

Kabushiki Kaisha Toshiba (Toshiba Corporation) Vs Toshiba Appliances Co. and Others

Court: Calcutta High Court

Date of Decision: Dec. 8, 2005

Acts Referred: Patents, Designs, and Trade Marks Act, 1883 â€” Section 90

Trade and Merchandise Marks Act, 1958 â€” Section 109, 2(2), 21, 46, 46(1)

Trade and Merchandise Marks Rules, 1959 â€” Rule 94

Trade Marks Act, 1999 â€” Section 47, 47(3)

Citation: (2006) 1 CALLT 601 : (2006) 1 CHN 487 : 110 CWN 352 : (2006) 32 PTC 243

Hon'ble Judges: Tapan Kumar Dutt, J; Asok Kumar Ganguly, J

Bench: Division Bench

Advocate: G. Chakraborty, Bhaskar Sen, Indranil Roy and Anirban Sen, for the Appellant; Biswaroop Gupta, A.K. Gupta, P. Basu and A. Sarkar, for the Respondent

Judgement

This Judgment has been overruled by : Kabushiki Kaisha Toshiba Vs. TOSIBA Appliances Co. and Others, AIR 2009 SC 892 :

(2008) 37 PTC 394 : (2008) 8 SCALE 354 : (2008) 10 SCC 766

Asok Kumar Ganguly, J.

This is an appeal from the judgment and order passed by a learned Single Judge on the appeal filed by the

appellant u/s 109 of the Trade And Merchandise Marks Act, 1958 from the order of the Deputy Registrar of Trade Marks, Calcutta.

2. The relevant facts of the case are that the appellant is a company incorporated under the laws of Japan and carries on business in various

electronic and electrical goods. The appellant claims to be the proprietor of the registered trade mark Toshiba having trade mark No. 273758 in

respect of class 7 goods. Such registration is dated 26th July, 1971 and is in respect of Current Generators, Induction Motors (Electric), Electric

Washing Machines. Compressors (Machinery), Electrical Tool Set consisting of Electric Drills (Machines), Spin Dryers and Can Openers.

3. The respondent Toshiba Appliances Company Ltd., an Indian company, claims to have been carrying on business in various electrical appliances

and have been selling Auto Irons, Toasters, Immersion Rods, Extension Cords, Table Lamps, Airy Fans under the trade mark Tosiba since 1975.

It is claimed that for the years 1985, 1986, 1987, 1988 and 1989 advertisement expenses incurred by the respondent in connection with its business

are as follows:

Year ending 31st March, 1985 72,750.00

Year ending 31st March, 1986 89,958.00

Year ending 31st March, 1987 1,27,606.00

Year ending 31st March, 1988 1,19,878.00

Year ending 31st March, 1989 1,02,380.00

4. The above figures are certified by the Chartered Accountant of the company.

5. The sale figures of the respondent company for the financial years 1984 - 85 to 1989 - 90 are as follows:

1984-85 52,29,506=05

1985-86 1,02,69,697=18

1986-87 1,11,88,182=05

1987-88 1,11,38,966=96

1988-89 1,31,36,354=22

1989-90 2,78,01,387=52

6. It has been alleged by the appellant that the products in which the respondent company deals are class 11 goods and it does not deal in any

class 7 goods.

7. Sometime in the month of April, 1989 the appellant company served a legal notice of infringement and passing off in respect of their registered

trade mark on the respondent company. In the said notice it was alleged by the appellant that it was surprised to see the use of the mark Toshiba

both as a trade mark and as an essential feature of the trading style of the respondent in respect of various range of electrical goods including

electric irons. It was also alleged that the adoption of that trade mark amounts to infringement of the petitioner's trade mark inasmuch as the word

Tosiba is phonetically and visually similar to the appellant's trade mark "Toshiba". As such, the appellant called upon the respondent to

immediately desist from using the trade mark Toshiba in respect of electrical goods including electric irons or any other goods within a period of 20

days from the date of the notice and failing which the appellant shall institute appropriate legal proceedings against the respondent.

8. After receiving the said notice, the respondent on 30th May, 1989 filed an application for rectification and removal of the trade mark of the

appellant from the trade mark register bearing trade mark No. 273758 in class 7 goods. The said application was filed under Sections 46 and 56

of the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as the said Act) read with the Rule 94 of the Trade and Merchandise

Marks Rules, 1959 (hereinafter referred to as the said rules).

9. Thereafter, a suit was filed by the appellant alleging infringement against the respondent in Delhi High Court sometime in the month of April,

1990. The said suit was for permanent injunction against the respondent and restraining it from causing any infringement of registered trade mark,

passing off, rendition of accounts and so on. This Court has not been categorically told by the appellant about the fate of the said suit.

10. On the application for rectification and removal of trade mark which was filed by the respondent before the Trade Mark Registrar, an order

was passed on 12th May, 1992 by the Deputy Registrar of Trade Marks, Calcutta. By the said order, the rectification application was allowed

and the register was rectified by deleting "'Electric Washing Machine and Spin Dryers'" from the registered trade mark No. 273758 of the

appellant-company in class 7 goods and it was also ordered that the said amendment shall be notified in the Trade Marks Journal and each party

was to bear its own costs.

11. Challenging the said order, as noted above, the appellant filed a statutory appeal u/s 109 before this High Court. A learned Single Judge of this

Court after a detailed hearing and by a detailed judgment, dismissed the appeal and the learned Judge while dismissing the appeal recorded that the

said dismissal was on ground "'of my own and not necessarily on the ground given by the Deputy Registrar'". The said judgment of the learned

Single Judge is assailed before us in this appeal.

