

**HIGH COURT OF GUJARAT (D.B.)**

**CROMPTON GREAVES LTD**

*Versus*

**MADANLAL MUNSHIRAM AGRAWAL AND ORS**

**Date of Decision:** 30 August 2013

**Citation:** 2013 LawSuit(Guj) 1239

**Hon'ble Judges:** [Bhaskar Bhattacharya](#), [J B Pardiwala](#)

**Case Type:** Special Civil Application

**Case No:** 10559 of 2012

**Subject:** Civil, Intellectual Property Rights

**Acts Referred:**

[Code Of Civil Procedure, 1908 Sec 11](#)

[Trade And Merchandise Marks Act, 1958 Sec 21, Sec 109](#)

[Trade Marks Act, 1999 Sec 47, Sec 33, Sec 11, Sec 57](#)

**Final Decision:** Petition dismissed

**Advocates:** [M R Kane](#), [R C Jani](#), [R C Jani & Associate](#), [M K Vakharia](#), [Y J Trivedi](#)

**Cases Referred in (+): 20**

**J. B. Pardiwala, J.**

**[1]** This is an application at the instance of an unsuccessful applicant of an Application bearing No.ORA/214/2007/TM/AMD for removal of trade mark from the register under Sections 11, 47 and 57 of the Trade Marks Act, 1999 filed before the Intellectual Property Appellate Board and is directed against the order dated 6th January 2012 by which the Appellate Board rejected the application on the grounds of acquiescence, delay, laches, finality of the earlier decision and suppression of material facts.

**[2]** The case made out by the petitioner in this petition may be summarized as under:

2.1 The petitioner is a public company incorporated under the Companies Act, 1956 having its registered office at CG House, 6th Floor, Dr. Annie Besant Road, Worli, Mumbai.

2.2 The petitioner is a registered owner of the copyright in the mark "CROMPTON GREAVES" and is also the registered proprietor of the trademark "CROMPTON GREAVES" in respect of a wide range of goods falling in different classes including inter alia the registration in Class-7 covering pumps, motors and related goods.

2.3 The petitioner has been using the mark "CROMPTON" in UK in respect of Motors, Pumps, Generators etc., including but not limited to Diesel Engine and Motors since the year 1878, duly promoted by the illustrious Colonel R.E. Crompton in the name and style of "R.E.B. Crompton & Company". The name of this Company in UK was subsequently changed to "Crompton & Company Limited".

2.4 In 1927, the UK Company, referred to above, namely "Crompton & Company Limited" merged with yet another UK based Company called as "F&A Parkinson Limited" to form a new Company in the name and style of Crompton Parkinson Limited, UK (CPL-UK).

2.5 In 1859, a Company by the name of Greaves Cotton & Company was independently founded in India and in 1950 it changed its name to Greaves Cotton & Co Limited (GCCL) and extensively carried out activities of sale, erection and servicing electrical equipment of all types including Diesel Engines and Motors in India ever since 1859.

2.6 On 28th April, 1937, the company, namely, Crompton Parkinson Limited, UK (CPL-UK) set up a manufacturing facility at Worli, Mumbai in India in the name & style of Crompton Parkinson (Works) Limited (CPWL) to manufacture ceiling fans and industrial motors. The said Crompton Parkinson (Works) Limited (CPWL) of India was a wholly owned subsidiary of Crompton Parkinson Limited, UK.

2.7 On 7th June, 1937 the Companies referred to herein above merged together i.e. Greaves Cotton & Co Limited (GCCL) formed a Joint Venture Company with Crompton Parkinson Limited of UK (CPL- UK); this merged entity in India was called as "Greaves Cotton & Crompton Parkinson Limited" (GCCPL).

2.8 In the meanwhile, the ownership of GCCL passed into the hands of an eminent Indian Industrialist Lala Karamchand Thapar, and they later on acquired CPWL of India.

2.9 By a scheme of amalgamation sanctioned by Bombay High Court on 28th July, 1966 between Greaves Cotton & Crompton Parkinson Limited (GCCL) with Crompton Parkinson (Works) Limited (CPWL), a totally new entity called CROMPTON GREAVES LIMITED came into existence in India. The Applicant has

therefore been a single and continuous entity using the mark "CROMPTON" in respect of all its goods including the ceiling fans and industrial motors, Agricultural Motors & Pumps, Generators, Diesel Engines and Motors. The said Crompton Greaves Limited (CG) is the petitioner herein.

2.10 The mark "CROMPTON" was registered in India under Class 7, 9 and 11 in the name of Crompton Parkinson of UK under TM Registration No. 15580, 15581, 15582 and 292325-B.

2.11 The petitioner Crompton Greaves Limited (CG) was initially a Licensed User of the mark CROMPTON in the above stated Classes and subsequently, it became a Registered User of the same under RU Agreement dated 11.05.1976 with Crompton Parkinson. The user of the mark "CROMPTON" by the petitioner (CG) thus dates back to the inception of its partner's user in the year 1937. It is a matter of record that the mark CROMPTON was first adopted in 1937 and extensively used by Crompton Parkinson with effect from 1937 and later on the said user was adapted by Crompton Greaves (CG), the petitioner herein under the said LU and RU Agreements.

