



(T)CMA(TM)/30/2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 27.11.2023

CORAM

THE HONOURABLE MR.JUSTICE SENTHILKUMAR

RAMAMOORTHY

(T)CMA(TM)/30/2023

(OA/36/2013/TM/CHN)

Ved Prakash Malhotra,
Trading as M/s. S.P. Products (India),
No.9754-55, Neem Street,
Nawab Ganj, Azad Market,
Delhi – 110006.

... Appellant

-VS-

1. M/s.Abhinav Export Corporation
90, III Street,
Kamdar Nagar,
Mahalingapuram,
Madras – 600 034.

2.The Registrar of Trade Marks,
Intellectual Property Rights Building,
Industrial Estate, SIDCO RMD,
Godown Area,
G.S.T. Road, Guindy,
Chennai – 600 032.

... Respondents

PRAYER: Transfer Civil Miscellaneous Appeal (Trademarks) filed under
Section 91 of the Trademarks Act, 1999, praying this Court that the order



(T)CMA(TM)/30/2023

passed by the learned Registrar of Trade Marks, Chennai dated 31.01.2013 in appellant's Opposition No. MAS - 720480 to Application No. 728906 in Class-03 be set aside;. the appellant's Notice of Opposition under No. MAS 720480 be allowed and applicant's application for registration of Trade Mark BLACK GOLD under No. 728906 be refused for registration; the 2nd respondent be directed to change the status of the impugned application under no. 728906 in Class-03 as “refused” instead of “opposed”, to transmit and certify the entire records of proceedings before them in the matter of Opposition No. MAS-720480 to Application No. 728906 in class -03 and the 2nd respondent be directed not to proceed the impugned application No. 728906 in class -03 for registration till the disposal of the present appeal and to get correct the order.

For Appellant : Mr.Sudarshan Kumar Bansal
for M/s.K.G.Bansal and Co.

For R1 : Ms.Gladys Daniel

For R2 : Mr.C.Samivel, SPC



(T)CMA(TM)/30/2023

WEB COPY

JUDGMENT

Background

The appellant impugns an order dated 31.01.2013 by which Opposition No.MAS-720480 was rejected and Application No.728906 in Class 3 in respect of the trade mark “BLACK GOLD” was accepted for registration.

2. The appellant asserts that it adopted and uses the label mark “BLACK N GOLD” in relation to cosmetic products since 01.04.1993. It is further stated that the mark has been used honestly, openly and continuously since then. Upon noticing the advertisement in respect of the 1st respondent's trade mark “BLACK GOLD” for use in relation to black henna hair dye in Trade Marks Journal No.1374 dated 16.08.2007, the appellant lodged the notice of opposition. A counter statement was filed in response thereto. In such counter statement, the 1st respondent asserted *inter alia* that its adoption and use was honest and that it predated use by the appellant. Both parties adduced evidence in support of the opposition and the



(T)CMA(TM)/30/2023

application, respectively. Eventually, the opposition was rejected under order dated 31.01.2013. The present appeal arises in the above facts and circumstances.

Counsel and their contentions

3. Oral arguments on behalf of the appellant were advanced by Mr.Sudarshan Kumar Bansal, learned counsel, and on behalf of the 1st respondent by Ms.Gladys Daniel, learned counsel.

4. The first submission on behalf of the appellant was that the trade marks are nearly identical. In support of this contention, learned counsel referred to the affidavit by way of evidence of the 1st respondent herein before the Registrar of Trade Marks. With specific reference to paragraph 13 thereof, learned counsel submitted that the 1st respondent admitted that its trade mark is identical to that of the appellant. The next contention of learned counsel was that the goods to which the appellant's trade mark is applied are similar to the goods to which the 1st respondent's trade mark is applied. In support of this submission, learned counsel relied on paragraph 4



(T)CMA(TM)/30/2023

of the affidavit by way of evidence of the 1st respondent, wherein the 1st respondent asserted that it is carrying on the business of manufacturing and dealing in cosmetics.