The Rival Contentions :

12. Mr. Goutam Chakraborty, learned Counsel for the appellant urged several points in support of the appeal. The first submission has been that

the respondent company is not a person aggrieved within the meaning of Section 46 of the said Act and does not have the locus standi to maintain

its application for rectification of the appellant's trade mark. The second contention has been that the trade mark of the appellant was registered

with the bona fide intention that the same would be used in relation to the goods u/s 46(1)(a) of the said Act. As such onus is on the respondent to

show that there was no bona fide intention on the part of the appellant about the use of the said trade mark in relation to the goods. The learned

Counsel, further urged that in the facts and circumstances of the case, it is clear that there has been bona fide use by the appellant of its trade mark

u/s 46(1) of the said Act in respect of those goods. The last contention is that the appellant is entitled to benefit u/s 46(3) of the said Act in view of

the trade restrictions prevailing at the relevant point of time.

13. On the question of locus standi, matter was debated before this Court quite strenuously by the learned Counsel of both the parties. It was

urged by the appellant that the products of the respondent company are class 11 goods and the respondent company does not manufacture any

goods under class 7. It has been repeatedly urged that the respondent company does not manufacture either washing machine and spin dryers.

14. On the merits, the learned Counsel for the appellant submitted that in view of the import policy of the Government of India in respect of the

goods covered under the subject trade mark in class 7 goods the appellant company could not from 26.07.1971 use the trade mark in respect of

the goods in large- scale commercial sales. It was contended on behalf of the appellant that the registered proprietor had several joint venture

agreements in India for various products including VCRs, colour picture tubes, dry cell batteries etc. and they also had technical collaboration

agreements for manufacturing various products in India including body scanners, ultrasound equipments television etc. and had set up their various

centers in India by repairing electronic and electrical items. It was also submitted that the appellant company have been selling goods like electric

motors and accessories, generators, FAX machine, transistors, VCRs and other goods to actual user and various service centers.

15. It has been contended by the appellant that the benefit of special circumstances u/s 46(3) of the Act should be made available to them

inasmuch as it was not financially viable for the appellant to import the concerned goods. It was urged that special circumstance does not mean a

total ban but it must be understood in a business like way.

16. In support of this proposition reliance was placed on the decision of Calcutta High Court in Pepsi Cola reported in 1988(1) CLJ 337, and also

on the Bombay High Court judgment in Plaza Chemical Industries Vs. Kohinoor Chemical Co. Ltd., and on The Bali case reported in 16 RPC

387, and the Bullova case reported in 9 RPC 229. So going by that test, it was urged, the benefit of special circumstances must be given to the

appellant. It was also urged that there is no statutory bar which restricts an applicant from applying for registration in respect of goods which

cannot be imported in view of trade restriction. From this fact it cannot be assumed that the appellant had no bona fide intention. It was also urged

that onus is on the applicant who seeks rectification to prove lack of bona fide intention of the appellant and in the facts of the case that onus has

not been discharged by the respondent. It was also contended by the appellant that assuming, but not admitting there has been blocking of the

register by the appellant but the blocking of the register is not prohibited under the said Act.

17. Mr. Biswarup Gupta, the learned Counsel for the respondent, on the other hand, urged that the respondent company has the locus standi and

is a person aggrieved within the meaning of Sections 46 and 56 of the said Act inasmuch as it filed the application for rectification both under

Sections 46 and 56 of the said Act. It was urged that a legal notice was served against the respondent company by the appellant's lawyers and the

respondent was threatened with legal action unless the respondent complied with demands made in the said notice and then a suit was filed by the

appellant against the respondent in Delhi High Court alleging infringement. The respondent has further alleged that the appellant has not been able

to show any use of the washing machines or spin dryers inasmuch as it "has inserted only one single advertisement allegedly in 1985 in a newspaper

publication. That does not make out a case of bona fide use. It has been stated that no evidence has been disclosed by the appellant as the

registered proprietor about the use of the goods either before the Trade Mark Registrar or before the learned Single Judge. The learned Counsel

also urged that the Deputy Registrar has also held in favour of the respondent u/s 56(2) of the said Act as the Deputy Registrar found that since the

very inception there was no intention of the appellant to use the mark and as such the mark is not registerable and was wrongly remaining on the

register. The learned Counsel further submitted that this finding of the Deputy Registrar has not been challenged in this appeal or even before the

learned Single Judge. Therefore, it was contended by the learned Counsel for the respondent that there is no merit in the appeal and it should be

dismissed and the cross-objection filed by the respondent should be allowed.

18. On the merits of the case, one of the main contentions raised by the respondent company is that the mark registered on 26.7.1971 was not

used for the next 20 years when the rectification application was made. It cannot be disputed that the appellant had ever used the said trade mark

in relation to those goods, namely, electric washing machines and spin dryers in respect of which trade mark is registered, except inserting one

advertisement in 1985. On these admitted facts, it was contended that there was no bona fide intention of the registered proprietor to use the trade

mark for the goods for which it was registered and the only intention of the appellant company was to block the register of trade mark.

Locus Standi :

19. The learned Single Judge dealt with the question of locus-standi elaborately in the judgment under appeal. The learned Judge noted on facts

that till the time the rectification application was made, the respondent was manufacturing articles only in class 11 and those are household electrical

articles like electric irons, fans and toasters. The learned Judge while dealing with the question of locus standi discussed the case law on the point

and the learned Judge referred to various decisions cited before His Lordship and the learned Judge summarised the principle as follows:

(1) It is more helpful first to ask the question, has the applicant no locus standi, and next to ask the question has he thus a locus standi.

(2) A person might be disentitled to apply if he is officious, or if he is a mere common informer, or if he applied for vengeance or for mere

continuance of litigation, or if he has or could have no conceivable interest in the matter at all; the categories of disentitlement are not closed and the

ones mentioned above are merely illustrative and not exhaustive of future possibilities.