2.12 The petitioner (CG) has been continuously using the mark "CROMPTON" for all its goods in various classes and is now a well known public listed MNC of Indian origin having businesses that run in 45 countries across the globe, with a consolidated turnover of more than \$ 2.23 Billion. The mark "CROMPTON" has been exclusively associated with the petitioner company only and is thus per se distinctive in nature. The persons in the trade and other general consumers often associate the mark "CROMPTON" exclusively with the petitioner (CG) on account of its first, continuous and extensive use of the mark CROMPTON. The petitioner has already furnished details of over 1200 dealers across India, and its various expenditures relating to use of the mark CROMPTON, including causing of the advertisements and promotional activities in the name and style of CROMPTON. The above said data is already on record.

2.13 The petitioner (CG) now has various registrations for the mark "CROMPTON", "CG" and "CROMPTON GREAVES", including that in Class 7 in respect of Pumps, Diesel Engines & Motors, a list whereof is already been submitted and the same is on record. It is a matter of record that the petitioner acquired the finer aspects of this Diesel Engine business from GCCL in 1966, even though it already had its presence in this sector. Thus, user of CG in respect of Diesel Engines and Motors dates prior to 1966. It is again a matter of record that CG also has a copyright registration of the words "Crompton Greaves" and the same is also on record.

2.14 It is the case of the petitioner that the respondent no.1 is in the business of manufacturing/marketing of "diesel oil engines and parts thereof" under the trademark "Crompton". It is alleged that the respondent no.1 has copied the prefix as well as the suffix of the petitioner's well-known and registered trademark as well as petitioner's well established corporate name, namely, "crompton greaves". The registration and use of almost identical trademark "crompton" under No.433540 in Class-7 in the name of the registered proprietor i.e. the respondent no.1 in respect of diesel engines and parts thereof is causing confusion and deception amongst the trade and public. According to the petitioner, in addition to the above, extensive goodwill and reputation enjoyed by the petitioner's trademark "crompton", "crompton greaves" popularly known by its abbreviated form "CROMPTON" is getting diluted by the use and registration of almost identical trademark "CROMPTON" in the name of the respondent no.1.

2.15 It is alleged that the registration of a similar trademark "CROMPTON" in the name of the respondent no.1 is against the public interest and purity of the register of trademarks.

2.16 In such circumstances, the petitioner preferred an application for removal of the trademark from the register or rectification of the register under Sections 11, 47 and 57 of the Trade Marks Act, 1999 before the Intellectual Property Appellate Board at Chennai on the ground that the registration no.433540 in Class-7 was registered without any sufficient cause and was thus wrongly remaining on the register of the trademarks and should necessarily be removed/expunged therefrom.

2.17 The respondent no.1 herein appeared before the Intellectual Property Appellate Board and opposed the application filed by the petitioner for rectification substantially on the ground that they have been using the trademark "CROMPTON" openly, extensively and continuously since the year 1973 and by virtue of such long user the said trademark has come to be extensively associated with the respondent no.1.

2.18 It was submitted before the Appellate Board that the respondent no.1 was the registered proprietor of trademark label "CROMPTON" in Class-7 under no.433540 as of 7th February 1985 in respect of the "diesel oil engines and parts thereof".

2.19 It was also pointed out by the respondent no.1 herein before the Board that they were the registered proprietors of trademark/label "CROMPTON" in Class-7 under no.691572 as of 10th November 1993 in respect of "diesel oil engines and

parts thereof". The trademark was advertised in the trademark journal no.MEGA1 dated 25th August 2003 at page nos.86 and 87.

2.20 The respondent no.1 further brought to the notice of the Appellate Board that they had applied for the registration of the trademark "CROMPTON" under TMA No.321116 in Class-7 as of 14th December 1976 in respect of "diesel oil engines and parts thereof". The same was advertised in TNJ No.694 dated 1st May 1978 at page no.81.

2.21 The respondent no.1 further pointed out to the Board that M/s.Crompton Parkinson Limited, Leeds, UK, had filed opposition to the registration of their trademark no.433540 in Class-7 at the application stage which was numbered as opposition no.AMD-856. Such opposition was disallowed and their trademark was allowed to proceed to registration vide order of the Registrar dated 8th February 1996. It was also pointed out to the Board that one Ms.Feroza Driver, an employee of the petitioner herein, had filed an affidavit dated 19th November 1991 in support of M/s.Crompton Parkinson Limited thereby suggesting that the petitioner herein was aware of the use of the trademark "CROMPTON" by the respondent no.1 in the year 1991.

2.22 The Appellate Board after taking into consideration the case of the petitioner herein and the stance of the respondent no.1 came to the conclusion that the application filed by the petitioner for rectification deserved to be rejected on the grounds of acquiescence, delay, laches, res judicata and suppression of material facts and accordingly rejected the application with costs of Rs.10,000/-.

2.23 At this stage, it may not be out of place to reproduce the relevant findings recorded by the Appellate Board in the order impugned.

"The respondent in the counter stated that they have been dealing in Diesel oil engines and parts thereof under the mark Crompton for more than four decades. This mark was advertised in the Trade Mark Journal No.952. They are also the registered proprietor of the label Crompton under No. 611572 as of 10.11.1993. The Impugned mark has been registered as of 7.02.1985. Crompton Parkinson limited filed an opposition and this was disallowed and the trade mark proceeded to registration by order dated 08.02.1996. Ms. Feroza Driver employee of the applicant company had filed an affidavit on 19.11.1991 in the said opposition proceedings. So the present applicants were aware of the use of the mark in 1991 itself. The appeal was filed before the Hon'ble Gujarat High Court and it was dismissed. According to the respondent, they have acquired valuable goodwill and reputation in respect of their goods under this mark. The applicant had acquiesced

in their use and registration. The rectification has been filed beyond time. For 35 years, both have co-existed without any instance of confusion. The class of purchasers are different and the trade channels are also different. There is no dishonesty in adoption. The rectification petition should be dismissed.