5. In this connection, learned counsel relied on the judgment of the Hon'ble Supreme Court in *Mahendra & Mahendra Paper Mills Limited v. Mahindra and Mahindra Limited (Mahendra & Mahendra)*, (2002) 2 SCC 147, particularly paragraphs 23 and 24 thereof, where the Supreme Court cited with approval the judgment of the Bombay High Court in *Kirloskar Diesel Recon (P) Ltd. v. Kirloskar Proprietary Ltd.*, AIR 1996 Bombay 149, and concluded that trade connection is an important aspect and that it should be viewed from the perspective of whether there would be a real likelihood of confusion or deception on the part of the public. He also relied upon the judgment of the Hon'ble Supreme Court in *Corn Products Refining Co. v. Shangrila Food Products Ltd. (Corn Products)*, (1960) 1 SCR 968, particularly paragraphs 19 and 20 thereof. Turning to the judgment of the Hon'ble Supreme Court in *Vishnudas, Trading as Vishnudas Kishandas v. Vazir Sultan Tobacco Co. Ltd. (Vazir Sultan)*, 1996 PTC (16) 512 (SC),



(T)CMA(TM)/30/2023

which was cited in the impugned order, learned counsel submitted that the Supreme Court concluded that the trade channels were different, as between manufacturers of cigarettes and manufacturers of qwiwam. By referring to the judgment of this Court in *Hatsun Agro Products Ltd. v. Arokiya Foods(Hatsun Agro), 2023 (93) PTC 592 (Madras)*, learned counsel submitted that the conclusion at paragraph 28 thereof may require reconsideration in light of the judgments of the Supreme Court in *Mahendra & Mahendra* and *Corn Products*. By referring to *McCarthy on Trade Marks*, learned counsel submitted that confusion is a wide concept and embraces different forms of confusion, including confusion by association. For all these reasons, learned counsel submitted that the goods to which the appellant's mark is applied are clearly similar to the goods to which the 1st respondent's mark is applied.

6. Turning to the impugned order, learned counsel submitted that the conclusion at internal page 3 thereof that the rival marks are not visually and structurally the same is completely untenable. As regards the conclusion that the goods are not similar, learned counsel submitted that the Registrar



(T)CMA(TM)/30/2023

merely referred to case law with regard to the factors to be taken into consideration and thereafter recorded the conclusion that the goods do not fall within the same description without providing any basis or reasoning in support of such conclusion.

7. With regard to the conclusion, in the impugned order, that the 1st respondent is entitled to the benefit of Section 12 of the Trade Marks Act, 1999 (the Trade Marks Act), learned counsel submitted that the 1st respondent did not discharge the burden of establishing honest and concurrent use. He further submitted that the impugned order does not consider the evidence on honest and concurrent use and record findings in relation thereto. Therefore, it was contended that the conclusion on honest and concurrent use cannot be sustained in appellate proceedings.

8. In response to these contentions, Ms.Gladys Daniel opened her submissions by stating that the 1st respondent provided evidence of use since 06.07.1993 by submitting an invoice evidencing sale. As regards the appellant, learned counsel submitted that the registration was obtained with



(T)CMA(TM)/30/2023

effect from 02.09.1996 and that the first invoice with regard to use is dated 03.06.1993. By referring to the 1st respondent's licence for manufacturing cosmetics (page 101 of the appeal paper book), learned counsel submitted that such licence was obtained on 30.06.1992 and that it was extended to products bearing the trade mark “BLACK GOLD” with effect from 10.08.1992. Therefore, learned counsel submitted that the 1st respondent adopted the trade mark “BLACK GOLD” prior to the appellant. By referring to the invoices placed on record by the 1st respondent, learned counsel submitted that these invoices cover an extended period commencing from 06.07.1993. She also pointed out that the registration of the 1st respondent is limited to black henna hair dye.

9. By referring to paragraphs 3 and 15 of the counter statement filed by the 1st respondent before the Registrar of Trade Marks, learned counsel submitted that the 1st respondent expressly asserted that it had used the trade mark “BLACK GOLD” since 10.08.1992 and that it would prove use by adducing cogent documentary evidence. She also pointed out that the 1st respondent averred that the adoption is honest and not tainted by *mala fide*



(T)CMA(TM)/30/2023

intentions. In this connection, by referring to the sales turnover of the appellant for the financial year 1993-1994, learned counsel pointed out that the turnover was Rs.1,18,177.40 for the entire financial year. If apportioned on a monthly basis, she submitted that the turnover would be about Rs.10,000/-. According to learned counsel, the low turnover of the appellant during the relevant period underscores the fact that the appellant's product was not well-known and that the 1st respondent's adoption and use of the impugned trade mark was honest.