(3) Locus standi is to be determined on principles, akin to those in public interest litigation, than in private ones, because a rectification application

seeks to achieve the object of purifying the register, which is a public purpose.

20. After stating the aforesaid principle the learned Judge held that even though the respondent company has not dealt in goods mentioned in class

7 but the respondent company deals in electrical household goods which have a similarity, although, ""of a distant and tenuous nature to washing

machines and spin dryers"". The learned Judge further held that common factor is that all these are household and electrical goods. While dealing

with the meaning of the word "class" the learned Judge held that though washing machines and spin dryers are in class 7 of the Schedule and the

electric oven may be in class 11, still they are both in the same class of goods as both of them are household artefacts for modern living. The

learned Judge, held that the concept of class must be one and in which ""any reasonable similarity will suffice"" and the learned Judge opined against

a restrictive meaning of class as that would, according to the learned Judge, dilute the nature of tests for locus standi which have been given in

different decisions. In Vishnudas Trading as Vishnudas Kishandas Vs. Vazir Sultan Tobacco Co. Ltd., Hyderabad and another, . the Apex Court

gave the same interpretation to the word ""class"" in the Fourth Schedule of the said Act. The Court held that the word ""class"" has been used in a

generic sense and may ""subsume or comprise a number of goods or articles which are separately identifiable and vendible"".

21. The learned Judge also noted that the respondent company which started its business from a humble capital of 4,000/- in 1974 -75 reached its

turnover to Rs.2.78 crores in 1989-90 and as such it is not outside the bounds of its financial resources to start business in the same or other

household electrical items like washing machines and spin dryers. The learned Judge noted that, although, there are no such immediate plans but it

cannot be said to be an impossible or a fantastic thing for the respondent company to deal with such goods. In view of these facts the learned

Judge held that the respondent is not a mere common informer or an officious person. The learned Judge held that if the respondent is to go into

the trade of washing machines and spin dryers, in that case, if the mark of the appellant remains on the register, the respondent company cannot, in

that case, use its mark for washing machine and spin dryers. According to the learned Judge this is enough to give the respondent company locus

standi to file the rectification application.

22. This Court finds that there is a lot of substance in the reasoning given by the learned Single Judge.

23. This case was argued and decided when 1958 Act was in force and as noted above both Sections 46(1) and 56(1) use the expression "person

aggrieved". Under the provision of Section 47 of the Trade Marks Act, 1999 again the expression "person aggrieved" has been used in Section 47

of the 1999 Act, with minor changes, corresponds to Section 46 of the old Act and in both the Sections, expression "person aggrieved" has been

retained. But under the present English Law u/s 47(3) of the Trade Marks Act, 1994 the expression "person aggrieved" has been deleted and it

has been provided as follows u/s 47(3) of Trade Marks Act, 1994 :

47(3). An application for declaration of invalidity may be made by any person and may be made either before the Registrar or to the Court....

This represents a significant change from the old law. Under the old law the concept of person aggrieved" was there and all the English decisions

which have been considered by the learned Judge and also cited before us are under the old law as it stood prior to 1994 Act.

24. The concept of property arising out of a trade mark was first recognized at common law before it was the subject-matter of any enactment.

The use of distinctive mark on goods which the manufacturers have made is an ancient trade practice, but the recognition of the same in law as a

species of incorporeal property was first done by Lord Cottenham, Lord Chancellor, in *Millington v. Fox* reported in 40 ER 956.

25. Lord Diplock, in *GEC v. General Electric Co. Ltd.* reported in 1972 (2) AER 507, speaking for the House of Lords, described the nature of

the property in trade mark with the lucidity which is so characteristic of His Lordship's speeches, and relevant portions of which are quoted below

:

The right of property in a trade mark had special characteristics. One, which it shared with patents and with copyright, was that it was a monopoly,

that is to say, it was a right to restrain other persons from using the mark. But it was an adjunct of the goodwill of a business and incapable of

separate existence dissociated from that goodwill. To be capable of being the subject-matter of property a trade mark had to be distinctive that is

to say, it had to be recognizable by a purchaser of goods to which it was affixed as indicating that they were of the same origin as other goods

which bore the same mark and whose quality had engendered goodwill. Property in a trade mark could therefore only be acquired by public use of

it as such by the proprietor and was lost by disuse. The property was assignable, transmissible and divisible, but only along with the goodwill of the

business in which it was used.

(Pages 518-519 of the reports)

26. These peculiar features of property in trade mark explain why the expression "person aggrieved" has been very liberally construed in trade

mark law except perhaps in the case of a trade mark merely consisting of a name as in the case of Wright. Crossley & Co. reported in 15 RPC

131, the case on which the learned Counsel for the appellant relied very much. Normally persons who are aggrieved and who are entitled to make

an application for rectification are those persons who are in some way or other substantially interested in having the mark removed. It is true that

the grievance of the applicant for removal of the trade mark cannot be a fanciful grievance and it must be a substantial one.

27. It may be noted in this connection that under Indian law while any person may, u/s 21, of both the present and the previous Act, file a notice of

opposition to the registration of a trade mark, but an application for rectification can only be made by a person aggrieved.

28. The purpose of introducing the expression "person aggrieved" in the statute is obviously to prevent action from persons who are interfering

only from merely sentimental notions or personal vengeance and act as mere common informers. But in case where one trader, by means of having

a trade mark wrongly registered in his name, narrows the area of business open to his rivals, in that case the rival is a person aggrieved. It may be

that the rival is not immediately carrying on the trade. But if there is a reasonable possibility for the rival to carry on that trade in future in view of his

presently carrying on a trade in the same class of goods then the rival trader is a person aggrieved. In other words if a person or a corporation is in

the trade of the same class of goods along with the company which has got a mark registered in its name and is thus the hampered in the possible

expansion of his trade in that case the person or the corporation is a person aggrieved.