Both the counsel argued at length on the adoption and user of their respective marks. The learned counsel for the applicant took us through the long history of their company right from the time of Col. Crompton adopted this word. It is not necessary to deal with all this, considering the special circumstances of this case. The earlier opposition proceedings with regard to the same mark is an important feature of this case. The applicant is bound to explain the circumstances under which this rectification application can be maintained after those opposition proceedings were disallowed.

We called for the record of the opposition proceedings from the Trade Mark Registry, in the evidence in support of opposition filed there by one Ms. Lois Jane Margaret Connor, it is stated that word "Crompton" forms the essential feature of the trading style of my company and its licensees in India, viz. "CROMPTON GREAVES LIMITED". Therefore, the applicant herein stressed its right to the mark Crompton in the earlier proceedings. This evidence also states that the company adopted the trade mark in or about the year of incorporation, which is 1913 and that it is identified with the company and its licensees.

There is another evidence in support of opposition signed by Ms. Feroza Driver. She is a legal officer of Crompton Greaves Limited, the applicant therein. It is stated in paragraph (2) "I am aware that Crompton Parkinson Limited of England are registered proprietors of the trade mark "Crompton". There is yet another evidence in support of opposition filed by one Mr. Arun Majumdar who is Law Executive of Crompton Greaves Limited and speaks of the opposition proceedings. On the basis of this evidence, the opposition proceedings were heard. There was a detailed order. The entire evidence was considered and the Assistant Registrar of Trade Marks by order dated 08.02.1996 found that all the affidavits filed by the opponents are faulty and that the opponents have not established that the mark applied for by the applicants will cause confusion, the goods covered under the rival marks are totally different. The Assistant Registrar on a perusal of all the documents namely, the Bill books of the applicant (the respondent herein) since year 1973 found that there was honest and concurrent user. Therefore, the mark proceeded to registration. Against this the opponent (the licensor of the applicant herein) admittedly filed appeal No.10 of 1996. This was dismissed for non-prosecution on 08.10.2002 by the Hon'ble Gujarat High Court.

We have gone through the annual reports, certificate of registration etc. filed by the applicant herein. We need to look into it only if we are satisfied with the conduct of the applicant herein. The learned counsel appearing for the applicant tried to explain how the Law Executive of the applicant could not have bound the applicant by any statement made in the opposition proceedings. It is not only Ms. Feroza Driver's evidence in opposition, there is evidence of Mr. Lois Jane Margaret Connor and also Mr. Majumdar's. All of them have categorically stated that the applicant is licensee of the mark Crompton from opponent in the earlier proceedings. All the grounds that are stated in the present rectification proceedings were raised by the applicant's licensor and/or parent company and they were rejected. It would be a mockery of justice to require the respondent to fight the battle all over again after a period of time. When the right to the mark gets transferred either by act of parties or by operation of law, the applicant must be deemed to have knowledge of the existence of the respondent from 1991, the date on which their law officer signed the evidence in support of opposition or at least from 1996, the date of the order, in 2002, the appeal was dismissed and the order shows that the counsel for the respondent herein had appeared before the Hon'ble Gujarat High Court after due notice. Even thereafter, the applicant has taken five years to file this rectification application. In *Khoday India Ltd. Vs Scotch Whisky Association and Ors* the Supreme Court was of the opinion that the explanation offered for the delay was hollow. The applicant had allowed the respondent to grow in strength from 1996. Even in 1996, the opponent could not show that there was instance of confusion. Before us there is no reference to the earlier proceedings in the present rectification application. We expect a company of such a repute as the applicant to place all the facts before the Court and seek proper relief. Instead, they have given explanations regarding the earlier proceedings only after it was pointedly raised in the counter. It is a matter of public policy that there must be finality to decisions. This is the principle on which Section 11 CPC is founded. While it may be argued that this cannot be strictly applied to opposition proceedings and the rectification application, in the present facts, on the ground of public policy we will not entertain this application.

In the present case, the appeal has also been dismissed by the Hon'ble Gujarat High Court.

On the grounds of acquiescence, laches, finality of the earlier decision, and withholding of material facts, ORA dismissed with cost of Rs.10,000/-. The Miscellaneous Petition becomes infructuous."

2.24 Feeling dissatisfied with the order passed by the Appellate Board, the petitioner has come up with this petition.

**[3] Submissions ON BEHALF OF THE PETITIONER**

3.1 Mr.Kane, the learned counsel appearing with Mr.R.C.Jani for the petitioner vehemently submitted that the Appellate Board failed to consider the mala fides on the part of the respondent no.1 in applying for the same mark "CROMPTON" and that too in the same class and mark for the same goods, especially when he had no natural association with the mark "CROMPTON".

3.2 The learned counsel submitted that the Appellate Board ought to have appreciated an important question of fact that the respondent no.1 applied for the same mark "CROMPTON" four times vide applications dated 14th December 1976, TM No.321116, class-7, 7th February 1985, TM No.433540, Class-7, 10th November 1993, TM No.611572, Class-7 and 27th June 2008, TM No.1704655, Class-7, thereby suggesting that the respondent herein wanted to encash on the goodwill and reputation of the petitioner's mark.

3.3 The learned counsel submitted that the Appellate Board failed to appreciate that the impugned trademark 433540 in class-7 was, in fact, in the name of an individual (Mr.Madanlal Munshiram Agrawal) and thereafter (TM-24) had been filed on record during the lifetime of the said proprietor. In such circumstances, the Appellate Board failed to appreciate that the said mark was no longer valid and was consequently remaining wrongly on the register of the trademarks upon the death of the said proprietor.