10. The next contention of learned counsel is that the goods are not similar. She submitted that a wide range of products require a licence under the Drugs and Cosmetics Act, 1940 (the Drugs and Cosmetics Act). Merely on such basis, she submitted that the goods cannot be construed as similar. She further submitted that the several users of cosmetics do not use henna and *vice versa*.

11. By way of rejoinder, learned counsel for the appellant submitted that there is a distinction between adoption of a trade mark and use thereof.



(T)CMA(TM)/30/2023

By inviting my attention to the document at page 101 of the appeal paper book, learned counsel submitted that the said document may contain evidence of adoption, but does not contain evidence of use. By referring to page 32 of the appeal paper book, learned counsel pointed out that the appellant had established use since 03.06.1993. By contending that it is only use and not adoption which is relevant for the purposes of Section 12 of the Trade Marks Act, learned counsel submitted that the 1st respondent is not entitled to the benefit of Section 12 because the 1st respondent failed to establish that it was unaware of the appellant's trade mark. In the absence of complete honesty, learned counsel concluded his submissions by stating that Section 12 is not applicable.

Discussion, analysis and conclusions

12. Based on the rival contentions, the first question that arises for consideration is whether the relevant trade marks are identical or similar. It is not necessary to labour unduly on this question in view of the assertion in paragraph 13 of the affidavit filed by the 1st respondent as evidence in support of its application. In the said paragraph, the 1st respondent asserted



(T)CMA(TM)/30/2023

that the opponent/appellant herein is a subsequent user of the identical trade mark. Even otherwise, when the two marks are compared, it appears that the marks are substantially similar.

13. The next question to be examined is whether the goods should be considered as similar. The first respondent applied for and obtained a licence under the Drugs and Cosmetics Act. The said statute, in substance, defines a cosmetic as any article applied to the human body to cleanse, beautify, promote attractiveness or alter the appearance. Given the broad definition, the 1st respondent's product is a cosmetic for purposes of the above statute. While that is not by itself determinative as to whether the goods of the appellant and the 1st respondent are similar for purposes of the Trade Marks Act, the 1st respondent asserted in paragraph 4 of the affidavit by way of evidence that it is carrying on business as a manufacturer and dealer in cosmetics, particularly hair dye since 1992. This assertion indicates that the 1st respondent's understanding is that hair dye falls within the category of cosmetics. The broad classification of cosmetics under the statute would, therefore, embrace make-up related products, perfumes, hair care, toiletries



(T)CMA(TM)/30/2023

and deodorants. Out of these, the products in the first three sub-categories would clearly fall within the class of beauty products. Thus, by taking into account the nature of the respective goods and the fact that the trade channels are likely to overlap, I am of the view that the 1st respondent's goods are similar goods if all the relevant factors indicated in *Hatsun Agro* are taken into account.

14. The last question that falls for consideration is whether the 1st respondent is entitled to the benefit of Section 12 of the Trade Marks Act.

Section 12 is set out below:

"12.Registration in the case of honest concurrent use, etc.--

In the case of honest concurrent use or of other special circumstances which in the opinion of the Registrar, make it proper so to do, he may permit the registration by more than one proprietor of the trade marks which are identical or similar (whether any such trade mark is already registered or not) in respect of the same or similar goods or services, subject to such conditions and limitations, if any, as the Registrar may



(T)CMA(TM)/30/2023

think fit to impose."

WEB COPY

On examining Section 12, it is evident that the Registrar is empowered to permit the registration by more than one proprietor of trade marks, which are identical or similar in respect to the same or similar goods or services, if the Registrar draws the conclusion that there is honest concurrent use or other special circumstances. The provision also prescribes that such registration may be subject to conditions and limitations as thought fit by the Registrar.