29. Learned Counsel for the both the sides referred to and relied on the decision rendered in the case of Powell's Trade Mark. In fact, the

decision in that case was rendered at different stages. First reference was made to the decision of Mr. Justice Chitty reported in 10 RPC 63. The

relevant facts of the case are that on 1st March, 1876 William Powell, for and on behalf of the firm Goodall, Back House & Company, registered

as a trade mark for sauces consisting of a label which comprised the words the ""Celebrated Yorkshire Relish"". A user of more than twelve years

was claimed before 21st September, 1876. Then in 1891 Powell sued one Birmingham Vinegar Company for restraining them from using a label

which was contended to be a colourable imitation of the registered label as the company was using the words ""London Relish"". Then on 6th

February, 1892 Birmingham Company applied for rectification of registered trade mark by expunging the mark ""Yorkshire Relish"". Basically on

those facts a question arose whether the company is a person aggrieved within the meaning of Section 90 of the Patents Act, 1883. Justice Chitty

held that the company had the locus standi in view of the fact that they carried on a rival business in the same class of goods. The matter went to

the Court of Appeal and the Court of Appeal (10 RPC 195) consisting of Lord Justice Lindley, Bowen & Kay upheld the judgment of Justice

Chitty.

30. Lord Justice Lindley held that the applicants for rectification are a company who make sauce and they do not make ""Yorkshire Relish"". But as

long as Yorkshire Relish is on the register it is no use considering whether they will make and sell ""Yorkshire Relish"" because they cannot do so.

But if the said mark is removed it is possible for them to make ""Yorkshire Relish"" and the learned Judge found that they are persons aggrieved and

are entitled to have their case heard on merits. The learned Judge made it clear at page 198 of the report that there is no evidence forthcoming to

show whether they will or they intend to make Yorkshire Relish. Even then the learned Judge held that it is sufficient for the company to say that

they would like to consider making

Yorkshire Relish"" when they are in a position to do so. Lord Justice Bowen also shared the same view. Lord Justice Kay while agreeing with the

same view expanded the doctrine further by relying on the formulation of Lord Justice Fry in Apollinaris case reported in 8 RPC 137. Lord Justice

Kay, by referring to Lord Justice Fry, said that if a person is actually suing, the person, who is being sued, has the right to say that it is not a proper

trade mark and he has a right to defend himself by applying to have the trade mark expunged ""as being improperly on the register.

31. The facts of this case show that appellant-company threatened the respondent with legal action and in fact sued them. Lord Justice Kay further

held that this principle is not confined merely to a pending litigation. The learned Judge held that if the person who applies for rectification is

engaged in the same trade and who in the development of his trade may find it necessary to use the registered words alone or in conjunction with

some other words, if those words had not been on the register, then that person is also a person aggrieved as the mark which is on the register

prevents him from using the words in the way he likes (see page 203 of the report). All these, formulations were upheld by the House of Lords in

its decision which is reported in 11 RPC 4. In the House of Lords Lord Herschell, Lord Chancellor, made it very clear that His Lordship was very

unwilling to unduly limit the wide construction placed on the words "persons aggrieved" as His Lordship felt that it will be against public interest to

construe those words narrowly. Lord Chancellor held that whenever it is shown that an applicant for rectification is in the same trade as the person

who has registered the trade mark and if such trade mark remains on the register it might limit the legal rights of the applicant to do something

which, for the existence of the mark upon the register, he cannot lawfully do, it appears that the person has a locus standi to be heard as a person

aggrieved. Lord Justice Watson has also put the same meaning on the words "person aggrieved" by saying that the person aggrieved must deal in

the same class of goods to which the registered mark applies and there shall be a reasonable possibility of the person applying for rectification for

using the goods.

32. By applying those tests in the present case this Court has to hold that the respondent/company is a person aggrieved. It is not in dispute that

both the respondents and the appellants are dealing in same class of goods to which the registered trade mark applies. Admittedly both of them

deal in household electrical goods. It is not necessary that both the traders must deal in the same goods. What is required is that both of them must

be in the same trade and may deal in same class of goods. Here the expression "class" must have a broad meaning and the learned Single Judge,

with respect, has correctly appreciated the connotation of the word "class" and in my judgment has correctly held that in the context, the word

class" must be given a broad meaning. So, it is not necessary that in order to have locus, the person, applying for rectification, will have to deal in

the same goods in which the company having the registered mark is dealing.

33. The decision of Justice Romer in Wright, Crossly & Co. reported in 15 RPC 131, is clearly distinguishable. In Wright the facts were that on

30th November, 1887 Wright, Crossly & Co. applied for registration of the words "Wright Crossly & Co." as a trade mark in Class 42, claiming

19 years" user and registration was allowed. Then on 17th August, 1897 the Royal Baking Powder Company of New York prayed for

rectification and alternatively prayed for insertion in the register words limiting and restricting the rights of "Wright, Crossly & Co." to such of the

goods included in class 42 as they had dealt or traded. It is not in dispute that the mark consists simply of the name of the Company. In that

context Justice Romer observed that a person aggrieved must show that in some possible way he may be damaged or injured if the trade mark is

allowed to stand and the learned Judge held that by the word "possible" what is meant is possible in a practical sense and not merely in a fantastic

view. Justice Romer's judgment in Wright was affirmed by the Appeal Court. The ratio of the judgment in Wright that the applicant for rectification

had not suffered any injury, has been very succinctly expressed in the Appeal Court by Lindley, Master of the Rolls at page 379 of the reports.