3.4 The learned counsel submitted that the Appellate Board committed serious error in rejecting the rectification application on the ground of res judicata. According to the learned counsel, the earlier proceedings under Section 21 of the Trade and Merchandise Marks Act, 1958 were proceedings between M/s.Crompton Parkinson Limited of Leeds, LS29, NZ, England on one hand and M/s.Hindustan Trading Corporation i.e. the respondent no.1 herein on the other. The learned counsel tried to impress upon us that M/s.Crompton Parkinson Limited of Leeds is altogether a different company and it does not have any common shareholding and no common business strategy.

3.5 The learned counsel very assiduously submitted that the Appellate Board erroneously arrived at the finding that the petitioner herein had acquiesced the fact of registration and user of the mark "CROMPTON" as it was aware of the failure of opposition proceedings that had led to the registration of the mark in favour of the respondent no.1. According to the learned counsel, the principle of acquiescence are not applicable in a case where the statute specifically permits a "person

aggrieved" to file rectification proceedings and the petitioner herein is a person aggrieved.

3.6 The learned counsel submitted that the Appellate Board committed a serious error in relying on the affidavits filed by the employees of the petitioner company in the earlier round of proceedings between M/s.Crompton Parkinson Limited of Leeds and the respondent no.1 herein. According to the learned counsel, the reliance on the affidavits to show acquiescence on the part of the petitioner was misconceived and a grave error on the part of the Appellate Board.

3.7 The learned counsel lastly contended that although Section 33 of the Act 1999 stipulates that the proprietor of the earlier trademark or other earlier right cannot test the validity of the registration of a subsequent trademark, if he has acquiesced in the use of the subsequent trademark for continuous period of five years, it also speaks about good faith. According to the learned counsel, Section 33 should not come in the way of the petitioner because the petitioner has been able to demonstrate that the registration of the latter trademark was not applied in good faith.

3.8 In such circumstances, referred to above, Mr.Kane submits that there being merit in this petition, the same deserves to be allowed and the order passed by the Appellate Board be set aside.

#### **[4] Submissions ON BEHALF OF THE RESPONDENT NO.1**

4.1 Mr.Y.J.Trivedi, the learned counsel appearing for the respondent no.1 submitted that the Appellate Board committed no error, not to speak any error of law, in passing the order impugned warranting any interference at the hands of this Court. Mr.Trivedi submitted that M/s.Crompton Parkinson Limited, Leeds, had filed the opposition to the registration of his clients trademark no.433540 in Class-7 at the application stage, which was numbered as Opposition No.AMD-856. The said opposition was disallowed and his client's trademark was allowed to proceed to registration vide order of the Registrar dated 8th February 1996.

4.2 Mr.Trivedi submitted that one Ms.Feroza Driver, an employee of the petitioner company, had filed an affidavit dated 19th November 1991 in support of the opponents therein i.e. M/s. Crompton Parkinson Limited. Relying on such affidavit, Mr.Trivedi submitted that the petitioners were aware of the use of the trademark "CROMPTON" by his client in the year 1991.

4.3 Mr.Trivedi also brought to our notice that M/s.Crompton Parkinson Limited had also filed an appeal before this High Court being Appeal No.10 of 1996 under

Section 109 of the Act of 1958. Mr.Trivedi submitted that the said appeal was dismissed vide order dated 8th October 2002 on a statement being made by the learned counsel who was appearing for M/s.Crompton Parkinson Limited that in spite of his best efforts he was not able to get response from the company. In such circumstances, the learned Single Judge of this Court dismissed the appeal. Thus, according to Mr.Trivedi the order dated 8th February 1996 passed by the Assistant Registrar of Trademarks got affirmed.

4.4 Mr.Trivedi submitted that the registered trademark "CROMPTON" was conceived and adopted by his clients way back in the year 1973 to the knowledge of the petitioner. His clients have been using the mark concurrently and continuously. His client have put in lot of hard work and have also spend a substantial sum of money to popularize the trademark in respect of the goods for which it was registered.

4.5 Mr.Trivedi submitted that his clients have achieved a valuable goodwill and reputation of their own by virtue of the long, exclusive and uninterrupted use of the mark in respect of the "diesel oil engines and parts thereof".

4.6 In such circumstances, referred to above, Mr.Trivedi submits that there being no merit in this petition the same may be rejected.

**[5]** Thus, having heard the learned counsel appearing for the respective parties and having gone through the materials on record, the only question that falls for our consideration in this petition is whether the Appellate Board committed any error in passing the order impugned.

**[6]** Before advertng to the rival submission canvassed on either side, it will be profitable for us to consider few relevant provisions of the Trade Marks Act 1999.

"11. Relative grounds for refusal of registration.-(1) Save as provided in section 12, a trade mark shall not be registered if, because of-

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

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

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

(2) A trade mark which-

(a) is identical with or similar to an earlier trade mark; and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered in the name of a different proprietor,

shall not be registered if or to the extent the earlier trade mark is a well-known trade mark in India and the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.

(3) A trade mark shall not be registered if, or to the extent that, its use in India is liable to be prevented-

(a) by virtue of any law in particular the law of passing off protecting an unregistered trade mark used in the course of trade; or

(b) by virtue of law of copyright.

(4) Nothing in this section shall prevent the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration, and in such case the Registrar may register the mark under special circumstance under section 12.

