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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of Decision: 05th January, 2024

+ **C.O. (COMM.IPD-TM) 100/2021**

RONG THAI INTERNATIONAL GROUP CO. LTD. Petitioner

Through: Ms. Aparna Jain and Mr. Ishaan
Berry, Advocates

versus

ENA FOOTWEAR PVT. LTD. AND ANR. Respondents

Through: Mr. Anshul Goel, Mr. Ashok Goel
and Mr. Ranjeev Kumar, Advocates
for R-1.

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

JUDGMENT

SANJEEV NARULA, J. (Oral):

1. By way of the present rectification application, Petitioner/ Rong Thai International Group Co. Ltd. invokes Section 47(1)(b) of the Trade Marks Act, 1999 [*“the Act”*] to seek cancellation of the mark ‘BAOJI’, registered under No. 1530274 in Class 25 in favour of Respondent No. 1/ ENA Footwear Pvt. Ltd. [*“impugned mark”*]. While the claim for cancellation is entirely based on the ground of non-use of the impugned mark, exploring the underlying facts leading to the dispute is appropriate for a comprehensive understanding of the controversy between the parties.

2. Petitioner is a company incorporated in Thailand, engaged in the business of, *inter alia*, manufacture and distribution of footwear and other



related goods. They sell products under the trade mark/ logo '**BAOJI**' in various countries, as well as through online marketplaces. Petitioner also has a website, under their owned domain name www.baoji.co.th, which is accessible for public view all over the world. Additionally, they own the domain names www.baoji-shop.com and www.baojithai.com. Petitioner asserts that their long, continuous and extensive use of the trade mark/ logo '**BAOJI**', has earned them immense goodwill and reputation.

3. In India, Petitioner has registered trade mark 'BAOJI'/'**BAOJI**' with the Trade Marks Registry in Class 18 for leather and imitations of leather goods. However, when the Petitioner sought to register their mark under Class 25 for footwear, their application No. 2983911 was rejected due to Respondent No.1's existing registration for the impugned mark 'BAOJI' in Class 25. Petitioner contends that they only learnt about Respondent No. 1's registration of the impugned mark on 20th July, 2017, upon receiving the examination report of the Registrar dated 1st July, 2016.

4. In the aforementioned circumstances, Petitioner seeks cancellation of the impugned mark on the ground of non-use in terms of Section 47(1)(b) of the Act. To bolster their contention of non-use, Petitioner has primarily relied upon an investigation report dated 11th November, 2019, carried out by an independent investigator. According to Petitioner, the said report, after extensive market research, confirms that Respondent No. 1 is not using the impugned mark 'BAOJI', and even records the alleged statement of Mr. Rohit Sharma, Director of Respondent No. 1, that they do not manufacture any products under the mark 'BAOJI'. Thus, since more than five years have lapsed since date of registration with no *bona fide* use by Respondent



No. 1, the impugned mark is liable to be removed from the trade mark register in terms of Section 47(1)(b) of the Act.

5. The aforementioned contention of non-use has been vehemently controverted by Respondent No. 1, who has placed documents on record, including sales invoices from the year 2012 till 2022, to show that they have extensively used the mark 'BAOJI'. It is submitted that Respondent No. 1 has been using the impugned mark in respect of footwear related goods since the year 2000, and even sells such products through online marketplaces. Thus, Respondent No. 1 contests the authenticity of the findings rendered in the investigation report relied upon by the Petitioner, contending that the report was commissioned by the Petitioner and presents a biased and misleading account of the alleged non-user of the impugned mark by Respondent No. 1.

6. Further, Respondent No. 1 submits that the impugned mark was granted registration on 26th December, 2013, with effect from 12th February, 2007. The instant application was filed on 10th August, 2020. Thus, for the impugned mark to be removed from the register under Section 47(1)(b), Petitioner must prove non-use for a continuous period of five years up to three months prior to the date of filing the application. The continuous transactions evidenced by the invoices, consistently involving the impugned mark throughout the period in question, render the Petitioner's allegation of non-use groundless.

7. The Court has considered the aforementioned submissions. Section 47 of the Act serves to protect the integrity of the trade mark register by ensuring that registered marks that are not actively used in commerce are removed. In order to prevent the hoarding of trade marks, this Section provides a



mechanism for third parties aggrieved by the non-use of a trade mark to apply for its removal. Specifically, Section 47(1)(b) enables the removal of a trade mark from the register if it has not been used *bona fide* for a continuous period of five years or longer. However, the burden of proving that the facts which bring this provision into play rests on the person who seeks to have the trade mark removed from the Register. It is pertinent to note that *bona fide* use typically means genuine use in the course of trade, and not merely token use to maintain the registration.

