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IN THE HIGH COURT OF JUDICATURE AT MADRAS

Judgment reserved on	12.09.2023
Judgment pronounced on	21.11.2023

CORAM:

THE HON'BLE MR. JUSTICE SETHILKUMAR RAMAMOORTHY

(T) CMA (TM) No.5 of 2023
(OA/55/2010/TM/CHN)

Sharp Kabushiki Kaisha
22-22, Nagaika-Cho, Abeno-Ki,
Osaka,
Japan.

... Appellant

v.

1. Sharp Industries,
Sharp Nagar, Kalappatti,
Coimbatore - 641 035.

2. The Deputy Registrar of Trade Marks,
Office of the Trade Marks Registry,
Intellectual Property Building,
G.S.T.Road, Guindy,
Chennai-600 032.

... Respondents

PRAYER : This Transfer Civil Miscellaneous Appeal (Trademarks) filed under Section 91(1) of the Trade Marks Act, 1999 in respect of goods or services falling in one class, prays to (a) set aside/quash the order dated 1st June 2010 of the Learned Deputy Registrar of Trade Marks, Chennai, dismissing opposition MAS-199608 and allowing application no.699845 in class 7 to proceed for



registration; (b) allow the appellant's opposition No.MAS-199608 and reject the 1st respondent's application no.699845 in class 7 for registration of the mark SHARP.

For Appellant : Mr.Arun C. Mohan
for M/s.Mohan Associates

For Respondents : Mr.R.Sathish Kumar
for M/s.Altacit Global for R1
Mr.C.Samivel, SPC for R2

JUDGMENT

Background

The appellant assails an order dated 01.06.2010 by which Opposition No.MAS-199608 was dismissed and, consequently, Application No.699845 for registration of the trade mark set out below was accepted for registration:



2. The first respondent applied for registration of the device mark set out above on 27.02.1996 in relation to pumps, including mono block pumps, centrifugal pumps, reciprocating pumps, stage pumps, parts thereof and fittings therefor. The application was filed by asserting use since 01.01.1979. The application was



accepted for advertisement and such advertisement was published in Trade Marks Journal No.1327 (S-III) dated 17.01.2005 at page No.857.

3. Upon noticing such advertisement, on 12.07.2005, the appellant lodged a notice of opposition objecting to the registration of the above mentioned mark on the ground that it is carrying on the business of manufacturing and dealing in a wide range of products such as television sets, video cassette recorders, music systems, handy cams and other consumer electronic products. The appellant asserted the prior adoption and use of the trademark 'SHARP' both outside India and in India. The appellant further asserted that it is the registered proprietor of the trade mark 'SHARP' in India in many classes, including class 7 under Trademark No. 621788 in respect of washing machines, drying machines, juicers and mixers. The appellant further asserted that its mark is a well-known trade mark and that it is registered as a well-known trade mark in the Japanese and Korean Trade Mark Registers. The first respondent filed a counter statement on



15.05.2006 in response to the notice of opposition. Both parties filed evidence in support of the opposition and application, respectively, and pursuant to the hearing on 17.02.2010, the impugned order was issued. The present appeal arises in the said facts and circumstances.

Counsel and their contentions

4. Oral submissions on behalf of the appellant were advanced by Mr.Arun C. Mohan, learned counsel; and on behalf of the first respondent by Mr.R.Sathish Kumar, learned counsel. The second respondent was represented by Mr.C.Samivel, learned SPC.

5. Mr.Arun C. Mohan submitted that the appellant adopted the trade mark 'SHARP' in the year 1929 in relation to radio sets. Shortly thereafter, the appellant began export of its products to India in 1934. Such export was suspended due to the second world war and resumed in 1959. Learned counsel submitted that the appellant has manufacturing and/or sales bases in at least 30



