



(T) OP (TM) Nos.321 to 323 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on: 25.06.2024

Pronounced on:06.09.2024

CORAM:

THE HON'BLE MR.JUSTICE P.B.BALAJI

(T) OP (TM) Nos.321 to 323 of 2023

NIKE INNOVATE C.V.,
One Bowerman Drive,
Beaverton, Oregon 970056453,
United States of America

... Petitioner in the above OPs

..Vs.

1.LUNAR RUBBERS Private Limited,
Matha Shopping Arcade,
Thodupuzha, Kerala – 685 584,
India.

..1st respondent in all the above OPs

2.The Deputy Registrar of Trademarks,
Trademarks Registry, Chennai,
Boudhik Sampada Bhawan,
G.S.T.Road, Guindy, Chennai – 600 032.

.. 2nd Respondent in the above OPs

Common Prayer: These Petitions came to be numbered by transfer of



(T) OP (TM) Nos.321 to 323 of 2023

O.R.A.Nos.39, 40 & 41/2019/TM/CHN, from the file of the Intellectual

Property Appellate Board, Chennai the marks viz.,



under Registration No.1333426 in Class 25,



under Registration

No.681353 in Class 17,



under Registration No.1403610 in Class 18 have to be rectified/removed/cancelled from the Register of trade Marks with costs awarded in favour of the petitioner herein.

For Petitioner : Mrs.Elizabeth Seshadri for
M/s.Rahul Chaudhry & Partners

For Respondents : Mr.Perumbulavil Radhakrishnan
for R1
Mr.S.Janarthanam,
Senior Panel Central Government
Standing Counsel for R2

COMMON ORDER

These rectification petitions have been filed under Section 47(1) & 57 of the Trademarks Act, 1999 (in short 'Act') seeking removal of the registration in favour of the Respondent.



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(T) OP (TM) Nos.321 to 323 of 2023

2. Case of the Petitioner:

The Petitioner is a world leader in footwear products. In its course of business, in the year 2008, the Petitioner launched NIKE LUNAR LITE and in 2010, LUNARLON FOOTWEAR and other related marks. LUNARLON is a cushioning technology that has been invented by the Petitioner and is being used across several of the footwear products of the Petitioner. These were introduced in India in 2009 first under NIKE LUNARLITE mark and then in 2010, NIKE LUNARLON mark. The worldwide trademark was assigned by NIKE International Limited in favour of the Petitioner, NIKE Innovate C.V., a subsidiary of Nike, INC. by an Agreement dated 01.04.2014.

3. The Petitioner held a retail launch of its range of footwear across 37 retail outlets across major cities like Mumbai, NCR, Chennai, Hyderabad etc. Their NIKE LUNARGLIDE range of shoes was also widely advertised in several formats, media and non-media, again in several major cities across the country, in October, 2009.

4. The Petitioner claims that LUNARLON is exclusively identified



with NIKE and the mark has acquired recognition due to its excellent quality, sales and publicity. The Petitioner also claims to be advertising the mark LUNARLON in a number of websites as well. The Petitioner's LUNAR marks also include LUNARLON, LUNARECLIPSE and LUNARGLIDE which are also registered in various jurisdictions of the world. The Petitioner has also successfully launched a wide range of shoes which have all been advertised across print media, besides also in prominent places across India, including in the retail outlets of the Petitioner.

5. Two of such shoe varieties, NIKE LUNARDOMINATE, specially made for use in the game of cricket, for batsman and NIKE LUNARACCELERATE for bowlers was launched in 2013. The 1st Respondent, without issuing any notice, filed a suit against NIKE LUNARLON collection of the Petitioner, before the Delhi High Court in C.S (O.S) No.808/2013, with a view to thwart the launch of the cricket shoes. The said suit is pending. According to the Petitioner, the 1st Respondent's documents filed in the said suit evidence that their main business is only in Hawaii Chappals, but however, there is no footwear sold under the trademark, LUNAR's FLIGHTER.



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6. The 1st Respondent under Registration No.1333426 in Class 25 had obtained a registration for the composite mark



with the words LUNAR's FLIGHTER, on 20.01.2005, with a user claim of 04.11.2004. The said certificate was issued on 12.06.2007 and more than 5 years have lapsed as on the date of filing of the OP and on the ground of non-use, the 1st Respondent's registration is sought to be cancelled.

7. Similarly, in the other OPs, the 1st Respondent's registration in No.681353,  (LUNAR'S in OP. No.322 of 2023 Class 17) and Registration No.1403610  (LUNAR's HARRY in OP. No.323 of 2023 Class 18) are challenged on similar grounds.

