



WEB COPY



1

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Judgment reserved on	21.09.2023
Judgment pronounced on	09.11.2023

CORAM:

THE HON'BLE MR. JUSTICE SENTHILKUMAR RAMAMOORTHY

(T) CMA (TM) No.31 of 2023
(OA/37/2013/TM/CHN)

M/s. Godfrey Phillips India Limited
Four Square House,
49, Community Centre,
Friends Colony, New Delhi 110 025.

... Appellant

v.

1. Khoday India Limited,
Brewery House,
7th Mile, Kanakapura Road,
Bangalore-560 062.

2. Deputy Registrar of Trade Marks,
IPR Building,
Industrial Estate,
SIDCO RMD Godown Road,
Near Eagle Flask Factory,
GST Road, Guindy,
Chennai - 600 032.

... Respondents



PRAYER : This Civil Miscellaneous Appeal filed under Section 91 of the Trade Marks Act, 1999 in respect of goods or services falling in one class, prays that (i) this Court may be pleased to grant the order dated December 05, 2012, passed by the Respondent No.2/learned Deputy Registrar communicated vide official letter no.Top/2306 dated December 14, 2012 may kindly be set aside and consequently, opposition bearing MAS-736000 filed by the Appellant/Opponent may kindly be allowed and resultantly application no.668242 filed for registration of trade mark **RED & WHITE** be refused registration; (ii) Order costs of proceedings to the Appellant/Opponent.

For Appellant : Mr.Arun C. Mohan

For Respondents : Ms.Gladys C. Daniel for R1
Mr.M.Karthikeyan, SPC for R2

JUDGMENT

Background

The appellant assails an order dated 05.12.2012 by which Opposition No.MAS-736000 in respect of Application No.668242 for registration of the trade mark “Red & White” was rejected.

2. The first respondent herein is a manufacturer of alcoholic beverages. An application for registration of the trade mark “Red



& White” was submitted by the first respondent on 06.06.1995 on a 'proposed to be used' basis. The said trade mark was accepted for advertisement and advertised in Trade Mark Journal No.1398, regular, dated 01.09.2008. Upon noticing such advertisement, the appellant filed notice of opposition on 28.02.2009, which was registered as Opposition No. MAS-736000. The said opposition was filed on the basis that the appellant owns the trade mark “Red & White” in relation to cigarettes and other related products. The appellant asserted that it adopted and started using the trade mark “Red & White” since 1940 and that the said trade mark was advertised widely in the print and electronic media. The appellant further asserted that registrations were obtained in respect of the trade mark “Red & White” and formative marks in class 34 from 05.02.1973 onwards. Such registrations were also obtained in classes 41, 3 and 25. The appellant also submitted evidence in support of the opposition, including in relation to the sales turnover from the sale of cigarettes bearing the trade mark “RED & WHITE” between the financial years 1989-90 and 2008-09. The first respondent filed a counter statement to the opposition on



28.02.2009. After a hearing, by impugned order dated 05.12.2012, the opposition was rejected and, subject to the incorporation of 'Khoday's', the trade mark 'KHODAY's RED & WHITE' was registered. The present appeal was filed in the above facts and circumstances.

Counsel and their contentions

3. Oral arguments on behalf of the appellant were advanced by Mr.Arun C. Mohan, learned counsel; and on behalf of the first respondent by Ms.Gladys C Daniel, learned counsel; the second respondent was represented by Mr.M.Karthikeyan, learned SPC.

4. Mr.Arun C. Mohan submitted that the appellant has used the trade mark "Red & White" in respect of cigarettes and related products from the year 1940. He further submitted that registrations were obtained from 1973 onwards. As regards the first respondent, he submitted that the application was filed in 1995 on a 'proposed to be used' basis. From 1995 till date, he



further submitted that the trade mark was not used by the first respondent.

5. By inviting my attention to the impugned order, Mr. Arun C. Mohan submitted that it was concluded therein that the marks are the same but the products are different in nature. Although the appellant asserted that its trade mark is a well-known trade mark and adduced evidence in support of the assertion, learned counsel submitted that the Registrar of Trade Marks recorded the finding that the appellant has not established that its trade mark is well-known and that no declaration was made regarding such well-known status by the High Court or the Registrar.