countries and that its products are marketed in more than 160 countries. As regards India, learned counsel submitted that the mark 'SHARP' has been used in relation to products used in India for a considerable duration. In support of this submission, learned counsel referred to pages 50, 52, 58 and 59 of the typed set of papers to contend that products bearing the trade mark 'SHARP' were imported into India from 1983 onwards. He further submitted that the evidence of import was not taken into consideration by the Registrar of Trade Marks in the impugned order. Learned counsel also referred to advertisements published in globally renowned magazines from the 1980s and submitted that these magazines were subscribed to in India. He also referred to the turnover of Sharp Corporation in the year 1997, as per Forbes International, and pointed out that the turnover was 159 billion US Dollars (USD) in the said year. He next referred to the registrations obtained by the appellant for word and device marks containing the word 'SHARP' in multiple overseas jurisdictions and in multiple classes, in India, including class 7 in relation to washing machines, drying machines, juicers and mixers. With



reference to the Register of Trade Marks maintained in Japan and a judgment pronounced in Korea, learned counsel submitted that the mark was registered as a well-known trademark in Japan and Korea.

6. Learned counsel also submitted that data on sales turnover and advertisement expenditure in India was placed on record along with invoices. With reference thereto, learned counsel submitted that the sales turnover of the appellant for the financial year 1995-96 was Rs.1,600,093,000/- and this increased to a sum of Rs.2,007,786,000/- in the financial year 2002-2003. He also referred to the invoices issued by Kalyani Sharp India Limited (Kalyani Sharp), which are at pages 427 to 456 of the typed set of papers.

7. In spite of adducing extensive evidence to establish that the appellant's trademark is well-known, learned counsel submitted that the Registrar of Trade Marks only referred to the invoices and one advertisement. Learned counsel also referred to an order dated September 2013 of the Intellectual Property



Appellate Board (the IPAB) whereby the appellant's trade mark was recognized as a well known mark.

8. By referring to the impugned order, learned counsel submitted that the findings recorded therein that the first respondent has a 46% market share and that it is a household name in India are not borne out by records. According to learned counsel, the first respondent has failed to even establish *bona fide* use of the mark in relation to its goods, and that the invoices relied on by the first respondent do not establish use in relation to pumps.

9. In support of these contentions, learned counsel for the appellant referred to and relied upon the following judgments:

(i) *Sunil Grover, Trading as Analog Systems v. Sharp Kabushiki Kaisha and Another*, order dated September 2013 of the IPAB.

(ii) *N.R.Dongre and Others v. Whirlpool Corporation and another*, (1996) 5 SCC 714, particularly paragraph 15 thereof.



(iii) *Tata Sons Ltd. v. Manoj Dodia & Others*, 2011

WEB COPY SCC Online Del 1520.

10. In response to these contentions, Mr.R.Sathish Kumar, learned counsel, opened his submissions by pointing out that the first respondent's mark was registered as a device mark in class 7 in relation to different types of pump. His next submission was that no civil suit was filed till date by the appellant because no prejudice was caused to the appellant by the use of the impugned mark by the first respondent. As regards the contention that the adoption was dishonest, learned counsel submitted that the adoption was *bona fide* and that the appellant failed to establish dishonest adoption by adducing evidence in support thereof.

11. Countering the contention of learned counsel for the appellant that the appellant's trade mark is well-known as per the Trade Marks Act, 1999 (the Trade Marks Act), Mr.Sathish Kumar submitted that the document at page 46 is an extract from a coffee table book published by the appellant. As regards letters from persons importing goods, he submitted that these are complaint



letters and cannot be relied upon to establish reputation. With regard to the registration of the trade mark 'SHARP' in class 7, learned counsel pointed out that it was only in respect of washing machines, dryers, juicers and mixers.

12. By pointing out that the application for registration of the device mark was filed by the first respondent on 27.02.1996, learned counsel submitted that the determination as to whether the appellant's trade mark is well-known should be made as of 27.02.1996. Therefore, he submitted that documents subsequent thereto cannot be relied upon to establish that the appellant's mark has a trans-boundary reputation or that it is a well-known mark.