8. Case of the 1st Respondent:

The 1st Respondent states that it is dealing in a variety of footwear, umbrellas, school bags and is also distributing their products to various



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parts of India and also to some countries abroad. The 1st Respondent firm was established in 1980 and they are dealing in a variety of shoes, sandals, hawaii chappals etc, under the trademark LUNAR/LUNAR'S. The firm was converted into a private limited Company in 1993 and the trademark rights were transferred to the 1st Respondent. The 1st Respondent has established an overwhelming presence in the country and commands a tremendous reputation. The 1st Respondent is a registered proprietor under Classes 17, 18 and 25 and adopted the name LUNAR even in 1980 and insofar as the impugned LUNAR'S Fighter (device mark), the 1st Respondent adopted the same as early as in 2004. The said mark was duly registered by the 2nd Respondent on 12.06.2006 and the same was also renewed on 21.11.2014 and it is valid till 20.01.2026. Therefore, the 1st Respondent is entitled for the said mark being retained on file of the Registrar.

9. The 1st Respondent has further stated that it has granted a non-exclusive right to their group of Companies, Viking Rubbers Private Limited and Lunar Exports Private Limited under Agreements dated 2.12.2010 and the mark, LUNAR's FLIGHTER was added to the list of



licensed marks on 26.09.2011 by way of an additional Schedule. The Petitioner has failed to prove non-use by the 1st Respondent and the burden is only on the Petitioner for which case law is also relied on. The 1st Respondent is a prior adopter of the mark in India and also prior user insofar as the Petitioner is concerned and hence there is no justification for seeking removal of the mark on the ground of non-user.

10. The 1st Respondent further states that the suit was filed before the Delhi High Court only on getting reliable information that the Petitioner is selling LUNAR in respect of its footwear range of products.

11. It is also contended that a petition can be filed only a person aggrieved and according to the 1st Respondent, the Petitioner is not an aggrieved person and there is no requirement to rectify the registration by removal under Section 57(2) of the Act.

12. **Issues framed:**

This Court, on 11.03.2024, taking into account the pleadings put forth



by the respective parties, framed the following issues:

1. O.P. No. 321 of 2023:-

1) *Whether the petitioner is a "person aggrieved" within the meaning under Section 47?*

2) *Whether these proceedings are maintainable when no issue was raised in the suit regarding invalidity of the respondent's trade mark and whether the dictate of the Hon'ble Apex Court in Patel Field Marshall case would apply?*

3) *Whether respondent No.1 has continuously used the registered trade mark*



under registration No.1333426 during the relevant period between November 28, 2012 and November 28, 2017 in relation to any footwear or any particular kind of footwear? If so, to what effect?

4) *Whether uncorroborated market surveys will stand the test of proof in law?*

5) *Whether this exercise in rectification is but an attempt by the petitioner to monopolize on Trade Marks already on the Register?*

2. O.P. No.322 of 2023:-

1) *Whether the petitioner is a "person aggrieved" within the meaning under Section 47?*

2) *Whether these proceedings are maintainable when no issue was raised in the suit regarding invalidity of the respondent's trade mark and whether the dictate of the Hon'ble Apex Court in Patel Field Marshall case would apply?*

3) *Whether respondent No.1 has continuously used the registered trade mark*



under registration No.681353 during the relevant period between November 28, 2012 and November 28, 2017 in relation to Microcellular hawaii rubber sheets and India rubber sheets? If so, to what effect?

4) *Whether uncorroborated market surveys will stand the test of proof in law?*

5) *Whether this exercise in rectification is but an attempt by the petitioner to monopolize on Trade Marks already on the Register?*



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3. O.P. No. 323 of 2023:-

1) *Whether the petitioner is a "person aggrieved" within the meaning under Section 47?*

2) *Whether these proceedings are maintainable when no issue was raised in the suit regarding invalidity of the respondent's trade mark and whether the dictate of the Hon'ble Apex Court in Patel Field Marshall case would apply?*

3) *Whether respondent No.1 has continuously used the registered trade mark*



under registration No.1403610 during the relevant period between November 28, 2012 and November 28, 2017 in relation to bags for shopping, bags for leather for packaging, briefcases, garment bags for travel, hand bags, school bags, vanity cases, leather belts, purses, umbrellas, leather and imitations of leather, and goods made of these materials and not included in other classes: If so, to what effect?