Explanation.-For the purposes of this section, earlier trade mark means-

(a) a registered trade mark or convention application referred to in section 154 which has a date of application earlier than that of the trade mark in question, taking account, where appropriate, of the priorities claimed in respect of the trade marks;

(b) a trade mark which, on the date of the application for registration of the trade mark in question, or where appropriate, of the priority claimed in respect of the application, was entitled to protection as a well-known trade mark.

A trade mark shall not be refused registration on the grounds specified in sub-sections (2) and (3), unless objection on any one or more of those grounds is raised in opposition proceedings by the proprietor of the earlier trade mark.

(6) The Registrar shall, while determining whether a trade mark is a well-known trade mark, take into account any fact which he considers relevant for determining a trade mark as a well-known trade mark including-

(i) the knowledge or recognition of that trade mark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trade

mark;

(ii) the duration, extent and geographical area of any use of that trade mark;

(iii) the duration, extent and geographical area of any promotion of the trade mark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trade mark applies;

(iv) the duration and geographical area of any registration of or any application for registration of that trade mark under this Act to the extent they reflect the use or recognition of the trade mark;

(v) the record of successful enforcement of the rights in that trade mark, in particular, the extent to which the trade mark has been recognised as a well-known trade mark by any court or Registrar under that record.

(7) The Registrar shall, while determining as to whether a trade mark is known or recognised in a relevant section of the public for the purposes of sub-section (6), take into account-

(i) the number of actual or potential consumers of the goods or services;

(ii) the number of persons involved in the channels of distribution of the goods or services;

(iii) the business circles dealing with the goods or services, to which that trade mark applies.

(8) Where a trade mark has been determined to be well-known in at least one relevant section of the public in India by any court or Registrar, the Registrar shall consider that trade mark as a well-known trade mark for registration under this Act.

(9) The Registrar shall not require as a condition, for determining whether a trade mark is a well-known trade mark, any of the following, namely:-

(i) that the trade mark has been used in India;

(ii) that the trade mark has been registered;

(iii) that the application for registration of the trade mark has been filed in India;

(iv) that the trade mark-

(a) is well-known in; or

(b) has been registered in; or

(c) in respect of which an application for registration has been filed in, any jurisdiction other than India; or

(v) that the trade mark is well-known to the public at large in India.

(10) While considering an application for registration of a trade mark and opposition filed in respect thereof, the Registrar shall-

(i) protect a well-known trade mark against the identical or similar trade marks;

(ii) take into consideration the bad faith involved either of the applicant or the opponent affecting the right relating to the trade mark.

(11) Where a trade mark has been registered in good faith disclosing the material informations to the Registrar or where right to a trade mark has been acquired through use in good faith before the commencement of this Act, then, nothing in this Act shall prejudice the validity of the registration of that trade mark or right to use that trade mark on the ground that such trade mark is identical with or similar to a well-known trade mark.

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 Appellate Board by any person aggrieved on the ground either-

(a) that the trade mark was registered without 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 tribunal is of opinion that he might properly be permitted so to register such a trade mark, the tribunal 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 Appellate Board 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.

Power to cancel or vary registration and to rectify the register.-

(1) On application made in the prescribed manner to the Appellate Board or to the Registrar by any person aggrieved, the tribunal may make such order as it may think fit for cancelling or varying the registration of a trade mark on the ground of any contravention, or failure to observe a condition entered on the register in relation thereto.

(2) Any person aggrieved by the absence or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to the Appellate Board or to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as it may think fit.

(3) The tribunal may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the register.

(4) The tribunal, of its own motion, may, after giving notice in the prescribed manner to the parties concerned and after giving them an opportunity of being heard, make any order referred to in sub-section (1) or sub-section (2).

(5) Any order of the Appellate Board rectifying the register shall direct that notice of the rectification shall be served upon the Registrar in the prescribed manner who shall upon receipt of such notice rectify the register accordingly."

**[7]** On plain reading of Section 57 of the Act 1999, it is clear that Sub-section (1) and (2) enables a person aggrieved to apply to the Appellate Board or the Registrar for canceling or varying the registration of the trademarks, inter alia, on the ground of contravention or failure to observe any conditions entered on the register or absence or omission of any entry from the register or entry wrongly remaining or without sufficient cause. Sub-section (3) empowers the Tribunal to decide any question as may be necessary in connection with the rectification. Sub-section (4) empowers the Tribunal to rectify the register on the grounds specified above on its own motion after giving an opportunity of being heard to the parties concerned. Sub-section (5) enables the Registrar to rectify the register pursuant to an order of the Board to rectify the register.

**[8]** As observed by the Supreme Court in [National Bell Co. v. Goods Manufacturing Company \(P\) Ltd](#), 1970 3 SCC 665 that Section 56 (now Section 57) deals with the power to cancel or vary the registration and to rectify the register. Sub-section (2) thereof confers a right to any person "aggrieved" by an entry made in the register to apply to the tribunal for expunging or varying such an entry.

**[9]** Since the order impugned passed by the Appellate Board is substantially based on the principles of acquiescence, delay and laches, it will be profitable to take note of the position of law on the subject.