13. As regards the well-known status of the appellant's mark in Japan, learned counsel submitted that the document at page 312 indicates that it was registered as a defensive trademark and that such registration does not lead to the inference that the trade mark was declared as well-known. In support of this contention, reference was made to Section 47 of the Trade and Merchandise



Marks Act, 1958, which permitted defensive registration. With regard to the invoices issued by Kalyani Sharp, learned counsel submitted that all these invoices are from mid-1996 onwards. In support of these submissions, learned counsel referred to and relied upon the judgment of the Hon'ble Supreme Court in *Toyota Jidosha Kabushiki Kaisha v. M/S Prius Auto Industries Limited and others*, (2018) 2 SCC 1, particularly paragraphs 34 and 38-40 thereof, where the Supreme Court concluded that the trade mark 'Prius' did not enjoy sufficient recognition in India to qualify as well-known. He also relied upon the judgment of the Division Bench of this Court in *N.Ranga Rao & Sons v. Shree Balaji Associates*, 2018 SCC Online Mad 13537, particularly paragraphs 17, 21, 22, 25 and 27 to 30, for the proposition that the non-user of a trade mark should not be allowed to monopolize the mark.

Discussion, analysis and conclusions

14. The appellant's mark is applied in relation to consumer discretionary goods such as televisions, music systems, handy cams and the like. Although there is a registration in class 7 in



respect of washing machines, dryers, juicers and mixers, no evidence of use in relation to the said goods has been placed on record. In contrast, the first respondent applies the device mark containing the element 'SHARP' in respect of different types of pump. The goods to which the appellant's mark is applied and the goods to which the first respondent's mark is applied are not goods that can be used as substitutes. The relevant goods are not complementary and they do not originate from a common source. The conclusion that flows from the above discussion is that the goods cannot be construed as similar goods. As a corollary, the appellant is not entitled to raise objections under Section 11(1) of the Trade Marks Act. Whether the appellant is entitled to oppose registration under Section 11(2) of the Trade Marks Act is considered next.

15. Sub-section 2 of Section 11 is set out below:

(2) *A trade mark which –*

(a) is identical with or similar to an earlier trade mark; and



(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered in the name of a different proprietor, shall not be registered if or to the extent the earlier trade mark is a well-known trade mark in India and the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.

Section 11(2) applies when the marks in question are identical or similar and the goods or services are not similar. As is clear from the text thereof, the provision becomes applicable only if the objector's mark is a well-known trade mark in India. In order to decide if it is a well-known trade mark in India, it becomes necessary to focus on not only the definition in Section 2(1)(zg) of the Trade Marks Act but also the other conditions specified in sub-section 2 of Section 11 and the criteria prescribed in the relevant sub-sections of Section 11.

16. The expression “well-known trade mark” is defined in Section 2(1)(zg) of the Trade Marks Act as under:

“ 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 connection in the course of trade or rendering of services between the goods or services and a person using the mark in relation to the first-mentioned goods or services.”(emphasis added)

17. Sub-sections 6 to 11 of Section 11 of the Trade Marks Act deal with the criteria or factors to be taken into consideration by the Registrar of Trade Marks to determine whether a trade mark is well-known, or the implications thereof. Sub-sections 6 to 11 are set out below:

“(6) The Registrar shall, while determining whether a trade mark is a well-known trade mark, take into account any fact which he considers relevant for determining a trade mark as a well-known trade mark including--

(i) the knowledge or recognition of that trade mark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trade mark;

(ii) the duration, extent and geographical area of any use of that trade mark;



(iii) the duration, extent and geographical area of any promotion of the trade mark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trade mark applies;

(iv) the duration and geographical area of any registration of or any application for registration of that trade mark under this Act to the extent that they reflect the use or recognition of the trade mark;

(v) the record of successful enforcement of the rights in that trade mark, in particular the extent to which the trade mark has been recognised as a well-known trade mark by any court or Registrar under that record.

(7) The Registrar shall, while determining as to whether a trade mark is known or recognised in a relevant section of the public for the purposes of sub-section (6), take into account –

(i) the number of actual or potential consumers of the goods or services;

(ii) the number of persons involved in the channels of distribution of the goods or services;

(iii) the business circles dealing with the goods or services, to which that trade mark applies.

(8) Where a trade mark has been determined to be well-known in at least one relevant section of the public in India by any Court or Registrar, the Registrar shall consider that trade mark as a well-known trade mark for registration under this Act.