6. By referring to the evidence in support of the opposition, Mr. Arun C. Mohan pointed out that it was asserted in paragraph 9 of the affidavit that the trade mark "Red & White" was adopted and used continuously from 1940. He also pointed out that annual reports containing evidence of use of the trade mark were annexed to the affidavit. Learned counsel also pointed out that the



registrations obtained for the trade mark “Red & White” in India and other countries were also filed as Annexure B to the affidavit.

By referring to paragraph 14 of the affidavit, learned counsel pointed out that the annual sales data from the sale of cigarettes bearing the trade mark “Red & White” were provided for multiple financial years. He submitted that 3300 million cigarette sticks were sold in the financial year 1989-90 and that 2196 million sticks were sold in the financial year 2008-09. He also referred to sales invoices in respect of sale of cigarettes bearing the trade mark “Red & White”. Learned counsel further referred to advertisements placed in the print media for cigarettes bearing the trade mark “Red & White”. With reference thereto, he pointed out that famous yesteryear stars were used in the said advertisements. He also referred to the monthly returns furnished by the appellant to the Central Excise Department and pointed out that the said returns provide evidence of the massive turnover of the appellant from the sale of cigarettes bearing the trade mark “Red & White”.



7. In the light of the above evidence, learned counsel submitted that the appellant established that the trade mark “Red & White” satisfied the requirements of a well-known trade mark under Section 2(1)(zg) read with Section 11(2), 11(6) to 11(9) of the Trade Marks Act, 1999 (the Trade Marks Act). Consequently, learned counsel submitted that the impugned order is liable to be interfered with. He also submitted that non-use of the trade mark by the first respondent from the date of application in 1995 till date is a critical factor and that this appeal is liable to be allowed *inter alia* by taking the same into account.

8. Without prejudice to the submission that the appellant's trade mark is well-known, learned counsel contended that cigarettes and alcohol are similar goods. In order to substantiate this contention, learned counsel contended that these goods are complementary inasmuch as they are often consumed at the same time and by the same persons. He also submitted that shops, outside Tamil Nadu, which retail cigarettes also sell alcoholic beverages. Therefore, he submitted that the goods should be



construed as similar and the likelihood of confusion among the relevant class of consumers is very high.

9. In support of these submissions, learned counsel referred to and relied upon the following authorities:

1. *Corn Products Refining Co. v. Shangrila Food Products Ltd.*, (1960) 1 SCR 968, particularly paragraphs 9, 11, 13, 15, 19 to 21 thereof.
2. *Blue Hill Logistics Private Ltd v. Ashok Leyland Limited*, 2011 SCC OnLine Mad 671.
3. *Hatsun Agro Products Ltd v. Arokiya Foods*, MANU/TN/6029/2022, particularly paragraphs 25 to 29 and 31.
4. *Needle Industries (India) Limited, Chennai v. Sanjay Jaiswal*, 2001 SCC OnLine Mad 932, particularly, paragraph 22 thereof.
5. *Honda Motors Co. Ltd. v. Charanjit Singh*, 2002 SCC OnLine Del 1332, particularly paragraph 42 thereof.
6. *Mahindra & Mahindra Limited v. MNM Marketing Pvt. Ltd.* 2014 SCC OnLine Bom 1343, particularly paragraph 27 thereof
7. *Tata Sons v. Manoj Dodia and others*, 2011 SCC OnLine Del 1520.



8. *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories*, 1964 SCC OnLine SC 14.
9. *N.R.Dongre & Co. v. Whirlpool Corporation*, 1995 (34) DRJ (DB).
10. *Apple Computer Inc. v. Apple Leasing & Industries*, 1991 SCC OnLine Del 308.
11. *Venkateswaran on Trade Marks & Passing off*, 7th Edition, Volume 1.
12. *Law of Trade Marks & Geographical Indications* by K.C. Kailasam and Ramu Vedaraman, 2003 Edition.
13. *Aktiebolaget Volvo & Ors v. A.K.Bhuva & Ors*, 2006 SCC OnLine Del 1667, particularly paragraph 8 thereof.
14. *Daimler Benz Aktiengesellschaft & Anr v. Eagle Flask Industries Ltd*, 1993 (27) DRJ.
15. *Carling Brewing Company, Inc. v. Philip Morris, Inc.* (DC NGa) 156 USPQ 70.
16. *Brahmos Aerospace Pvt. Ltd. v. FIIT Jee Limited*, 2014 SCC OnLine Del 820.
17. *McCarthy on Trade Marks and Unfair Competition*, 5th Edition.