**[10]** The principles of waiver and acquiescence have been explained at length by the Supreme Court in the well-known decision of [Khoday Distilleries Limited v. Scotch Whisky Association and Others](#), 2008 10 SCC 723. In that case, the appellant before the Supreme Court was a company incorporated under the Companies Act and was engaged in the manufacturing of whisky under the mark "Peter Scot". The manufacture of the said product was started by the company in May 1968 and an application was filed by it for registration of its mark before the authority concerned. The appellant was informed that its application was accepted and it was allowed to proceed with the advertisement subject to the condition that the mark would be treated as associated with Reg. TM.No.249226-B. The respondents before the Supreme Court came to know of the appellant's mark on or about 20th September 1974. They filed an application for rectification of the said trademark on 21st April 1986. A suit for passing off had also been filed by the first respondent and others in the Bombay High Court. While opposing the rectification application before the authority concerned, the appellants raised the plea of acquiescence/delay which was negatived on the ground that the plea of deceptive element in the impugned mark having neither been displaced nor rebutted by any evidence on the part of the registered proprietors, the plea of delay and acquiescence was not tenable in favour of the registered proprietors.

10.1 An appeal was preferred there against by the appellant before the High Court in terms of Section 109 of the Act. A learned Single Judge of the High Court dismissed the said appeal. Feeling aggrieved an intra-court appeal was preferred there against by the appellant. A Division Bench of the High Court dismissed the said appeal. Accordingly, Special Leave to Appeal was filed before the Supreme Court and before the Supreme Court it was contended that the long delay of 14 years caused in filing the rectification application ought to have been held fatal having regard to the fact that the same caused immense prejudice to the appellant, as in the meantime, the sale of the appellant had gone manifolds. It was submitted before the Supreme Court that the acquiescence on the part of the respondents would amount to waiver, if not abandonment, of their right as any order passed for

rectification of the mark being unconscionable and inequitable, the same should not have been allowed.

10.2 In the aforesaid background, the Supreme Court, while allowing the appeal of the appellant observed as under:

"27. Section 56 of the Act provides for filing of application and application for rectification and, thus, should be considered only from that point of view. Registration of a trade mark is governed by the provisions of the Act. Section 9 thereof provides for restrictions for registration in Parts A and B of the Register unless the essential particulars laid down therein are satisfied. It provides for a detailed enquiry. An advertisement has to be issued. Objections are to be called for. Only upon proof of existence of one or the other essential particulars therein and upon consideration of the objections which may be raised therein, the registration of mark may be allowed.

28. Sections 10 to 14 provide for prohibitions. The prohibitory provisions, therefore, are required to be taken into consideration for the purpose of registration of the mark. The question as to whether the use of a mark would likely to deceive or cause confusion so as to disable the Registrar from registering the mark as a trade mark would be necessary to be considered only in the course of the enquiry conducted therefor. A Registrar of Trade Mark is not supposed to know that there exist other marks which are registered or which would deceive or cause confusion with any other established mark. In a given case, the Registrar of Trade Mark may be aware thereof. But, in some cases, he may not be. It may, therefore, not be correct to contend that Section 11 of the Act prohibits the Registrar for registration of marks which would likely to deceive or cause confusion.

29. Indisputably, the purity of the Registrar is to maintain the register. Indisputably again, the public interest has to be kept in view. An application for registration has also to be considered keeping the public interest in view. What is therefor, necessary for the Registrar is to arrive at a conclusion as regards registration of mark, is as to whether having regard to the nature of the mark sought to be registered and the use thereof as also the class of bias, would be deceived or confused with the mark registered or not.

30. An application for rectification and correction of the register may be entertained if any of the grounds specified therein exists, viz., contravention or failure to observe the condition entered on the register or in relation thereto. An application for rectification and correction of the register would also be maintainable if a person is aggrieved by the absence or omission from the register of any entry or by

any entry made in the register without sufficient cause or by any entry wrongly remaining on the register or by any error or defect in any entry in the register.

31. The power of the Registrar in terms of Section 56 of the Act is wide. Sub-section (2) of Section 56 of the Act used the word "may" at two places. It enables a person aggrieved to file an application. It enables the Tribunal to make such order as it may think fit. It may not, therefore, be correct to contend that under no circumstances the delay or acquiescence or waiver or any other principle analogous thereto would apply. Purity of register as also the public interest would indisputably be relevant consideration. But, when a discretionary jurisdiction has been conferred on a statutory authority, the same although would be required to be considered on objective criteria but as a legal principle it cannot be said that the delay leading to acquiescence or waiver or abandonment will have no role to play. [See Ciba Ltd. Basle Switzerland v. M. Ramalingam and S. Subramaniam trading in the name of South Indian Manufacturing Co., 1958 AIR(Bom) 56. In determining the said question, therefore, conduct of the person aggrieved in filing the application for rectification would be relevant. For the aforementioned purpose, whether it is a class or group action or a private action although would be relevant but may not be decisive. It is one thing to say that class or group action will receive special attention of the statutory authority vis-à-vis a private action. But, in both types of cases, public interest should remain uppermost in the mind of the authority. The question which is required to be posed therefor would be as to whether the public in general or the class of bias would be deceived or be confused if the existing mark is allowed to remain on the register. Thus, deceptively similar or confusion is the principal criteria for determining applications both for registration as also for rectification.

32. We have noticed hereinbefore that it is not the case of the respondents that any fraud was practised by the appellant. Appellant started manufacturing of the product as far back as in the year 1968. It marketed two brand names, viz., Peter Scot and Red Knight. It is said to have been done for making the name attractive. It was a period when there were restrictions on import of Whisky. The custom duty was high. The price of a genuine Scotch Whisky was prohibitive for a large section of the consumers. Appellant applied for registration in the year 1971.