4) *Whether uncorroborated market surveys will stand the test of proof in law?*

5) *Whether this exercise in rectification is but an attempt by the petitioner to monopolize on Trade Marks already on the Register?*

13. Though both parties filed their affidavits of admission and denial, subsequently, they reported to this Court that they do not intend to go for trial and the Counsel would advance submissions based on the materials on record and also conceded that though some of the documents have been denied, the objections were only formal.

14. I have heard Mrs.Elizabeth Seshadri for M/s.Rahul Chaudry and



Partners, learned counsel for the Petitioner in all these OPs and Mr.Perumbulavil Radhakrishnan, learned counsel for the 1st Respondent and Mr.S.Janarthanam, learned SPCGSC, for the 2nd Respondent.

15. The learned counsel for the Petitioner, Mrs.Elizabeth Seshadri would take me through the various Exhibits filed along with the OPs and contend that the Petitioner has launched its products in a big way and also widely across the country and the Petitioner is also an internationally well recognised and popular brand. Without any justification, the 1st Respondent moved the Delhi High Court against the Petitioner and was also not successful in getting any interim order there.

16. She would further submit that mere registration in favour of the 1st Respondent would be of no avail as the 1st Respondent has to show prior use. In this regard she would rely on the various documents exhibited by the 1st Respondent and state that none of these documents proved or established use during the relevant points of time and even the User Agreements were also unregistered and had no evidentiary value in law. That apart, the so-



called documents filed by the 1st respondent to show use were also not concerning the 1st Respondent, but only its sister concern.

17. She would further state that the registration in favour of the 1st Respondent under Class 25 was affecting the Petitioner's NIKE range of products and when the Petitioner has shown non-use by the 1st Respondent, especially for the 5 years beginning 28.11.2012 and ending 28.11.2017, the Petitioner was entitled to rectification as prayed for under the statute. She would rely on the following decisions:

(i) *Vishnudas Trading As Vishnudas Kishendas v. Vazir Sultan Tobacco Company Limited, Hyderabad and another*, reported in, (1997) 4 SCC 201;

(ii) *Nandhini Deluxe v. M/s.Karnataka Cooperative Milk Producers Federation Ltd.*, reported in, (2018) 9 SCC 183;

(iii) *ITC Limited v. Godfrey Phillips India Limited*, reported in, 2011(45) PTC 5 (Cal);

(iv) *M.Murali v. Sri Krishna Sweets Private Limited*, reported in, MANU/TN/3097/2020;

(v) *Kellogg Company v. Pops Food Products (P) Ltd.*, reported in,



(2018) 246 DLT 720; and

(vi) *Shell Transource Ltd. v. Shell International Petroleum Co. Ltd.*,

reported in, 2012 SCC OnLine IPAB 35.

18. Per contra, the learned counsel for the 1st Respondent, Mr.Perumbalavil Radhakrishnan would contend that the 1st Respondent has been using the mark, 'Lunar Flighter' from 2004 whereas the Petitioner, even according to its admitted case, has been in the Indian market only since 2008/09 and hence priority would give an edge to the Respondent. The 1st Respondent also relies on User Agreements to show prior use.

19. He would also strongly rely on Section 124 of the Act and contend that the Petitioner has not alleged invalidity of the 1st Respondent's mark and therefore, the Petitioner would not fall under the 'aggrieved person' category. He would also state that no specific issue has also been framed by the Delhi High Court regarding invalidity of the 1st Respondent's registration.



20. The learned counsel for the 1st Respondent would further contend that the requirement is only a written agreement and not a registered agreement and moreover, the 1st Respondent has shown use and therefore, the petitions cannot be entertained. He would also state that Section 47(3) contains two limbs and the conjunction used is 'and' and therefore both the limbs have to be necessarily satisfied, failing which the Petitioner would not be entitled to succeed.

21. The learned counsel for the 1st Respondent would also state that there is a huge delay in filing the present petitions and the delay is also unexplained.

22. He would place reliance on the following decisions:

(i) *Hardie Trading Limited & another v. Addisons Paint and Chemicals Limited*, reported in 2003 (27) PTC 241 (SC);

(ii) *Kabushiki Kaisha Toshiba v. TOSIBA Appliances Company & others*, reported in AIR 2009 SC 892;

(iii) *Saga Lifesciences Limited v. Aristo Pharmaceuticals Private*



Limited, reported in MANU/DEL/1424/2022;

(iv) *Patel Field Marshal Agencies and another v. P.M.Diesels*

Limited and others, reported in, (2018) 2 SCC 112; and

(v) *M/s.Eagle Potteries Private Limited v. M/s.Eagle Flask Industries*

Pvt. Limited, reported in AIR 1993 Bom 185.