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(9) *The Registrar shall not require as a condition, for determining whether a trade mark is a well-known trade mark, any of the following, namely: –*

- (i) that the trade mark has been used in India;*
- (ii) that the trade mark has been registered;*
- (iii) that the application for registration of the trade mark has been filed in India;*
- (iv) that the trade mark –*
 - (a) is well known in; or*
 - (b) has been registered in; or*
 - (c) in respect of which an application for registration has been filed in, any jurisdiction other than India; or*
- (v) that the trade mark is well-known to the public at large in India.*

(10) *While considering an application for registration of a trade mark and opposition filed in respect thereof, the Registrar shall –*

- (i) protect a well-known trade mark against the identical or similar trade marks;*
- (ii) take into consideration the bad faith involved either of the applicant or the opponent affecting the right relating to the trade mark.*

(11) *Where a trade mark has been registered in good faith disclosing the material informations to the Registrar or where right to a trade mark has been acquired through use in good faith before the commencement of this Act, then, nothing in this Act*



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shall prejudice the validity of the registration of that trade mark or right to use that trade mark on the ground that such trade mark is identical with or similar to a well-known trade mark."

18. Since the application for registration of the trade mark was filed by the first respondent on 27.02.1996, as correctly contended by learned counsel for the first respondent, the determination as to whether the appellant's trade mark is well-known in India should be made as of 27.02.1996. In order to decide whether the criteria specified in Section 11 are satisfied, the evidence on record warrants close consideration.

19. The appellant has placed on record correspondence between purchasers of the appellant's products and the appellant. Such correspondence is from the year 1983 and extends into the 1990s. It is pertinent to notice that all the purchasers in the 1980s had purchased the goods from outside India, perhaps on account of import restrictions in India at the relevant time. In fact, by reply dated 6.6.1983 to Mr.A.Nagaraja Rao, the appellant informed him that it is unable to provide him with an operation manual for the



colour TV in English because that model was designed only for Indonesia. As per documents at pages 72 and 79 of volume-II of the typed set, the situation changed by the mid-1990s to the extent that the appellant had an agent in India. Based on the said correspondence, it may be concluded that the appellant's goods, especially colour TVs, were purchased by some Indians from outside India and used in India in the 1980s and, as regards the 1990s, there was an agent in India from whom spares and components could be obtained.

20. The appellant also placed on record advertisements. These advertisements were published in magazines such as the Reader's Digest, The Asia Magazine, Time Magazine, News Week, etc., all of which were published outside India. Learned counsel for the appellant also relied on the following: data provided in Forbes International of the turnover of Sharp Corporation in the years 1997 to 2003; registration of the trade mark 'SHARP' in multiple jurisdictions overseas and in multiple classes in India, including classes 9 and 7. The registration certificates indicate that



the registration was with effect from 13.02.1980 in class 9 and with effect from 03.11.1994 in class 7.

21. Apart from the above, data from the financial years 1995-96 to 2002-03 with regard to alleged sales turnover, advertising and promotional expenditure in India was provided on the unsigned letter head of Kalyani Sharp India Limited. Invoices issued by Kalyani Sharp India Limited were also placed on record, and the earliest of these invoices is dated 13.05.1996.

22. Undoubtedly, the evidence adduced by the appellant indicates that the mark 'SHARP' was used in relation to consumer electronic goods purchased abroad and brought into India by Indians. However, there is no evidence of the volume of purchase by customers from India or the State-wise break-up thereof. In the absence of such evidence, no rational inference may be drawn regarding the number of users in India of goods bearing the appellant's mark or the geographical spread of such users during the years preceding and leading up to February 1996.



Consequently, it is also not possible to rationally assess whether the trade mark was sufficiently recognised by the relevant section of the public in India. It bears repetition that such evidence was provided only for the period commencing from the financial year 1995-1996, albeit in the form of an unsigned abstract. While the unsigned abstract indicates that the sales turnover for the financial year 1995-96 was Rs.1,600,093,000, which is equivalent to Rs.1600 million or Rs.160 crore, neither the financial statement nor a chartered accountant's certificate was placed on record. Even sample invoices for the financial year 1995-96 to corroborate such data are not on record. Invoices are available only from May 1996, which is subsequent to the date of filing of the first respondent's application for registration. The appellant also relied upon the conclusion in the order of the IPAB in September 2013. As indicated earlier, the well-known status of the appellant's trade mark should be tested as of February 1996 and, for such purpose, the conclusion recorded by the IPAB in September 2013 cannot be relied upon.