The observation of the Master of Rolls are as under:

Now, on what conceivable ground can it be made out that this Royal Baking Powder Company are aggrieved by that entry? That is what they

have to make out. The thing is absolutely impossible. It has been suggested that there may be some other people who either have carried on, or

would like to carry on, business under the name of Wright, Crossley and Co., and that they might enter into some trade relations with the present

appellants, and that in some roundabout way of that kind some possible injury to the appellants might be suffered. I think that is all a fancy, and

there is no substance in it at all. If there were any persons who desired to carry on business in this kind of material under the name of Wright,

Crossley and Co., they might, for anything I know, be persons aggrieved. I do not know anything at all about that; but to say that these people are

aggrieved by the particular entry of which they complain, appears to me to be arrant nonsense. I think the appeal ought to be dismissed, and

dismissed with costs.

34. In the instant case there is no roundabout way in which the respondents can be said to be aggrieved. The possibility of their injury is quite

evident. Apart from that the appellant has issued a desist notice against respondents and also filed a suit against them in Delhi High Court. So the

formulations by Lord Kay in the Court of Appeal in Powells, referred to above, are clearly in favour of the respondents and squarely bring them

within the expression "person aggrieved". Almost similar view has been taken by the Supreme Court in the case of National Bell Co. & Gupta

Industrial Corporation reported in AIR 1971 SC 898. The expression "person aggrieved" has been construed in paragraph 9 of the judgment

(page 903). At page 904 of the reports the learned Judges held that the expression ""person aggrieved"" has received liberal construction from the

Courts and includes a person against whom an infringement action is taken or threatened by the registered proprietor of the trade mark. Of course,

the decision of the Court of Appeal in Powell (reported in 10 RPC 195) was not brought to the notice of the Supreme Court but even then the

Supreme Court, on construction of the provision of Section 56, made the aforesaid observation. In the instant case the rectification application was

filed both under Sections 46 and 56.

35. The expression "person aggrieved" was considered rather recently by Supreme Court in the case of Hardie Trading Ltd. and Another Vs.

Addisons Paint and Chemicals Ltd., . The Apex Court noticed that the aforesaid expression finds place in Sections 46, 56 and 69 of the said Act.

In Hardie, the Hon"ble Supreme Court did not consider the import of that expression in Section 69 of the Act (para 29, page 3382 of AIR). We

are also not concerned with Section 69 here.

36. The learned Judges, in Hardie, made a distinction between purposes of Sections 46 and 56 of the Act and held that Section 46 applies to a

case where registration was initially valid but is liable to be taken off the register by the subsequent non-use. So in Section 46, the expression

"person aggrieved" is to receive a slightly restricted interpretation in the sense that the person applying for rectification must satisfy that the

existence of the mark affects his business interest in some possible way. The word "possible" must have a rational meaning, it cannot be something

fanciful, far-fetched or foggy. According to ratio in Hardie, this is what was meant by Justice Romer in Wright's case (15 RPC 131) and which has

been affirmed on appeal (15 RPC 377).

37. The further ratio in Hardie is that the expression "person aggrieved" in Section 56 must receive a more liberal interpretation as the purport of

Section 56 is to ensure the "purity of the register". Section 56, as interpreted in Hardie, is aimed at taking off the register a mark which should not

have been there at all from the inception as the registration of such a mark is ""per se"" bad in law. The situations where Section 56 apply have been

enumerated in Hardie as under:

(a) the contravention or failure to observe a condition for registration; (b) the absence of an entry; (c) an entry made without sufficient cause; (d) a

wrong entry and (e) any error or defect in the entry. (Page 3382 of the report)

38. Supreme Court held that it was in this liberal sense that the expression "person aggrieved" was interpreted by the House of Lords in Powell's

Trade Mark, (para 31, page 3382 of AIR). As noted already, the rectification in this case was filed both under Sections 46 and 56 of the said Act.

39. For the aforesaid reasons discussed above this Court therefore affirms the views of the learned Single Judge on the interpretation of "person

aggrieved", but only with one rider. The learned Single Judge held that "locus standi" in the context of rectification proceeding is to be "determined

on principles akin to those in public interest litigation because a rectification application seeks to achieve the object of purifying the register, which

is a public interest.

40. With respect to the learned Judge, I cannot endorse this view of His Lordship.

41. The Apex Court's ratio in *Hardie* also does not support this view. In *Hardie*, rectification procedures in Sections 46 and 56 have not been put

on the same footing as the component of public interest is not the same in both the Sections.

42. Apart from that "Public Interest Litigation" is a totally different concept in public law domain. It emerged out of the peculiar socio-economic

conditions of this country in which by reason of widespread poverty and illiteracy the access to justice is denied to a vast majority of our

countrymen. Therefore, Courts have relaxed the rigours of the traditional concept of locus standi in order to make it possible for the vast majority

of people to have access to justice. It is a conscious judicial strategy so that justice may be available to the lowly and the lost and the preambular

vision of ensuring justice to the people of this country is achieved. A very vibrant jurisprudence on locus standi in public interest litigation has thus

been developed by the Apex Court and different High Courts in India. Thus to equate the concept of locus standi in public interest litigation with

the concept of locus standi in a rectification proceeding in trade mark law is to miss the wood for the tree. The first one is aimed at making justice a

"living letter" and "the inheritance of the poor" and the second one is to give remedy to a trader in the commercial world for protection of his

commercial interest. The difference between the two is far too obvious to be missed. So I cannot accept the aforesaid propositions in the judgment

of the learned Single Judge even though no one doubts that public interest is a major concern in Section 56.