23. In reply, Mrs.Elizabeth Seshadri, learned counsel for the petitioner would submit that the user agreements as well as the invoices during the relevant point of time relate not to the 1st Respondent, but only its sister concern and therefore would not help the case of the 1st respondent. She would further state that it was the 1st Respondent who dragged the Petitioner to the Delhi High Court and therefore it cannot be argued that the Petitioner is not aggrieved. She would also state that the 1st Respondent has not even pleaded or shown any special circumstances as contemplated under Section 47(3) of the Act. She would reiterate that the cause of action in the suit before the Delhi High Court and the present OPs are entirely different and the Petitioner herein only seeks to invoke Section 47 on the ground of non-use for 5 years and in such circumstances, Section



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124 of the Act cannot be put against the Petitioner.

24. Let me first take up the issues regarding maintainability of the OPs.

Issue No.1 in all the OPs – “*Whether the Petitioner is a person aggrieved within the meaning of Section 47 of the Act*”.

25. According to the 1st Respondent, the Petitioner is in no way aggrieved by the registration in favour of the 1st Respondent and therefore the OPs are not maintainable in law. According to the 1st Respondent, even in the response to the suit filed by the 1st Respondent, the Petitioner has not stated anything about how he is aggrieved or affected. The sum and substance of the argument of the 1st Respondent is that the Petitioner does not fall within the phrase ‘any person aggrieved’ employed in Section 47 of the Act.

26. According to the Petitioner, when it was the 1st Respondent who filed a suit before the Delhi High Court and dragged the Petitioner to litigation, the Petitioner would certainly fall within ‘any person aggrieved’



and therefore, the petitions are very well maintainable.

27. Section 47 of the Act is extracted hereunder:

“Section 47- Removal from register and imposition of limitations on ground of non- use.

(1) A registered trade mark may be taken off the register in respect of the goods or services in respect of which it is registered on application made in the prescribed manner to the Registrar or the High Court] by any person aggrieved on the ground either--

(a) that the trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods or services by him or, in a case to which the provisions of section 46 apply, by the company concerned or the registered user, as the case may be, and that there has, in fact, been no bona fide use of the trade mark in relation to those goods or services by any proprietor thereof for the time being up to a date three months before the date of the application; or

(b) that up to a date three months before the date of the application, a continuous period of five years from the date on which the trade mark is actually entered in the register or longer had elapsed during which the trade mark was registered and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof for the time being;

Provided that except where the applicant has been permitted under section 12 to register an identical or nearly resembling trade mark in respect of the goods or services in question, or where the Registrar or the High Court, as the case may be] is of opinion that he might properly be permitted so to register such a trade mark, the Registrar or the High Court, as the case may be] may refuse an application under clause(a) or clause(b) in relation to any goods or services, if it is shown that there has been, before the relevant date or during the relevant period, as the case may be, bona fide use of the trade mark by any proprietor thereof for the time being in relation to--

(i) goods or services of the same description; or

(ii) goods or services associated with those goods or services of that description being goods or services, as the case may be, in respect of which the trade mark is registered.



(2) *Where in relation to any goods or services in respect of which a trade mark is registered--*

(a) the circumstances referred to in clause(b)of sub-section(1)are shown to exist so far as regards non-use of the trade mark in relation to goods to be sold, or otherwise traded in a particular place in India (otherwise than for export from India), or in relation to goods to be exported to a particular market outside India; or in relation to services for use or available for acceptance in a particular place in India or for use in a particular market outside India; and

(b) a person has been permitted under section 12 to register an identical or nearly resembling trade mark in respect of those goods, under a registration extending to use in relation to goods to be so sold, or otherwise traded in, or in relation to goods to be so exported, or in relation to services for use or available for acceptance in that place or for use in that country, or the tribunal is of opinion that he might properly be permitted so to register such a trade mark,

on application by that person in the prescribed manner to the[High Court] or to the Registrar, the tribunal may impose on the registration of the first-mentioned trade mark such limitations as it thinks proper for securing that that registration shall cease to extend to such use.

(3) An applicant shall not be entitled to rely for the purpose of clause(b)of sub-section(1)or for the purposes of sub-section(2)on any non-use of a trade mark which is shown to have been due to special circumstances in the trade, which includes restrictions on the use of the trade mark in India imposed by any law or regulation and not to any intention to abandon or not to use the trade mark in relation to the goods or services to which the application relates.”