36. It is, therefore, evident that whereas actions had been taken against each and every party throughout the world whenever a mark evocating Scotland or any other brand which remained in the minds of the buyer of the Scotland had been opposed, the appellant was singularly left out. They opposed to the registration of the mark and in fact issued a notice. If it had issued a notice then there is absolutely no reason as to why they did not pursue the same. A notice was issued in relation to

an attempt made by the appellant to get the name Hogmanay registered. If such an opposition had been made even in relation to the registered proprietors trade mark Peter Scot, as it did in the case of Hogmanay, it could have withdrawn its application. It would have known its position as to where it stood. It could have started manufacturing Whisky of the same quality with a different brand name.

43. The principles of waiver and acquiescence in a case of this nature are applicable. Apart from the ordinary rule of waiver of a right expressly provided for in a case of passing off, the court has consistently been noticing development of law in this field. The principles in that behalf were laid down by way of provender in [Scotch Whiskey Association and another v. Pravara Sahakar Shakar Karkhana](#), 1992 AIR(Bom) 294.

44. The development of law was also noticed by the Court of Appeal in [Habib Bank Ltd. v. Habib Bank, A.G. Zurich](#), 1981 1 WLR 1265, in the following terms:-

We were again referred to many authorities on this subject and to the debate which has taken place as to whether, in order to succeed in a plea of acquiescence, a defendant must demonstrate all the five probanda contained in the judgment of Fry J. in *Willmott v. Barber*, 1880 15 Ch 96: see the recent judgment of Robert Goff J. in [Amatgamated Investment & Property Co. Ltd. v. Texas Commerce International Bank Ltd.](#), 1981 2 WLR 554. Whether all five of those probanda are necessary or not, Mr. Aldous submits that to succeed HBZ must at least establish three things. They must show, first, that HBZ have been acting under a mistake as to their legal rights. That, in the instant case, must mean that they were unaware that what they were doing (that is to say, carrying on their business under the name in which they had been incorporated with the active assistance of the plaintiffs' predecessors), constituted any invasion of the plaintiffs' rights. Secondly, they must show that the plaintiffs encouraged that course of action, either by statements or conduct. Thirdly, they must show that they have acted upon the plaintiffs' representation or encouragement to their detriment.

45. Noticing various other decisions, Oliver, L.J., noticing a decision in [Taylor Fashions Ltd. v. Liverpool Victoria Trustees Co. Ltd.](#), 1981 2 WLR 576 opined :-

"Furthermore the more recent cases indicate, in my judgment, that the application of the *Ramsden v. Dyson*, L.R. 1 H.L. 129 principle 'whether you call it proprietary estoppel, estoppel by acquiescence or estoppel by encouragement is really immaterial' requires a very much broader approach which is directed rather at ascertaining whether, in particular individual circumstances, it would be unconscionable for a party to be permitted to deny that which, knowingly, or

unknowingly, he has allowed or encouraged another to assume to his detriment than to inquiring whether the circumstances can be fitted within the confines of some preconceived formula serving as a universal yardstick for every form of unconscionable behaviour."

It was held :

"I have to acknowledge my indebtedness to counsel on both sides for some illuminating arguments, but at the end of them I find myself entirely unpersuaded that the judge erred in any material respect. He concluded his judgment in this way on the question of estoppel :

'Of course, estoppel by conduct has been a field of the law in which there has been considerable expansion over the years and it appears to me that it is essentially the application of a rule by which justice is done where the circumstances of the conduct and behaviour of the party to an action are such that it would be wholly inequitable that he should be entitled to succeed in the proceeding.'

That, to my mind, sufficiently appears on the facts of this case."

Thus, in cases involving equity or justice also, conduct of the parties has also been considered to be a ground for attracting the doctrine of estoppel by acquiescence or waiver for infringement.

46. This Court also in [M/s. Power Control Appliances and others v. Sumeet Research and Holdings](#), 1994 2 SCC 448 held :-

"26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In *Harcourt v. White Sr. John Romilly* said: 'It is important to distinguish mere negligence and acquiescence.' Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in *Mouson (J.G.) & Co. v. Boehm*. The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendant as was laid down in *Rodgers v. Nowill*"

47. The question again came up for consideration before this Court in [Ramdev Food Products \(P\) Ltd. v. Arvindbhai Rambhai Patel and others](#), 2006 8 SCC 726 wherein

it was held :-

"103. Acquiescence is a facet of delay. The principle of acquiescence would apply where: (i) sitting by or allowing another to invade the rights and spending money on it; (ii) it is a course of conduct inconsistent with the claim for exclusive rights for trade mark, trade name, etc."

The delay by itself, however, may not be necessarily a ground for refusing to issue injunction. It was opined :-

"106. The defence of acquiescence, thus, would be satisfied when the plaintiff assents to or lays by in relation to the acts of another person and in view of that assent or laying by and consequent acts it would be unjust in all the circumstances to grant the specific relief."

It was furthermore observed :-

"108. Specific knowledge on the part of the plaintiff and prejudice suffered by the defendant is also a relevant factor. (See *Spry on Equitable Remedies*, 4th Edn., p.433.)"

48. In *Halsbury's Laws of England*, Fourth Edition, Vol. 16, para 1505, it is stated:

"Where a person has by words or conduct made to another a clear unequivocal representation of fact, either with knowledge of its falsehood or with the intention that it should be acted upon, or has so conducted himself that another would, as a reasonable man, understand that a certain representation of fact was intended to be acted on, and that the other has acted on the representation and thereby altered his position to his prejudice an estoppel arises against the party who made the representation, and he is not allowed to aver that the fact is otherwise than he represented it to be."

49. Delay would be a valid defence where it has caused a change in the subject matter and action or brought about a situation in which justice cannot be done."