43. However, for reasons discussed above and in the facts of this case the locus standi of the respondent in the rectification proceedings is

accepted and is answered against the appellant.

Merits:

44. On the merits the learned Judge also found and this has not been disputed in appeal, that the only evidence of the use of the registered mark

produced by the appellant is an advertisement of a freezer and washing machine of Toshiba published on 27th August, 1985 in the Indian Express,

New Delhi and in that advertisement there was mention of five service centers. The learned Judge also found that such a solitary advertisement is

not use of the mark in relation to the goods within the meaning of Section 2(2)(b) of the Act. The learned Judge found that when there are no

goods at all in physical existence there can be no use of the mark in relation to those goods. The learned Judge also found that however, big or

famous the establishment of the appellant may be, the use of the mark must be made in India and not abroad and that mere use of the mark for one

advertisement is insufficient as use otherwise such an use may amount to trafficking in trade mark.

45. Now the question is whether the issue of one advertisement amounts to "use". The learned Counsel for the appellant by relying on the

judgment rendered in the case of M/s. J.N. Nichols (Vimto) Limited Vs. Rose and Thistle and another, , wanted to contend that one advertisement

would amount to use.

46. This Court cannot accept such contention. In paragraph 20 of the judgment in Nicholas the learned Division Bench held:

Use to my mind can be in any form or way and does not necessarily mean and imply actual sale and it is now well-settled that even mere

advertisement without having the existence of the goods can be said to be an use of the mark.

47. The Court relied on Halsbury's Laws of England (4th Edition, paragraph III) in support of the proposition laid down by it. Para III of Halsbury

is as follows:

III. Meaning of "bona fide use".-Whether there has been bona fide use sufficient to prevent a trade mark from being taken off the register depends

first on whether there has been use and secondly whether that use was bona fide. The better view seems to be that even a single act of sale,

properly proved, will suffice to constitute use. However, mere entries in trade directories will not suffice. The use of the mark in orders for goods

constitutes use, as does use on samples for export. Use by persons other than the proprietor is not sufficient.

The motive necessary to constitute bona fide use is not easy to define. It is settled that "bona fide" is not used in contradistinction to "mala fide"

The use must be genuine, as judged by commercial standards, but it seems that if the primary purpose is not to trade under the mark but merely to

validate the registration the use is not bona fide.

48. The summary of law given in Halsbury is of a slightly different dimension from the principles deduced by the learned Judges though the learned

Judges leaned on Halsbury.

49. In Halsbury the emphasis is on the bona fide and genuine commercial nature of the use and not on the frequency or repetition of a use which is

not genuine and thus not bona fide. That is why it has been said in Halsbury that even one act of sale, properly proved shall constitute use. Here

admittedly not even one act of sale of either washing machine or spin dryers has taken place, for less proved.

50. The principles in Halsbury have been picked from several decisions and one of them, decided by the Court of Appeal in the case of Imperial

Group Ltd. vs. Phillip Morris & Co. Ltd. reported in 1982 Fleet Street Reports 72, is very pertinent. The relevant facts in Phillip Morris are that

Imperial Group Ltd. wanted to market a cigarette named Merit. The mark "Merit" was an unregistrable trade mark since it indicated the quality of

the product. So the Imperial Group applied and got a ghost mark ""Nerit"" registered with the intention that if somebody came out with Merit

Cigarette they would be charged with infringement and passing off because Merit sounds very close to Nerit. In fact, to have a record of use of

Merit, the company sold more than one million sticks. The company did not market Nerit at all but promoted its unregistered trade mark Merit.

51. As the defendants Phillip Morris, came out with Merit Cigarette, Imperial Group brought an action for infringement and passing off. It was held

that there was no bona fide intention to use Nerit as a trade mark for the purpose of the Act and such a mark should not have been registered.

52. Therefore what the above-quoted passage in Halsbury says is that use must be a genuine, it means such an use which is to be judged genuine

by commercial standards. But if the primary purpose of such use is not to sell the product but to validate the registration in that case the use is not

bona fide.

53. What is a bona fide use has been explained by Lawton LJ in Imperial Group by relying on the decision in Electrolux Ltd. v. Electrix Ltd.

reported in 1954(71) RPC 23.

54. In Electrolux, it was made clear that bona fide use should be ""ordinary and genuine"" as stated by Lord Evershed, Master of the Rolls (page 36

of the report). Jenkins LJ opined that bona fide use means something which is ""perfectly genuine"", ""substantial scale"" (P 41 of the report) and not

some fictitious or colourable use but a real or genuine use"" as Morris LJ has put it (P.42 of the report)

55. Following these time honoured tests, I am inclined to think that in this case also there is no bona fide use. The registration was made by the

appellant in 1971 and at that time the ban was existing. Therefore, it looks like "a colourable stratagem" by the appellant, a commercial company,

to register trade mark in respect of goods, the import of which is statutorily prohibited. The subsequent conduct of the appellant also strengthens

the same view inasmuch as there is no genuine commercial activity for use of the mark in respect of the goods in question. A single advertisement,

without anything more, in the context of these facts, does not make out a case of bona fide use. None of the agreements which the appellant

entered into in India, a list of which was handed over to his Court in the course of hearing of the appeal, was in respect of washing machine and

spin dryers.

56. It has been held in *S.Chuvers & Sons v. Chivers & Co. Ltd.* reported in 17 RPC 420, by Justice Farewell that advertisement is to assist the

trade provided there is any trade. But to claim that by advertisement alone one can make his connection known with particular goods so as to

assist him in a monopoly is an untenable proposition. Here admittedly there is no trade, so one single advertisement does not amount to bona fide

use.