28. In *Hardie Trading’s* case, (referred herein supra), the Apex Court held that a person aggrieved in the context of removal of trademark on account of non-use would necessarily mean a person who is interested in removal of the impugned mark. Here, admittedly, the Petitioner is in the



same line of business as that of the 1st Respondent and therefore the registration in favour of the 1st Respondent would affect the rights of the Petitioner and viewed even primarily from this angle, the Petitioner cannot be termed as a person who has no locus or is a person not aggrieved. Further, as rightly contended by Mrs.Elizabeth Seshadri, learned counsel for the Petitioner, the 1st Respondent filing a suit against the Petitioner is sufficient to dislodge the contention of the 1st Respondent that the Petitioner is not a 'person aggrieved'. Therefore, issue No.1 is answered in favour of the Petitioner.

29. **Issue No.2** – *“Whether in the absence of invalidity of the 1st Respondent’s mark not being raised, the proceedings for rectification are maintainable?”*

30. It is the contention of the 1st Respondent that when the Petitioner has not raised the ground of invalidity of the 1st Respondent’s registration, under Section 124 of the Act and no issue has also been framed in this regard, it was not open to the Petitioner to challenge the registration of the



1st Respondent.

31. Section 124 of the Act runs thus:

Section 124- Stay of proceedings where the validity of registration of the trade mark is questioned, etc.

1) Where in any suit for infringement of a trade mark--

(a) the defendant pleads that registration of the plaintiff's trade mark is invalid; or

(b) the defendant raises a defence under clause(e) of sub-section(2) of section 30 and the plaintiff pleads the invalidity of registration of the defendant's trade mark, the court trying the suit (hereinafter referred to as the court), shall,--

(i) if any proceedings for rectification of the register in relation to the plaintiff's or defendant's trade mark are pending before the Registrar or the [High Court], stay the suit pending the final disposal of such proceedings;

(ii) if no such proceedings are pending and the court is satisfied that the plea regarding the invalidity of the registration of the plaintiff's or defendant's trade mark is prima facie tenable, raise an issue regarding the same and adjourn the case for a period of three months from the date of the framing of the issue in order to enable the party concerned to apply to the [High Court] for rectification of the register.

(2) If the party concerned proves to the court that he has made any such application as is referred to in clause(b)(ii) of sub-section(1) within the time specified therein or within such extended time as the court may for sufficient cause allow, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings.

(3) If no such application as aforesaid has been made within the time so specified or within such extended time as the court may allow, the issue as to the validity of the registration of the trade mark concerned shall be deemed to have been abandoned and the court shall proceed with the suit in regard to the other issues in the case.

(4) The final order made in any rectification proceedings referred to in sub-section(1) or sub-section(2) shall be binding upon the parties and the court shall dispose of the suit conformably to such order in so far as it relates to the issue as to the validity of the registration of the trade mark.

(5) The stay of a suit for the infringement of a trade mark under this section shall not preclude the court from making any interlocutory order (including any order granting an injunction, directing account to be



kept, appointing a receiver or attaching any property), during the period of the stay of the suit.

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32. In *Patel Field Marshal's* case, (referred herein supra), the Hon'ble Supreme Court held that in a suit for infringement where the issue of invalidity of the registration of the trademark is raised either by the Plaintiff or the Defendant and either an issue is framed regarding the question of validity or an issue is framed and the party aggrieved does not pursue remedy by filing an application to the High Court for rectification, then recourse to rectification cannot be had to contest the validity of the registration of the trade mark. The Apex Court held that in such circumstances, the plea of invalidity would have to be deemed to be abandoned.

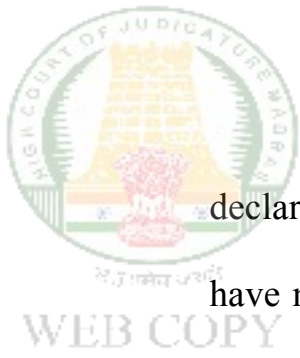
33. Relying on this decision, Mr.Perumbulavil Radhakrishnan, learned counsel for R1 would submit, referring to the issues that have been framed before the Delhi High Court, when no issue regarding invalidity has been framed therein and therefore no jurisdiction vests with this Court to entertain the rectification petitions.