10. In response to these contentions, Ms. Gladys Daniel, learned counsel for the first respondent, submitted that the appellant did not produce legal user certificates in respect of registrations obtained by the



appellant for the trade mark “Red & White”. She also submitted that there is no proof of registration of “Red & White” as a word mark. As regards the contention that the appellant's mark is a well-known mark, learned counsel submitted that sales of the appellant's cigarettes bearing the trade mark “Red & White” have continually declined. Learned counsel refuted the contention that the goods are similar by pointing out that the goods cannot be used as substitutes or as complementary goods or as goods that fulfil the same purpose. She also pointed out that the origin of the goods is distinct. In support of this contention, learned counsel relied upon the following judgments:

- (1) *Nandhini Deluxe v. Karnataka Co-operative Milk Producers Federation Ltd.*(Nandhini Deluxe), Manu/SC/0779/2018.
- (2) *Shell Brands International AG v. Pradeep Jain*, Manu/DE/0281/2010.
- (3) *Hatsun Agro Products Ltd. v. Arokiya Foods*(Hatsun Agro), Manu/TN/6029/2022.
- (4) *E.I. Du Pont De Nemours & Co of USA v. Zip Industries Private Limited*, 2004(28) PTC 174
- (5) *Kraft Jacobs Sucharc Ltd. v. Government of India by Secretary, Ministry of Commerce and Industry & Others*, 2004 (29) PTC 376.



WEB COPY



(6) *Sony Kabushiki Kaisha v. Shamroa Maskar and Others*, Manu/MH/0221//1985.

(7) *Vishnudas Trading as Vishnudas Kishandas v. Vazir Sultan Tobacco Co. Ltd. Hyderabad(Vazir Sultan)*, Manu/SC/0583/1996.

11. By way of rejoinder, Mr.Arun C. Mohan pointed out that the appellant sold 33 billion cigarette sticks in the financial year 1989-90. Therefore, he reiterated that the appellant's trade mark is a well-known trade mark and that such conclusion is justified by the massive sales figures, extensive advertising and the registrations obtained in multiple classes in India and overseas.

12. Learned counsel then dealt with the judgments that were relied upon by learned counsel for the first respondent. With regard to *Nandhini Deluxe*, he pointed out that paragraph 32 thereof discloses that both parties adopted the respective trade marks at the same time. As regards the judgment in *Hatsun Agro*, he submitted that the judgment was largely on the basis that the plaintiff had acquiesced in the use of the trade mark 'Arokiya' by



the defendant. As regards *Vazir Sultan*, he pointed out that Vishnudas Trading had used the trade mark 'charminar' since 1973 for *quiwam* and zarda and that *Vazir Sultan* did not object thereto. In order to establish the well-known status of the mark, he referred to documents with regard to “Red & White Bravery Awards” and submitted that these awards were given for a considerable period of time.

Discussion, analysis and conclusions

13. In the light of the rival contentions, three questions arise for consideration. The first of these is whether the goods are similar; the second is whether the appellant's mark is a well-known trade mark; and the third is whether non-use of the impugned mark by the first respondent is a material consideration in deciding this dispute. I deal with the first of these questions next.

Whether the goods are similar?