8. Upon analysing this provision, it emerges that the period of non-use for a trade mark, which can lead to its cancellation, is calculated from the date it is ‘actually entered in the register.’ This start date is crucial as it is not based on the date of filing of application or any other date. Equally important is the endpoint for this calculation of non-use, defined to be ‘three months before the date of the application’ for removal. Therefore, the critical date for assessing the trade mark’s use is three months prior to filing the application for its removal. Notably, any use of the trade mark within these three months is disregarded, provided there has been a continuous non-use for five years leading up to this point. While there are certain exceptions carved out in the statute, they are not pertinent to this discussion and are not analysed here.

9. It also emerges that against the ground of cancellation specified under Section 47(1)(b), a registered trade mark enjoys a sort of ‘grace period’ during the first five years following its entry into the register. This period protects the trade mark from challenges based on non-use. After this period, the trade mark becomes vulnerable to removal due to non-use. A successful challenge must demonstrate a continuous non-use for at least five years from



the date of entry into the register up to three months before the application for removal. It is important to note that any *bona fide* use of the trade mark can interrupt the continuity of non-use, rendering the application for cancellation invalid.

10. To further elucidate this interpretation of the provision, consider the following illustration: a trade mark is registered and entered into the register on 1st January, 2020. The initial five years, which serve as a grace period during which the trade mark cannot be challenged for non-use, extends until 1st January, 2025. Thus, accounting for the three-month buffer period as envisaged in the provision, an application seeking removal of the trade mark for non-use becomes viable from 1st March, 2025 onwards. This is contingent on demonstrating a continuous period of five years or more of non-use. Now, let us assume an application for rectification is filed on 1st June, 2035. In this scenario, the last relevant date for assessing non-use would be three months before this application date, which falls on 1st March, 2035. Consequently, to determine whether the trade mark ought to be removed from the register, we must assess whether there has been non-use for any continuous period of recent five years or more preceding 1st March, 2035. If there has been no *bona fide* use of the trade mark in relation to any goods or services by the proprietor, the trade mark could be removed from the register based on this application. The provision under Section 47(1)(b) is designed to assess the current relevance and use of a trade mark in the marketplace. Since it stipulates the removal of a trade mark for non-use, the most recent five-year period preceding the three months prior to the date of application for cancellation are critical. The focus on the most recent five-year period is crucial as it reflects the trade mark's contemporary



significance and utility. By considering the period up to three months before the filing of the application, the statute ensures that the assessment of the trade mark's use is based on its recent and current status rather than historical non-use, which may no longer be relevant.

11. In the case at hand, the registration certificate for the impugned mark was issued in favour of Respondent No. 1 on 26th December, 2013. This date signifies the official entry of the impugned mark into the register. The application for rectification in this case was filed on 10th August, 2020. Accordingly, the critical date for assessing the use of the mark is set as 10th May, 2020, which is three months prior to the filing of the rectification application. In light of the Court's analysis of Section 47(1)(b), it becomes incumbent upon the Petitioner to demonstrate that Respondent No. 1 has not used the impugned mark for any continuous period of five years or more, immediately before 10th May, 2020. This assessment is crucial to ascertain whether the conditions for cancellation of the mark, as laid out in the statute, have been met. In the opinion of this Court, the Petitioner has not discharged this burden. The sale invoices submitted into the record clearly demonstrate that Respondent No. 1 has consistently engaged in transactions using the impugned mark from 2012 through 2022. This evidence unequivocally establishes a continuous and uninterrupted use of the impugned mark over a significant period, which encompasses the relevant period for assessing non-use. Contrasting this substantial history of usage with the investigation report presented by the Petitioner, the Court finds a notable disparity in the evidentiary value. The investigation report, being a singular self-sourced document, lacks the comprehensive perspective provided by the multiple sale invoices. Therefore, it does not sufficiently counterbalance the evidence



of sustained use of the impugned mark by Respondent No. 1, and the findings rendered in the investigation report *qua* non-use of the impugned mark stand sufficiently disproved by these invoices furnished by Respondent No. 1.

12. In light of the aforesaid, the Petitioner's claim of a complete absence of use of the impugned mark is not substantiated. Consequently, this Court is not persuaded to order the removal of the impugned mark from the trade marks register on the grounds of non-use, as petitioned by the Petitioner. This decision aligns with the principle that a mark's removal for non-use requires clear, unequivocal evidence of abandonment, which is not present in this case.

13. In view of the above, the present petition is dismissed.

SANJEEV NARULA, J

JANUARY 5, 2024

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