34. It is relevant to state that the Apex Court in the above referred case was dealing with the right of a party to seek rectification under Section 46/56 of the 1958 Act. Interestingly, in the present case, the Petitioner is only seeking to remove the registration in favour of the 1st Respondent on the ground of non-use under Section 47 of the 1999 Act (Section 47 of the 1999 Act, no doubt, corresponds to Section 46 of the 1958 Act). The Petitioner, admittedly does not challenge the registration in favour of the 1st Respondent, or validity of the same under Section 9 or 11 alleging that there is an absolute or relative ground for refusal of the 1st Respondent's registration. On the other hand, the challenge is only to the continued use of the said mark in terms of the timelines fixed in Section 47 of the Act.

35. In *M.Murali v. Sri Krishna Sweets Pvt. Ltd.*, reported in *MANU/TN/3097/2020*, this Court held that filing of a petition under Section 124 would arise only where the validity of the registration of the trademark is questioned.

36. In *ITC Limited's* case (referred herein supra), the Calcutta High Court, held that there is a marked distinction between a trademark being



declared invalid which would mean that the registration itself is deemed to have never been made contrary to the position in the case of revocation on the ground of non-user where the life of the registration comes to an end.

37. The ratio laid down in the said case would squarely apply to the facts of the present case. Admittedly, the invalidity of the 1st Respondent's registration is not in issue before the Delhi High Court or before this Court. The only ground on which the Petitioner seeks rectification is non-user. In such circumstances, it means that the Petitioner does not challenge the registration per se in favour of the 1st Respondent as being invalid on any of the available grounds, but only seeks to assail the continuance of the registration on the ground that the 1st Respondent has not used the mark which has been registered in its favour for 5 years, as contemplated under Section 47(1)(b) of the 1999 Act. I therefore see no reason to hold that the petitions are not maintainable in view of the mandate of Section 124 of the Act especially when the cause of action for the present petitions is on a totally different and distinct issue, not touching invalidity of the 1st Respondent's mark. The ratio laid down in ITC's case would squarely apply



to the facts of the present case. A similar view was also held by the Division Bench of our Court, in *TTK Pharma Limited v. Robapharam & others*, reported in 2008-1-LW-474. Thus, I hold and answer Issue No.2 in favour of the Petitioner.

38. Issue Nos. 3 to 5:-

Now coming to the core issue, Whether the 1st Respondent has or has not used its mark from up to a date three months before the date of application being made by the 1st Respondent, for a continuous period of 5 years from the date on which the trade mark is actually entered in the register or longer, has to be examined.

39. Admittedly, the registration in favour of the 1st Respondent impinged in OP No.321/2023 has been applied for in Class 25, vide TM Application No.1333426 on 20.01.2005 (for Lunar's Flighter (device mark)) with a user claim of 04.11.2004. In OP No.322/2023, the user claimed is 23.06.1984 and the registration granted to the 1st Respondent was on 30.05.2003 vide TM Application No.681353 (for LUNAR's) under Class 17 and in OP No.323/2023, the user claimed is 20.10.2005 and the



registration granted to the 1st Respondent was on 25.01.2008 vide TM Application No.1403610 (for LUNAR'S HARRY) under Class 18.

40. The specific allegation of the Petitioner in the OPs is that the user claimed by the 1st Respondent is false and incorrect and, in any event, having not used the marks impugned in the OPs, between 28.11.2012 and 28.11.2017, the 1st Respondent has lost its right for continued existence of the mark on the register of the 2nd Respondent.

41. The 1st Respondent has filed as many as 15 Exhibits in support of its defence. The relevant documents would be R4, copies of invoices; R5 Sale turnover and R6, export invoices. Even in the product catalogue produced by the 1st Respondent, in Ex.R3, there is no Lunar's Fighter at all. As rightly contended by the learned counsel for the Petitioner, only three invoices and a user agreement would actually be relevant for the purposes of the present case, as all other invoices and transactions do not fall within the relevant period complained of, viz., 28.11.2012 to 28.11.2017.



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42. An invoice No.0466 dated 27.6.2015 issued by the 1st Respondent to Swathy Agencies, Kottayam is relied on by the 1st Respondent. Admittedly, in the said invoice, there is a reference to Lunar's Delux Flighter Case. The said invoice is not even signed and the reference to Lunar's Delux – Flighter Case (6 x 10) at the rate of 75.90 does not even appear to be referring to footwear. Even in the same invoice in respect of other items, they can be easily related to footwear with reference to foot size and colour of the wear and also made for gents/ladies being mentioned. Therefore, this invoice is of no avail to the 1st respondent, especially to show use of the registered mark. Infact as can be seen from various other invoices and even advertisements issued by the 1st Respondent and exhibited on the side of the 1st Respondent themselves, they appear to be selling a range of footwear under the name and style of Lunar- Deluxe itself. That being so, it is not shown or explained to the satisfaction of the Court as to what relevance Flighter has in the above referred invoice.