15. In the impugned order, the Registrar appraised the evidence on record and recorded the following conclusions with regard to use of the trade mark:

“Applicant has filed documentary evidence to show that he is using the mark ever since 6.7.1993. He has filed substantial number of invoice copies to prove user of BLACK GOLD mark in respect of 'black henna hair dye in class-3'. In other words, he has been allowed to use the impugned mark all these years for nearly 2 decades. Except for filing this opposition, the opponents



have kept quiet and allowed the applicants to use the impugned mark which amounts to admitting the use of the applicants over all these years. Moreover, it is pertinent to note that all the invoices filed by opponents pertain to Delhi only. Whereas, the sales invoices filed by the applicants pertain to different parts of the country including Delhi and Abroad. Till today, there are no instances of confusion or deception in the market despite simultaneous use of rival marks all these years. Added to the above, there is also a disclaimer condition imposed on the applicant's mark BLACK GOLD which will restrict the possibility of extravagant and unauthorised claims being made on the score of registration of the trade marks.”

16. In the above paragraph, the Registrar has noticed that the 1st respondent provided documentary evidence of use of the mark since 06.07.1993. In particular, the Registrar noticed that a substantial number of invoices were filed to prove use in relation to black henna hair dye. The Registrar also noticed that the sales invoices filed by the 1st respondent herein relate to sale in different parts of the country, including Delhi, and abroad. The Registrar also recorded the conclusion that the appellant did not



(T)CMA(TM)/30/2023

institute any proceedings other than the opposition. This conclusion is not tenable in the context of the appellant exercising its statutory right to oppose the registration of the trade mark based on its earlier use and registration. Nonetheless, the question that calls for an answer is whether the Registrar was justified in recording the conclusion that the 1st respondent is entitled to the benefit of Section 12.

17. The evidence on record includes a large number of invoices filed by the 1st respondent with the first invoice being dated 06.07.1993. The 1st respondent also placed on record the licence granted to it under the Drugs and Cosmetics Act to manufacture cosmetic products, including products bearing the mark BLACK GOLD with effect from 10.08.1992. Learned counsel for the appellant contended that adoption is not relevant for the purposes of Section 12 and that the benefit of Section 12 arises only by honest concurrent use and not by mere adoption. The contention is correct to the extent that a person cannot claim the benefit of Section 12 without establishing honest concurrent use. This does not mean that evidence relating to adoption is irrelevant or immaterial. In the case at hand, there is



(T)CMA(TM)/30/2023

evidence that the 1st respondent applied for and was granted a licence to manufacture cosmetics bearing the mark BLACK GOLD with effect from 10.08.1992, which predates use by the appellant. Therefore, it is clearly indicative of the fact that the adoption was honest.

18. The 1st respondent has backed up such evidence of honest adoption by placing on record invoices in support of use, the earliest of which is dated 06.07.1993. The first evidence of use by the appellant is the invoice dated 03.06.1993 at page 32 of the appeal paper book, which is barely over a month earlier than the 1st respondent. Learned counsel for the 1st respondent also pointed out that the turnover of the appellant for the financial year 1993-94 was only about Rs.1,18,177.40. The inference that follows is that it is unlikely that the use of the mark by the appellant was well recognised even in trade circles in July 1993 when the 1st respondent first used the mark. The prior adoption in August 1992 also supports the inference of honest use. In these facts and circumstances, the Registrar of Trade Marks was justified in concluding that the 1st respondent is entitled to the benefit of Section 12 of the Trade Marks Act. However, in light of the



(T)CMA(TM)/30/2023

prior registration of the appellant's trade mark in relation to various cosmetic products, the registration of the 1st respondent's trade mark shall be limited to and shall confer rights only in relation to henna hair dye products.

19. (T)CMA(TM)/30/2023 is disposed of on the above terms without any order as to costs.

27.11.2023

Index : Yes / No

Internet : Yes / No

Neutral Citation : Yes / No

kj



WEB COPY



(T)CMA(TM)/30/2023

SENTHILKUMAR RAMAMOORTHY,J.

Kj

(T)CMA(TM)/30/2023
(OA/36/2013/TM/CHN)



WEB COPY



(T)CMA(TM)/30/2023

27.11.2023