K. Automobile. Since the adoption the respondent has been continuously and uninterruptedly using the same up to the present time. The respondent is the proprietor of the trade mark KYK in relation to the aforementioned the said goods. The respondent has been using the said trade mark in a distinctive get up, make up and artistic manner.

C. That the respondent was a partnership concern under mutual oral understanding consisting of Vineet Kocher and Vivek Kocher as partners thereof. However, one of the partners namely Vivek Kocher left the partnership concern and due to outgoing partner the respondent firm changed to proprietorship concern being Vineet Kocher as sole proprietor thereof. Accordingly as of now Sh. Vineet Kocher, Proprietor M/s KyK International is the lawful owner and proprietor of the registered trade mark KyK under number 1291522 in Class-07 of the Trade Marks Act, 1999. And therefore the present counter affidavit is filed on behalf of Sh. Vineet Kocher trading as KYK International and any reference to the respondent hereinafter may be deemed to the reference to Vineet Kocher trading as M/s KYK International. ”

15. It is apparent from the above that in order to claim user since 1996, the petitioners were required to show any invoice or any document pertaining to the use by them trading in the name of “KYK Bearing

International”. Concededly, there is no document on record indicating such use by KYK Bearing International. The earliest invoice placed on record is a bill dated 30.03.1999 issued by V.K. Automobiles to Raj Automobiles. Use by M/s V.K. Automobiles (petitioner no.1) was not the claim on the basis of which the registration of the impugned mark was granted in Class-12.

16. The petitioners have also claimed that bearings sold by petitioner no.2 were manufactured by a family company – M/s Techno Mek Grindwell Industries. The petitioners have also produced invoices raised by the said concern of M/s KYK International, however, none of the said invoices are prior to the year 2005 and, therefore, there was no evidence on record to show any invoice relating to the use of the impugned mark by KYK International (which was stated to be the proprietor of the impugned registered mark in Class-07). Thus, the finding of the IPAB that "there is no evidence prior to 2005" is correct once it is understood in the context of the use by the applicants; that is the petitioners trading as KYK Bearing International and KYK International.

17. In view of the above, this Court finds no infirmity in the finding of the IPAB that the petitioners have been unable to establish the claim of user on the basis of which registration of the impugned marks was granted. Invoices raised by M/s V.K. Automobiles in the year 1999 to 2005 would be of little assistance since that was not the user on the basis of which the application for registration had been made by the petitioners. Further in any event, concededly, there is no material to even remotely establish the user of the impugned mark by any of the petitioners during the year 1996 to 1998

18. ***In Suresh Kumar Jain v. Union of India & Anr.: W.P. (C)***

72/2007, decided on 05.03.2010, this Court had considered the challenge to an order passed by IPAB rectifying the Registration of a registered trademark. The IPAB had held that the proprietor of the registered trademark had failed to establish its claim of user from the date as claimed in its application and thus, concluded that the registration of the trademark was obtained by a "false statement and fraud". This Court repelled the said challenge and declined to interfere with the order passed by the IPAB. The relevant observations made by this Court in the said judgement are as under:-

“10. Mr Singh was unable to dispute the fact that invoices produced by the Petitioner related to the year 1997 onwards. There is no invoice or bill which would show that the trademark in question has been commercially exploited by the Petitioner since 1st April 1995. Where the claim of the Petitioner is that it is using the mark since 1st April 1995, then the burden was on it to show the mark had been used in relation to the goods marketed by it since 1st April, 1995. This is an essential feature of the use of a trademark. Section 2(2)(c)(i) clarifies that unless the context otherwise requires, any reference to the use of a mark in relation to goods, shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods. In the considered view of this Court, given the above requirement of law, the documents referred to by the Petitioner do not show that it was using the mark in relation to the goods since 1st April 1995 as claimed in the application for registration. Therefore, the conclusion reached by the IPAB on this aspect does not call for interference.”

19. The aforesaid order was also affirmed by the Division Bench of this Court in *Suresh Kumar Jain v Union of India & Anr. : LPA No.*

676/2010, decided on 02.01.2012. While affirming the above decision, the Division Bench observed as under:

“Once we accept that the appellant has not been able to place on record any evidence to show that the appellant had been using the trademark since /April 1995, which was the basis of seeking the registration, the conclusion would be that the registration was obtained on the basis of a false statement and would amount to fraud.”

20. The contention that KYK Corp has been unable to establish a trans-border reputation is also unpersuasive. KYK Corp had produced evidence to show that its goods were being sold in India. It had also produced material to show that it was exporting goods to United States to show that it was using the mark in USA since 1953. However, it is not necessary to examine this issue as the conclusion of IPAB that the petitioners were unable to establish the use of the mark as claimed in their application, warranting a rectification of the registered trademark cannot be faulted.

21. In view of the above, the petition is dismissed. No order as to costs.

VIBHU BAKHRU, J

OCTOBER , 2017

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