43. Similarly placed are the two other invoices, No.0418 dated 20.6.2015 and No.0044 dated 08.04.2016. These also do not further the case



of the 1st Respondent to show use of its registered marks. All the other invoices are not related to the period in question, viz., 28.11.2012 to 28.11.2017. Equally, none of the export invoices filed in Exhibit R6 also are concerning the relevant period.

44. Ex.R5 is a certificate giving particulars of the sales for the various financial years starting 1988-89 to 2017-18. The said certificate has been issued by the Chartered Accountants of the 1st Respondent and the purpose mentioned is for production before the Trade Mark Registry. The said certificate dated 22.01.2019 does not mention about sales of the impugned marks. As held by this Court in *M/s.White House, a Partnership Firm rep. by its Partner, Mohamed Yunus v. White House Apparels Private Limited and another*, order dated 15.09.2023, reported in 2023:MHC:4269, when the sales certificates do not provide evidence of the mark in question, the same cannot be relied on.

45. Coming to the user agreements, the 1st Respondent admits that Viking Rubber and other Companies from the LUNAR Group and they are only sister Companies of the 1st Respondent. The case of the 1st Respondent



is that the user agreements are entered into only in 2010 and therefore, there is no question of any abandonment as alleged by the Petitioner. Admittedly, these User Agreements are self-serving and more so, being unregistered and also being entered into with its own sister Companies. Even assuming, there is no mandatory requirement of registration of such agreements, still, these do not help in any manner, to establish use of the impugned marks during the relevant period.

46. The user agreements relied on by the first respondent are only to evidence that there has been assignment of the impugned marks in favour of the sister Companies of the first respondent. There is yet another statutory embargo in view of Section 41 of the Trademarks Act, 1999 which prohibits assignment or transmission of a Trademark under the Act or under any other law in force, unless an Application in the prescribed manner by the proprietor of the Trademark who proposes to assign, or by the person who claims that the registered Trademark has been transmitted to him is made and the Registrar, subject to satisfaction that the request is not contrary to public interest, will have to approve the said assignment or transmission. There is admittedly no such Application made or permission of the Registrar



obtained in the present case. Therefore, viewed from this angle also, the user agreements cannot be pressed into service.

47. Though reliance is placed on Section 2(2)(c) of the Act, which sets out that 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, I do not find the use of the word ‘whatsoever’ coming to the aid of the 1st Respondent, in the above given facts and circumstances of the case.

48. The next argument pertains to Section 47(3). Section 47(3) of the Act, for easy reference, is extracted hereunder:

“47.....

(3) An applicant shall not be entitled to rely for the purpose of clause(b) of sub-section(1) or for the purposes of sub-section(2) on any non-use of a trade mark which is shown to have been due to special circumstances in the trade, which includes restrictions on the use of the trade mark in India imposed by any law or regulation and not to any intention to abandon or not to use the trade mark in relation to the goods or services to which the application relates.”

49. This sub-section is in the nature of an exception to the general rule set out in Section 47(1)(b) and 47(2). If the person, whose registration



is challenged is able to show any special circumstance as to why he was not able to use the mark, say by reason of any legal impediment due to legal embargo on use etc., and that non-use was not because of an intention to abandon the mark, then the person challenging the mark on the ground of non-use cannot take advantage of such special circumstance and be entitled to relief. Mr.Perumbulavil Radhakrishnan would argue that this sub-section (3) has two limbs separated by 'and' and therefore the Petitioner has to establish both limbs to be entitled to relief. I am afraid such an interpretation is not what the legislature thought fit to give to this sub-section. The only purport of this sub-section is that if the non-use is not on account of any intention to abandon on the part of the user, but because of any legal embargo or similar special circumstance that had prevented the use of the mark, then the benefit would have to go to the user. I do not find any special circumstance pleaded or proved to give such benefit of sub-section (3) to and in favour of the 1st Respondent. The issue therefore merely boils down to whether the 1st Respondent has actually used the mark during the period 28-11-2012 to 28-11-2017 and nothing more.