57. Here use would mean use in India. This has been made clear in *Aktiebolaget Jonkoping Vulcan Vs. V.S.V. Palanichamy Nadar and Others*, ,

see paras 20 and 27, by Justice P.B. Mukharji (as His Lordship then was). The ratio in *Vulcan* has been subsequently accepted by the Division

Bench of Delhi High Court in *Rob Mathys v. Sythes* reported in 1997 PTC 669 and see at page 704.

58. The decision in *Hermes Trade Mark* (1982 RPC 425) was cited by the appellant in support of their contentions that one single advertisement

is sufficient to constitute use. But the facts in *Hermes* were totally different. In that case the registered owners of the mark acquired the mark by

purchase in 1954 and had sold watches under it between 1960 and 1971. From 1954 advertisement had regularly appeared in an annual trade

publication which referred to the trade mark and to the registered proprietors by name. *Hermes* watches were occasionally sent to them for repair.

In 1976 the registered owners made plans to recommence selling watches under the mark in July, 1977 and placed orders containing references to

the mark with their component suppliers in October, 1976, and these were fulfilled in April 1977. In November, 1976 the registered owners

prepared a *Hermes* price list, though it was not then sent out. In April, 1977 they ordered boxes which were directed to bear the mark. No sales

took place until September, 1977.

59. On those facts Justice Falconer held at page 430 of the report as follows:

If the registered proprietor should commence a series of advertisements featuring his mark as part of an introductory campaign, prior to putting his

goods on the market under the mark, but before they were actually on the market, in my judgment such use would clearly be use of the mark in the

course of trade, not upon the goods or in physical relation thereto, but it would be in other relation thereto, the point being that it would be use in

the course of trade in those goods, albeit in advertisements.

60. Here there was only the solitary advertisement in 1985 and it was not followed up by any step to show the bona fide intention of the appellant

to use the trade mark in respect of washing machine and spin dryers. So the ratio in *Hermes*, instead of supporting the contentions of appellant,

goes against the same.

61. All the four decisions cited by the learned Counsel for the respondent for claiming benefit of special circumstances u/s 46(3) of the Act would

show that they were cases of interrupted use in the sense that the registered trade mark was in use at the inception but thereupon its use has been

interrupted as a result of some restrictions. The Bombay decision in *Plaza Chemical Industries* show that prior to the partition of the country the

owners of the trade mark were carrying on business in Delhi under the trade mark and after partition the business was shifted to Karachi in West

Pakistan. But even then the goods covered by the registered mark were being sold until the ban on import was imposed by the Government of

India. In spite of the ban the mark was used in India through series of advertisement in leading newspapers and journals which had wide circulation

in India. Therefore, the case of the owner of the trade mark was that as soon as the embargo would be lifted they would readily export their goods

to India. Temporary suspension of export is due to the restrictions imposed by the Government. On those facts the Court held, and in our view

rightly, that the temporary suspension of export cannot be a ground for rectification of the trade mark (para 2). The *Pepsi* decision in *Calcutta* case

shows that the marks *Pepsi Cola* and *Pepsi Co.* were registered in 1943 and 1957 respectively and the proprietors made bona fide use of those

marks in relation to the goods during the period between 1956 and 1960. In 1961 the Government of India imposed import restrictions on

consumer goods and in view of the same it was not possible for *Pepsi Co. Inc.* to import the ingredients to manufacture its product under the trade

mark. But during that period also *Pepsi Co.* make bona fide use of these marks in relation to the goods in the available limited market that is in the

bonded Warehouse, Foreign Embassies, Mission, Diplomats and UN Agencies in India. As such on those facts the application for rectification

was not granted and it was not a case of abandonment of the trade mark. The factual difference between the *Pepsi* case and the present case is so

vital that its ratio is not attracted to the present case.

62. In the case of "*Bali*" the facts were that since 1924 the *Berlei Company* manufactured and sold in the United Kingdom ladies' brassieres under

the registered mark Berlei. Between 1935 and 1939, the American Company Bali sold a small number of tailor made brassieres in the United

Kingdom under the trade mark ""Bali"" and in 1938 it obtained a registration of the word ""Bali"". Then with the war breaking out severe import

restrictions were imposed and that prevented the sale of ""Bali"" goods. After the removal of restriction in 1959, ""Bali"" reentered the United

Kingdom market and applied for registration of the word ""Bali"" in block letters. In 1960 the said application was opposed by Berlei and they also

applied for rectification of the register by removal of the mark ""Bali"" which is of 1939 registration. Ultimately Berlei's pleas were rejected by the

Court of Appeal. A perusal of the aforesaid facts will also show that it was a case of interrupted use.

63. The same is also true of the case of ""Bullova"" trade mark. Bullova was the proprietor of the registered trade mark of class 14 goods which

included watches since 8th June, 1949 Bullova was selling watches. The admitted period of non-use was between October 1955 to November

1960.

64. Here there was no use of the washing machine and spin dryers at any stage and restrictions were in force even before the application for

registration was made by the appellant. So there was no commercial viability in registration of trade mark in those goods from the very inception.

The only intention seems to be, as rightly held by the learned Single Judge, one of blocking the register.

65. In American Home Products Corporation Vs. Mac Laboratories Pvt. Ltd. and Another, , the provisions of Sections 46(1)(a) and 46(1)(b) of

the Act were construed. While construing those provisions, the learned Judges indicated that there are three periods which are to be considered in

order to ascertain the intention of the proprietors of the mark for bona fide use of the concerned goods. The first period would cover the events

which took place up to the date of the application of registration. The second period would cover the events which happened between the date of

registration and the date of application for rectification and the third period would cover the events which happened after filing of the rectification

application.