14. Learned counsel for the appellant contended that cigarettes and alcoholic beverages should be construed as similar



goods. The relative grounds for refusal of registration under Section 11(1) of the Trade Marks Act are applicable only if the relevant trade marks are identical or similar and the relevant goods or services are identical or similar. Since the relevant trade marks are clearly similar, what falls for consideration is whether the goods are similar. The said provision is set out below:

“Section 11 - Relative Grounds for refusal of registration

(1) Save as provided in section 12, a trade mark shall not be registered if, because of—

(a) its identity with an earlier trade mark and similarity of goods or services covered by the trade mark; or

(b) its similarity to an earlier trade mark and the identity or similarity of the goods or services covered by the trade mark,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

15. The Trade Marks Act does not define the expression “similarity of the goods or services”. Therefore, it becomes necessary to refer to case law in that regard. In *Nandhini Deluxe*,



the Hon'ble Supreme Court dealt with two device marks. The appellant's device mark 'Nandhini Deluxe' was used since 1989 in relation to a restaurant, whereas the prior mark 'Nandini along with the device of a cow' was used by the respondent therein in relation to milk and other dairy products since 1985. In that context, the Hon'ble Supreme Court concluded that the appellant's services were not similar to the goods of the respondent. In *Hatsun Agro*, I dealt extensively with similarity of goods and concluded that similarity of goods is required to be decided by taking into account multiple factors. Paragraphs 28 & 31 thereof are as under:

“ 28. While it may not be prudent to attempt an exhaustive catalogue, in my view, the following are some of the important criteria to determine whether goods or services are similar: the nature of the goods/services; the origin of the goods; the purposes for which the goods/services are used; whether the goods/services are in competition and/or can be used as substitutes for one another; whether the goods/services are complementary and, if so, in what manner and to what extent; the trade connection; and the trade channels. Others factors such as the strength of the prior mark, the degree of identity or similarity of the marks, the segment or class of consumers



or potential consumers; retail environment, circumstances in which the later mark was adopted, etc. would have a bearing on likelihood of confusion, if the goods or services are similar, and on the grant of discretionary relief. It would be evident when these criteria are tested in concrete contexts that they are not cumulative. As between the criteria, it is also not advisable to establish a cast-in-iron hierarchy but criteria such as the nature, intended purpose and the competing or complementary nature of the products/services are more central to a determination of similarity; whereas, other factors like retail environment or addressable market become crucial while considering likelihood of confusion. Hence, after taking into consideration some or all of the above criteria in the specific factual context, the determination should be made largely objectively although subjectivity cannot be eliminated. While undertaking this exercise, as held In re Australian Wine Importers, it should be borne in mind that the classification is not determinative and that goods or services in the same class under the Nice Classification may be held to be dissimilar, whereas goods or services in different classes may be held to be similar.

31. From the above analysis, the conclusions I draw are that products/services that are used for substantially the same purpose and are, therefore, capable of being used



WEB COPY



as substitutes are likely to be construed as similar (tea and coffee; rice and wheat). Likewise, products/services that are complementary and help achieve a larger common purpose are also likely to be construed as similar (washing machine and dryer; hob and chimney) provided the complementarity is such that the use of one product is necessary or important for the use of the other, such as in the two sets of products in parenthesis. For this proposition, I draw inspiration from the judgment of the General Court of the Court of Justice of the European Union in IQ Group Holdings Bhd. v. European Union Intellectual Property Office, Judgment dated 19.03.2019. Unless direct complementarity is made the yardstick, all products used in the kitchen or all food products could be construed as complementary because it could be contended with a measure of justification that all such products provide for and enhance the food consumption or dietary experience. Hence, broad commonalities such as use as food products or use in the kitchen will not suffice. Against this backdrop, the similarity or dissimilarity of the goods in question in this case is examined next."

16. If the above tests were to be applied to this case, it is clear that cigarettes and alcohol cannot be used as substitutes and they also do not fulfil the same purpose. Although learned counsel for



the appellant contended that they are complementary, the said submission is liable to be rejected for more than one reason. As is evident from paragraph 31 of the *Hatsun Agro*, two products are considered complementary if the use of one product is necessary or important for the use of the other, such as in the case of a washing machine and dryer or hob and chimney. The mere fact that cigarettes and alcohol may be consumed at the same time does not satisfy the above test of complementarity. If the contention of the appellant were to be accepted, especially in the Indian context, even potato chips and alcohol or peanuts and alcohol or cheese and pineapple and alcohol or chicken *tikka* and alcohol would be considered similar. In fact, all snacks and accompaniments consumed along with alcohol would have to be considered as similar goods. It should also be recognized that several people who consume alcohol do not use tobacco products and *vice versa*. On the basis of the above analysis, I conclude that alcoholic beverages and cigarettes are not similar products. As a corollary, sub-section 1 of Section 11 of the Trade Marks Act becomes inapplicable.