50. Turning to the case law relied on by both sides,



In *Vishnudas Trading v. Vazir Sultan Tobacco*, (referred herein supra), the Hon'ble Apex Court held that if a trader actually trades in or manufactures only one or some of the articles coming under a broad classification and such trader has no bona fide intention to trade in or manufacture other goods which also fall under the said broad classification, such trader should not be permitted to enjoy monopoly in respect of all the articles which may come under such broad classification and thereby preclude other traders from getting registration of separate and distinct goods which may also be grouped under the broad classification.

51. In *Nandhini Deluxe's* case (referred herein supra), the Hon'ble Supreme Court held that a proprietor of a trade mark cannot enjoy monopoly over the entire class of goods especially when he is not using the trade mark in respect of certain goods falling under the same class.

52. In *Shell Transource Limited's* case (referred herein supra), the IPAB held that when the applicant has pleaded non-user, in the absence of specific denial, the allegations can be held to be admitted. The Board also held that where there is absence of documentation coupled with failure to



take testimony or offer evidence supporting its bona fide intent to use, it can be safely concluded that there is no bona fide intent to use the mark.

53. In *Kabushiki Kaisha Toshiba's* case (referred herein supra), the Apex Court held that the nature of evidence required for filing non-user rectification being negative in nature, it can be proved by affidavit and such affidavit should clearly contain details of investigation made by the deponent regarding non-user and the Applicant has to establish that the mark sought to be removed has not been used in relation to the goods during the relevant period. It further held that once a prima facie case is made out, the onus then shifts to the registered proprietor to prove his case.

54. In *Saga Lifesciences Limited's* case (referred herein supra), the Delhi High Court held that even if there is a cessation of business, there would be a residual goodwill surviving and the Claimant might wish to sell or use in a reopened business. This decision was not rendered in dealing with a case of non-user under Section 47 and therefore, cannot be usefully applied to the facts of the present case.



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55. In *M/s.Eagle Potteries Private Limited's* case (referred herein supra), it is held that the burden of proving non-user will always be on the party making the averments in the petition and such burden has to be strictly discharged.

56. Insofar as initial burden being on the Petitioner, there is no second opinion. The Petitioner has filed an affidavit of an investigator who has clearly stated in his affidavit, Exhibit A12, that in November 2017, he conducted an investigation into the use of LUNAR/LUNAR'S marks and that he personally visited the 1st Respondent's registered office and tried to procure samples of LUNAR/s flighter goods and that the registered proprietor informed him that they have never used the mark. Though it is contended by the 1st Respondent in its counter statement that the affidavit is vague, no potential customers were contacted, there is no list of shops or people contacted etc., interestingly the affidavit has spoken about the best evidence, viz., the 1st Respondent's registered office and proprietor and states that the registered proprietor has informed the deponent that they have never used the impugned mark. The said statement is not denied in the



counter statement. Thus, when the necessary information has come out from the horse's mouth, there is no necessity for the Petitioner to lead any better evidence. The onus, even as per the decisions cited by the 1st Respondent stand shifted to the 1st Respondent to prove its case of use. I have already elaborately discussed the evidence led by the 1st Respondent in this regard and found satisfactory evidence is actually absent.

57. In view of the above discussions and ratio laid down in the cases referred and dealt with hereinabove, it is clear that the Petitioner has discharged its initial onus to prove non-use by the 1st Respondent and despite the onus shifting to the 1st Respondent, the 1st Respondent has not come up with any satisfactory evidence or much less sufficient evidence to prove user during the relevant 5 year period.

58. For all the foregoing reasons, the Issues 3 to 5 are also answered in favour of the Petitioner as the continuance of the impugned marks in the register of the 2nd Respondent is without any just cause.



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59. In fine, the Original Petitions are allowed and the impugned trademarks are liable to be removed and the 2nd Respondent shall take steps to remove the impugned marks (LUNAR's



FLIGHTER) under No.1333426 in Class 25,



(LUNAR's) under No.681353 in Class 17 and



(LUNAR'S HARRY) under No.1403610 in Class 18 from the register.

However, there shall be no order as to costs.

06.09.2024

Index : Yes/No

Speaking/Non-speaking order

rkp

To

The Deputy Registrar of Trademarks,
Trademarks Registry, Chennai,
Boudhik Sampada Bhawan,
G.S.T.Road, Guindy, Chennai – 600 032.



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P.B.BALAJI,J.

rkp

**Pre-delivery Common Order in
(T) OP (TM) Nos.321 to 323 of 2023**

06.09.2024