23. As is evident on examining the relevant sub-sections of Section 11 of the Trade Marks Act, it is necessary that the person claiming well-known status for a trade mark should establish that the trade mark was recognized, as on the relevant date, by a substantial segment of the relevant section of the public. Sub-section (9) of Section 11 prescribes that use of the mark in India should not be made a condition precedent for determining whether a mark is well-known. This means a request for determination of well-known status in India cannot be rejected only on the ground of non-use of the relevant mark in India, and not that evidence of use in India is not material or significant. Ultimately, it cannot be lost sight of that the determination to be made is whether the trade mark is well-known in India, whether through use in India or by the acquisition of requisite recognition through use outside India. In the latter case, without doubt, the burden of establishing recognition in India would be harder to discharge and global turnover *per se* would be insufficient. Hence, there should be sufficient evidence that the trade mark was sufficiently recognised by the relevant section of the public in



India, and Section 2(1)(zg) prescribes a “substantial segment” threshold. The number of users of goods bearing the mark, the geographical area in which such users reside, the duration and geographical extent of promotion, the channels of distribution and related factors are relevant for such determination. Based on the evidence placed on record by the appellant, it is not possible to conclude that the appellant's trade mark was sufficiently recognized in India as of 27.02.1996 to qualify as a well-known trade mark in India. As a corollary, the appellant was not entitled to protect the mark 'SHARP' when used in relation to dissimilar goods.

24. Another aspect to recognize is that the first respondent carries on business under the trading name 'Sharp Industries', and the registration certificate from the Registrar of Firms indicates that the partnership was registered under the above name on 04.04.1983. The first respondent applied for registration on 27.02.1996 by asserting use since 01.01.1979. In support of such assertion, the sales turnover and advertising expenditure from the



financial year ended 31.03.1981 was placed on record. The data indicates that the sales turnover was Rs.112,077,545 in the financial year ended 31.03.1996. While this data is not corroborated by producing the financial statement, it is signed by the Managing Director of Sharp Industries/ the first respondent. Invoices issued by advertising agencies to the first respondent from 1995 onwards and advertisements carried in the print media and bearing the first respondent's device mark from about July 1993 were also placed on record by the first respondent. Although the evidence placed on record by the first respondent regarding use since January 1979 is not wholly convincing, in the facts and circumstances, it is sufficient to support the conclusion that no bad faith was involved in the adoption and use of the element "SHARP" in the first respondent's mark.

25. In the impugned order, at internal pages 8 and 9 thereof, the following conclusion was recorded:

".... There is no material information placed before this tribunal in which year the agreement was made and



when the name of Sharp India Limited was changed to Kalyani Sharp India Limited (the first invoice of M/s Kalyani Sharp India Limited starts from 14.5.1996). The advertisement of the opponent's products in India starts from 1996 (dated 19.2.1996 in "Rajasthan Patrika"), Jaipur which is evident from Annexure-I filed along with the Rule 50 affidavit. Therefore, from the available records it is found that the opponents have entered the Indian market in the year 1996."

For reasons set out earlier, on appraisal of the evidence placed on record by the contesting parties, the impugned order, including the conclusion extracted above, does not call for interference although some findings therein were unwarranted. For instance, as rightly pointed out by learned counsel for the appellant, such evidence does not support the findings that the first respondent had a 46% share in the market for pumps or that the first respondent and its products were a household name in India. Nonetheless, the said erroneous findings do not justify setting aside the impugned order. The foundational reasons underpinning the order are that the goods to which the rival marks are applied



are not similar and that the appellant has failed to establish that its mark is well-known in India, as per the criteria specified in Section 11 read with Section 2(1)(zg) of the Trade Marks Act. Since these conclusions are not infirm, I am not inclined to interfere with the impugned order.

26. For reasons set out above, (T)CMA(TM) No.5 of 2023 is dismissed without any order as to costs.

21.11.2023

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SENTHILKUMAR RAMAMOORTHY J.

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**Pre-delivery judgment made in
(T) CMA (TM) No.5 of 2023
(OA/55/2010/TM/CHN)**

21.11.2023