**Is the appellant's trade mark a well-known mark?**

WEB COPY

17. 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.”

Sub-section 2 of Section 11 provides for goods/services/class-agnostic protection to a well-known mark. In effect, even if the goods or services are not similar, if the opponent's trade mark is a well-known mark, the registration of the subsequent mark would be refused subject to the opponent establishing the requirements of sub-section 2 of Section 11. 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.

18. This leads to the question: what are the relevant factors for determining whether a trade mark is well-known? Apart from the guidance in Section 2(1)(zg), the Trade Marks Act prescribes as follows in sub-section 6 to 10 of Section 11 of the Trade Marks Act:

“(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 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.

(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.



WEB COPY



(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."

From sub-section 6, it follows that the Registrar is required to take into consideration *inter alia* the recognition of the trade mark in the relevant section of the public; the duration, extent and geographical use of the trade mark; the duration, extent and geographical area of promotion of that trade mark; the duration and geographical area of registration of that trade mark; and the record of successful enforcement of the rights in that trade mark. As per sub-section (7), the Registrar is also required to take into account the number of actual or potential consumers of the goods or services; the number of persons involved in the channels of distribution of the goods or services; and the business circles dealing with the goods or services to which that trade mark applies.



19. The above determination as to whether the opponent's mark is well-known should be made as of the date of the application for registration of the trade mark. On the facts of this case, the determination should be made as of 1995. The appellant asserted that it adopted and started using the trade mark 'Red & White' in the year 1940 and that it is continuously using it since then. In support of this assertion, annual reports were filed. These annual reports date from 22.05.1979 which relates to the financial year 1977-78. The appellant also set out the volume of sales of cigarettes bearing the trade mark "Red & White". This data was provided from the financial year 1989-1990. In that year, the appellant asserted that it sold 3300 million cigarette sticks, which is equivalent to 33 billion cigarette sticks. The appellant also placed on record the certificates of registrations obtained by it for the trade mark "Red & White" in classes 34, 41, 3 and 25 between 05.02.1973 and 11.12.2003. This includes word and device mark registrations. Advertisements published in the print media are also on record and it is evident therefrom that leading cine-stars of that era advertised the appellant's products. The returns filed by the



appellant in January 1978 with the Central Excise Department indicate that the appellant's production/manufacture was on a large scale. Several invoices relating to the sale of cigarettes bearing the trade mark "Red & White" are on record.

20. From the above evidence, it follows that the appellant has established that the trade mark was recognized in the relevant section of the public and that goods bearing the trade mark were sold throughout the length and breadth of the country. In fact, the registrations obtained outside India evidence that the trade mark was recognized outside India also. Out of the five illustrative and non-cumulative criteria set out in sub-section 6 of Section 11, at least 4 criteria [S.11(6)(i) - (iv)] are satisfied by the appellant. As regards the criteria under sub-section 7, the sale of about 33 billion sticks in the financial year 1989-90 and the sale of about 27.60 billion sticks in the financial year 1995-96 (when the first respondent applied for registration) indicates that a very large number of consumers purchased cigarettes bearing the trade mark "Red & White". The invoices indicate that the channels of distribution of the cigarettes were widespread. This, in turn, leads



to the reasonable inference that a substantial segment of smokers would be likely to proceed on the basis that the use of an identical or substantially similar mark in relation to other goods is indicative of a trade connection. These factors, when viewed cumulatively, lead to the inference that the trade mark “Red and White” of the appellant was well-known in 1995 when the first respondent applied for registration. By way of clarification, it should be stated that this conclusion is with reference to the mark as a whole and does not extend to individual elements thereof.