66. In this case it is common ground that even before registration the import restrictions were there. In spite of those restrictions registration was

sought for in 1971 by the appellant and it was granted. Thereafter there has been no use except the sole advertisement in 1985 which does not

amount to any use. So neither between the first, second and third period there has been any commercial use of the concerned goods against the

registered trade mark.

67. In the instant case the non-user by the registered owner is admitted. Therefore, the onus which is required to be discharged by the applicant for

rectification is not required since the case proceeds on admission. It is also admitted that such non-user is for a period of much more than 5 years.

In that view of the matter the proof of the lack of bona fides on the part of the registered owner also is not required as it is so palpable. This has

been made clear by the Hon^{ble} Supreme Court in American Home Products in paragraph 34. In paragraph 34 the learned Judges were dealing

with the question of burden of proof and in dealing with such question, the learned Judges held that where there has been a non-user of the trade

mark for a continuous period of 5 years, the applicant for rectification has only to prove such continuous period of non-user and is not required to

prove lack of bona fide intention on the part of the registered proprietor. But in a situation where non-user is for a period of less than 5 years the

persons seeking to rectify the register has not only to prove non-user for a requisite period but also to prove the lack of bona fides on the part of

the registered proprietor. In the admitted facts of this case, lack of bona fides is not required to be proved by the respondents/company nor in the

facts of the case any burden of proof is to be discharged by it since total non-user is admitted. It has also been made clear in paragraph 39 in

American Home Products that the intention to use the trade mark must exist at the date of the application for registration and such intention must

be genuine and bona fide one. This is stated to be a requirement u/s 46(1)(a). Admittedly, on the date of registration there is no bona fide intention

on the part of the applicant for registration as the applicant who is the appellant, knew on that date about the existing ban which does not make it at

all commercially viable to use the mark in respect of the goods.

68. The learned Judges in Home Products in paragraph 31 have made clear what are the conditions which are required to be satisfied in order to

apply for rectification under Clause (a) of Section 46(1). Those conditions are (a) the trade mark have been registered without the bona fide

intention on the part of the applicant for registration and (b) in fact, there has not been any bona fide use of the trade mark in relation to those

goods by the proprietor for the time being up to a date of one month before the date of application u/s 46(1).

69. Here the date of registration was 26.07.1971 and the date of rectification application was 30.05.1989. In between there has been no use of

the concerned goods by the registered proprietor except one advertisement which has already not been accepted by this Court as an instance of

use. Therefore, in the facts of this case, the order of the Deputy Registrar of rectification by deletion of two items namely electric washing machine

and spin dryers from the registered Trade Mark No. 273758 in Class 7 goods is quite justified. It appears that the registration in favour of the

appellant in class 7 goods was in respect of various other goods and out of those goods only two have been deleted.

70. This is quite permissible and is within the object and scope of Section 46 of the said Act. This has been made clear by the Supreme Court in

the case of Vishnudas Trading as Vishnudas Kishandas Vs. Vazir Sultan Tobacco Co. Ltd., Hyderabad and another, . The learned Judges have

held that considering the scheme of registration of the trade mark as envisaged in the said Act, the registration of a trade mark cannot be said to be

absolute, perpetual and invariable under all circumstances. The learned Judges have held as follows :

In our view, if a trader or manufacturer actually trades in or manufactures only one or some of the articles coming under a broad classification and

such trader or manufacturer has no bona fide intention to trade in or manufacture other goods or articles which also fall under the said broad

classification, such trader or manufacturer should not be permitted to enjoy monopoly in respect of all the articles which may come under such

broad classification and by that process preclude the other traders or manufacturers to get registration of separate and distinct goods which may

also be grouped under the broad classification.(Page 2288 of the report)

71. The same logic has been followed in this case by the Deputy Registrar. The learned Single Judge has also held that the appellants committed

the impropriety of blocking the register which is a facet of trafficking in trade mark.

72. The learned Counsel for the appellant has urged that there is nothing known as blocking the register and the same is not a ground for

rectification. This Court cannot accept the said contention. When a particular trade mark in respect of certain goods is obtained by the registered

proprietor but the registered proprietor does not deal in those goods at all, the obvious purpose is to prevent others from dealing with the goods.

Therefore, it does not become a bona fide use of the registered trade mark. The word ""bona fide use"" must be given a reasonable meaning. If the

trader seeks to block the register it cannot be said that he has used the trade mark in a bona fide manner. Therefore, obtaining the trade mark in

such a way as to prevent others who are dealing in similar class of goods from trading does not amount to a bona fide use of the goods. Such use

is obviously barred u/s 46(1)(a) of the Act. The learned Single Judge was right when he holds that there is nothing which can be called bona fide

use on the part of the appellants and the appellants are not entitled to any relief u/s 46(1)(a) even if it is assumed that the appellants are entitled to

relief u/s 46(1)(b) in view of special circumstances u/s 46(3).

73. The learned Counsel for the respondents on the basis of the cross-appeal has urged that the appellants are not entitled to the relief u/s 46(1)

(b). But in view of the facts of this case which make the case against the appellants u/s 46(1)(a) so very clear that this Court need not decide the

said cross-appeal in any detail. This Court is of the view that the decision of the learned Judge u/s 46(1)(a) was right and the rectification which has

been ordered by the Registrar cannot be interfered with.

74. In view of the reasons discussed above, no order need be passed on the cross-appeal and the main appeal is dismissed only with this rider that

the order of the Deputy Registrar is to be read as restricting the rectification only to two items, namely electric washing machine and spin dryers

and not in respect of rectification of the entire goods under class 7.

75. There will be no order as to costs.

76. Urgent xerox certified copy of the order be made available to the parties, if applied for.

Tapan Kumar Dutt, J.

I agree.

Later:

77. Prayer for stay is considered and rejected.