



IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED: 11.03.2025

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THE HONOURABLE **MR.JUSTICE SENTHILKUMAR RAMAMOORTHY**

(T)OP(TM)/119/2023
(ORA/7/2014/TM/CHN)

Pioneer Bakeries (P) Ltd.,
Poondurai Road, Moolapalayam, P.O.
Erode 638 002.

... Petitioner

-VS-

1.Milka Nutriments Pvt Ltd
Chinna Sadayam Palayam,
Moolapalayam Post,
Erode 638 002, Periyar District.

2.The Registrar of Trade Marks,
Office of the Registrar of Trade Marks,
Guindy, Chennai 600 032.

... Respondents

PRAYER: Transfer Original Petition (Trade Marks) is filed under Sections 47, 57 and 125 of the Trade Marks Act, 1999, pleased to cancel the registered Trade Mark No.821975 in Class 30, allow this application, award costs of this proceedings be awarded to the petitioner.



WEB COPY For Petitioner : Ms.Sumitha Vibhu
for Mr.Harishankar Mani

For Respondents : Mr.Dwarakesh Prabhakaran for R1
Mr.K.Subbu Ranga Bharathi, CGSC for R2

ORDER

By this petition, the petitioner seeks rectification of the register of trade marks by cancelling the entry relating to the word mark MILKA MARIE, which was registered under Trade Mark No.821975 with effect from 06.10.1998.

2. The petitioner is a private limited company, which was incorporated on 17.09.1987. The subscribers to the Memorandum and Articles of Association were V.M.Joseph, K.Jayakrishnan, A.Arumugam, P.K.Krishnan, G.D.Sekar and S.Balarama Mudaliar. The first respondent is also a private limited company. As per paragraph 7 of the rectification petition, the first respondent was also incorporated with the above mentioned six persons as its directors. The petitioner also records in the petition that Mr.V.M.Joseph, Mr.A.Arumugam and Mr.K.Jayakrishnan



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promoted several group companies with a clear demarcation of businesses, and that these group companies were permitted to use the trade mark "MILKA". One of the companies mentioned therein is the first respondent. It is stated that the said respondent was permitted to use the mark MILKA in respect of bread and biscuits.

3. From the documents on record, it emerges that agreements were entered into between the petitioner and the first respondent in relation to the use of intellectual property rights. The first respondent appears to be an entity currently controlled by Mr.V.M.Joseph, whereas the petitioner is an entity currently controlled by Mr.K.Jayakrishnan. The rectification petition was filed before the erstwhile Intellectual Property Appellate Board sometime in the year 2014 and subsequently transferred to the file of this Court.

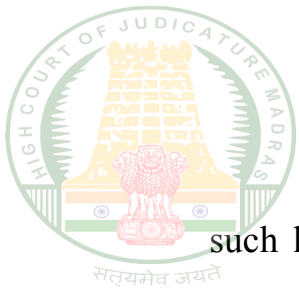
4. Ms.Sumitha Vibhu, learned counsel for the petitioner, contended that the impugned mark is liable to be removed from the register of trade marks for the following reasons:



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(i) The petitioner was incorporated in the year 1987 and coined, adopted and applied the trade mark MILKA to several bakery products shortly thereafter. Learned counsel referred to the registration certificates dated July 1989 and also to the advertising and sales turnover of the petitioner from 1989 – 1990 to 2012 – 2013. She also referred to evidence of the mark being advertised and applied in relation to a range of bakery products such as rusk and bread, and even products like poori and chappathi.

(ii) By referring to the copyright license agreement dated 01.08.1998, she pointed out that the first respondent was permitted to use the artistic work "MILKA" only in relation to bread subject to payment of royalty at 0.2% on annual sale. She also referred to deed of licence dated 03.07.2003 (licence deed) in respect of the use of the trade mark MILKA in perpetuity in relation to biscuits. She pointed out that such use was conditional on at least one director of the first respondent also being a director of the petitioner. In addition, she submitted that the license was issued in consideration for payment of a licence fee of Rs.1000/- per month, and that



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such licence fee was not paid until 2024. As a consequence, she submits that the licence stood suspended in terms of clause 1-A of the licence deed.

(iii) That the rectification petition was not filed earlier on account of licence deed. She also submits that the petitioner had initiated rectification proceedings earlier in respect of other marks and that it cannot be said that the petitioner acquiesced in the registration or use of the impugned trade mark.

5. In response, Mr.Dwarakesh Prabhakaran, learned counsel for the first respondent, submitted as follows:

(i) By referring to the licence deed, learned counsel submitted that the reference to at least one director continuing in the petitioner is set out in the recitals and that this was not a condition incorporated in the license deed.

(ii) As regards the consideration, he submitted that the entire amount due and payable towards royalty was remitted in the year 2024 and that this amount was received by the petitioner. Consequently, he submits that the license stood renewed as per clause 1-A.



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(iii) By relying on clause 5 of the license deed, learned counsel submits that the parties recognized the fact that the first respondent had filed an application for registration of a trade mark containing the word “MILKA” as a part thereof.

(iv) He referred to and relied upon several invoices as evidence of use of the mark MILKA in relation to biscuits from 1998 until 2024.

(v) By referring to the form TM-P filed by the first respondent before the Registrar of Trade Marks, he submitted that the petitioner has requested for an amendment of the registration so as to replace the goods specified therein with “biscuits including biscuits containing chocolate chips”.