21. The conclusions of the Registrar of Trademarks, on the above issue, are as under:

“Further, the opponent has to establish that their mark has attained the status of well-known trade mark by complying the requirements of Section 2(zg) of the Trade Marks Act, 1999. In the absence of the above, I am of the view that it cannot be said that this mark has attained the status of well-known trade mark though the fact that the opponent has obtained registrations in some of the foreign countries in Class – 34 and no material information is furnished to the effect that the mark has been declared as



WEB COPY



well known by Hon'ble Courts or Registrar, as the case may be, as against to the registrability of the applicant's claim."

At the time of hearing of the opposition by the Registrar, the Trade Marks Rules, 2002 (the 2002 Rules) were in force. Rule 48 thereof dealt with the requirements of a notice of opposition and provided that such notice should contain an indication that the opponent's trade mark is well-known, if it is alleged to be well-known. Unlike Rule 124 of the Trade Marks Rules, 2017, the 2002 Rules did not provide for an application to determine whether a trade mark is well-known. As discussed above, the appellant pleaded that its mark is well-known and adduced evidence in support of such assertion. In those circumstances, the Registrar should have examined the pleading and evidence and determined whether the appellant's mark is well-known for purposes of deciding the objections under Section 11(2) of the Trade Marks Act. Therefore, the above conclusions are unsustainable in light of the evidence discussed above. On this ground, I am of the view that the impugned order calls for interference.

**Non-use of the mark**

WEB COPY

23. The last aspect to be addressed is non-use of the mark by the first respondent. The appellant asserted that the first respondent has not used the mark “Red & White” from 1995 or the registered trade mark “Khoday's Red & White” from 05.12.2012. This assertion is not denied by the first respondent. Learned counsel for the first respondent contended that the trade mark was not used on account of pending legal proceedings. She further submitted that this contention is not relevant while deciding an appeal against an order rejecting an opposition. Put differently, she submitted that such contention would be relevant only if a rectification petition were to be filed under Section 47 of the Trade Marks Act. While this contention appears attractive at first blush, it does not withstand close scrutiny.

24. The first respondent applied for registration on a 'proposed to be used' basis in 1995, but did not use the trade mark “Red & White” in relation to alcoholic beverages over the extended period from 1995 to 2012, when the opposition was



rejected. Even thereafter, the first respondent did not use the registered trade mark “Khoday's Red and White” from 2012 till date. Meanwhile, the appellant has used the trade mark “Red & White” continuously from the year 1940. When an application is made on a 'proposed to be used' basis, such application is considered on the basis that the mark would be applied within a reasonable time to the relevant goods or services because use of a mark is the paramount consideration under the law. Under Section 57(4) of the Trade Marks Act, the Registrar and the Court may *suo motu* take steps to rectify the register. This power can also be exercised if there is any contravention or failure to observe a condition. In my view, the non-use of the mark from 1995, after applying for registration on a 'proposed to be used' basis, would justify the exercise of *suo motu* power under Section 57(4) read with sub-sections (1) and (2) thereof. At a minimum, prolonged non-use of the trade mark by the first respondent is a material consideration while adjudicating this appeal.



WEB COPY

25. Besides, under sub-section 2 of Section 11, once it is concluded that the earlier trade mark is a well-known trade mark, the registration of an identical or similar trade mark is not permitted if the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or reputation of the earlier trade mark. In the light of the conclusion that the appellant's trade mark is well-known, in my view, non-use by the first respondent strengthens the case of the appellant and, if the first respondent is permitted to use the mark at this juncture, it would certainly be detrimental to the distinctive character of the appellant's trade mark.

26. For reasons set out above, the impugned order is set aside. Consequently, the Registrar of Trade Marks is directed to cancel the certificate of registration granted in favour of the first respondent for the trade mark 'Khoday's Red and White' and rectify the register by removing the entry relating to Trade Mark No.668242 from the Register of Trade Marks. This action shall be



completed within a period of two months from the date of receipt of a copy of this order. (T)CMA(TM) No.31 of 2023 is allowed on the above terms without any order as to costs.

09.11.2023

Index : Yes/No

Internet : Yes/No

Neutral Citation : Yes/No

kal



WEB COPY



30

SENTHILKUMAR RAMAMOORTHY J.

kal

**Pre-delivery judgment made in
(T) CMA (TM) No.31 of 2023
(OA/37/2013/TM/CHN)**

09.11.2023