6. At the outset, it is significant to notice that the petition is directed at rectifying the registration of the word mark “MILKA MARIE”. This registration is with effect from 06.10.2008 and was renewed on 06.10.1998. The registration is in relation to several goods in Class 30, such as marie biscuits, coffee, tea, cocoa, sugar, bread, etc. As discussed earlier, the first respondent has placed on record evidence of use of the mark MILKA and



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MILKA MARIE. From the invoices placed on record, it appears that such use is only in respect of biscuits.

7. As discussed earlier, both the petitioner and the first respondent were promoted by the same persons. In particular, Mr. Jayakrishnan, who is prosecuting this petition on behalf of the petitioner, was one of the promoters of the first respondent. Likewise, Mr. V.M. Joseph, who is prosecuting this petition on behalf of the first respondent was one of the promoters of the petitioner. In fact, the petitioner has placed on record the agreement dated 01.08.1998 in relation to the use of the artistic work under the title MILKA. This agreement has been executed by Mr. V.M. Joseph on behalf of the petitioner. The licence deed, on the other hand, has been executed on behalf of the first respondent by Mr. V.M. Joseph. The license deed contains the following clauses of significance for the adjudication of this dispute:

“(1) In pursuance of this Agreement, the Licensor agrees that in return for the License company making a payment of Rs.1000/- per month to be paid by either Bank Draft or Pay



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Order before the tenth of every month or as a lump sum yearly payment at the beginning of each calender year within first month of January. The Licensor agrees to grants the License the right to use the Trade Mark “MILKA” in perpetuity. The Licensor grants the Licensee companies the right to use the trade mark MILKA singly or in combination with other marks and to use and adopt the trade mark MILKA on artistic work suitable for the sale of their products – Biscuits.

(1-A) In the event of non payment of royalty for a period of six months by the Licensee company the License under this deed to use the trade mark shall remain suspended, and the rights under this deed will be renewed on payments of dues up to date.

5. The Licensor agrees to maintain good standard in the quality of the products marketed by them under the said Trade Mark “MILKA” used singly or in combination with other trade marks and / or artistic works. The Licensee company herein is already the registered proprietor of the Copyrights to the unique artistic works for their specific products. Applications



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have also been filed by some of the Licensee companies for unique trade marks of which the trade mark MILKA is also a part.”

8. It is evident from clause 1 that the petitioner granted a perpetual licence to the first respondent to use the trade mark MILKA in relation to biscuits either as a single word MILKA or in combination with other marks. The licence was granted in consideration for the payment of royalty. Clause 1-A provides for suspension of the licence if royalty is not paid for a period of six months. It also provides that the rights under the license deed will stand renewed on dues being paid up to date. Both the contesting parties state that the licence fee was not paid for a considerable period, but the dues were paid sometime in the year 2024.

9. On examining clause 5 closely, it is noticeable that the parties recognized that the licensee had filed an application for registration of trade marks of which the trade mark MILKA is a part. This clause should be seen in the factual context of the first respondent having applied for registration about five years earlier in October 1998. Especially in view of the



commonality in directors and shareholders, as between the petitioner and the first respondent, it appears that the petitioner was aware that the first respondent had applied for registration of a mark containing the word MILKA. In spite of being aware of the petitioner having applied for such registration and recording the same in the licence deed, the petitioner did not take any steps to apply for rectification earlier. As noticed at the outset, the trade mark application was lodged in the year 1998 and the registration is with effect from 06.10.1998. Thus, the entry relating to the trade mark has remained on the register for about 25 years.

10. As per Section 33 of the Trade Marks Act, 1999 (the Trade Marks Act), if the proprietor of an earlier trade mark has acquiesced for a continuous period of five years in the use of a registered trade mark, being aware of that use, the proprietor of the earlier trade mark shall no longer be entitled to either seek a declaration that the registration of the later trade mark is invalid or oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used. The exclusion

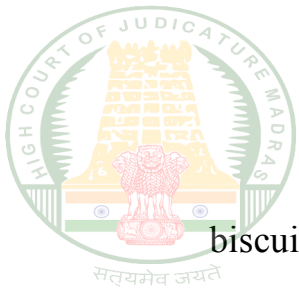


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specified in Section 33 is if the registration of the later trade mark was not applied in good faith.

11. As noticed earlier, the licence deed expressly recognizes that licensee companies, such as the first respondent, had applied for registration of trade marks containing the mark MILKA as a part thereof. Both the petitioner and the first respondent had common promoters and common directors for a reasonable period of time. In these circumstances, it cannot be concluded that the registration of the later trade mark was not in good faith. Hence, in view of the above reasons, including acquiescence, the petitioner is not entitled to the relief of cancellation of the registration by expunging the entry relating to the impugned mark.

12. Before concluding, however, it should be noticed that the first respondent has applied for an amendment of the registration so as to amend the goods specified therein by substituting “biscuits, including biscuits containing chocolate chips” instead of the goods earlier mentioned. The evidence of use placed on record by the first respondent is also confined to



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biscuits. The petitioner has not placed on record any evidence of use in relation to biscuits. Although the petitioner has placed on record evidence of use in relation to bakery products, which are similar or cognate products, in the factual context of acquiescence and the long running relationship between the parties, the interest of justice would be served if the registration is amended as requested for by the first respondent.

13. For reasons aforesaid, (T)OP(TM)/119/2023 is disposed of by declining to cancel the registration, but by directing the registrar of trade marks to amend the registration by replacing the goods earlier specified with “biscuits, including biscuits containing chocolate chips”. This action shall be completed within *four weeks* from the date of receipt of a copy of this order. There shall be no order as to costs.

11.03.2025

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Index : Yes / No

Internet : Yes / No

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