**[11]** In [Amritdhara Pharmacy v. Satya Deo Gupta](#), 1963 AIR(SC) 449, wherein it is stated as follows at page 454:

"If a trader allows another person who is acting in good faith to build up a reputation under a trade name or mark to which he has rights, he may lose his right to complain, and may even be debarred from himself using such name or mark. But even long user by another, if fraudulent, does not affect the plaintiff's

right to a final injunction; on the other hand, prompt warning or action before the defendant has built up any goodwill may materially assist the plaintiff's case."

**[12]** In [Andhra Perfumery Works Joint Family Concerns v. Karupakula Suryanarayaniah](#), 1969 AIR(Mad) 126, wherein it was held, following the observations made by the Fry, J. in the case law Willmott v. Barber, 1880 15 Ch 96 as follows:

"To support a plea of acquiescence in trade mark case, it must be shown that the plaintiff has stood by for a substantial period and thus encouraged the defendant to expend money in building up a business associated with the mark."

**[13]** In [M/s. Devidoss and Company v. Alathur Abboyye Chetty and Company](#), 1941 AIR(Mad) 31, wherein it was held as follows at page 34:

"Delay simpliciter may be no defence to a suit for infringement of a trade mark, but where a trader allows a rival trader to expend money over a considerable period in building up a business with the aid of a mark similar to his own, he will not be allowed to stop his rival's business. What amounts to acquiescence must depend on the circumstances of each case."

Where a plea of acquiescence or abandonment succeeds especially where the defendant has taken the trade mark or another in ignorance, it would be wrong to deprive him of his costs."

**[14]** In *Whitman v. Disney Productions*, 263 F2d 229, it was observed by the 9th Circuit Court of appeal in USA as follows:

"Mere passage of time cannot constitute laches, but if the passage of time can be shown to have lulled defendant into a false sense of security, and the defendant acts in reliance thereon, laches may, in the discretion of the trial Court, be found."

**[15]** The aforesaid decision in the case of *Whitman* was taken note of by the Delhi High Court in the case of [M/s. Hindustan Pencils Pvt. Ltd. v. M/s. India Stationery Products Company](#), 1990 AIR(Del) 19. His Lordship B.N.Kirpal, J. ( as His Lordship then was) observed as under:

"It would follow, logically, that delay by itself is not a sufficient defence to an action for interim injunction, but delay coupled with prejudice caused to the defendant would amount to 'laches'. As observed by McCARTHY at page 383 "Laches - delay X prejudice". In this formula, it is the magnitude of the product of delay and prejudice which must be weighed, not the magnitude of solely the quantum of delay or prejudice alone. For example, in one case, a long delay coupled with even a slight amount of prejudice may suffice to prove an adequate defence of laches."

Yet, in another case, a short delay coupled with a great amount of resulting prejudice to defendant may also suffice for laches". It has been emphasised that it is for the defendant to show that there has been prejudice caused by reason of the delay and that it would be unfair to injunct the defendant from carrying out its activities."

**[16]** "Laches" and "Inordinate delay", however, are not similar to "acquiescence". Acquiescence is a different concept which has been explained by Kerly at page 310, para 15.45 as follows:

"The classic case of acquiescence proper is where the proprietor, knowing of his rights and knowing that the infringer is ignorant of them, does something to encourage the infringer as misapprehension, with the result that the infringer acts upon his mistaken belief and so worsens his position. It seems clear that something less than that is needed to offer a defence, but how much less is not clear. The current tendency is to hold that a defence of acquiescence or laches may be set up whenever it is unconscionable for the plaintiff to deny anything that he (consciously or unconsciously) has allowed or encouraged the defendant to believe. Mere failure to sue, without some positive act of encouragement, is not in general enough to give a defence. A defendant who infringes knowing of the plaintiff's mark can hardly complain if he is later sued upon it, nor is a defendant who starts to infringe without searching the Register of Trade Marks in any better position than if he had searched and so learned of the plaintiff's mark. Acts of the proprietor done in ignorance of the infringement, or even done without his own registration in mind, will not amount to acquiescence. A defence of estoppel by acquiescence is to be distinguished from a defence that by delay the mark has become publici juris."

**[17]** Considering the case law, referred to above, it would appear that where there is an honest concurrent user by the defendant then inordinate delay or laches may defeat the claim of damages or rendition of accounts but the relief of injunction should not be refused. This is so because it is the interest of the general public, which is the third party in such cases, has to be kept in mind. In the case of inordinate delay or laches, as distinguished from the case of an acquiescence the main prejudice which may be caused to the defendant is that by reason of the plaintiff not acting at an earlier point of time the defendant has been able to establish his business by using the infringing mark. Inordinate delay or laches may be there because the plaintiff may not be aware of the infringement by the defendant or the plaintiff may consider such infringement by the defendant as not being serious enough to hurt the plaintiff's business. Nevertheless, if the Court comes to the conclusion that prejudice is likely to be caused to the general public who may be misled into buying the goods manufactured by the defendant thinking them to be the goods of the plaintiff then an injunction must be

issued. The Court may, in appropriate cases, allow some time to the defendants to sell off their existing stock but an injunction should not be denied.

**[18]** Where the plaintiff, however, is guilty of acquiescence, there different considerations may apply. As already noted, acquiescence may mean an encouragement by the plaintiff to the defendant to use the infringing mark. It is as if the plaintiff wants the defendant to be under the belief that the plaintiff does not regard the action of the defendant as being violative of the plaintiffs rights. Furthermore, there should be a tacit or an express assent by the plaintiff to the defendants using the mark and in a way encouraging the defendants to continue with the business. In such a case the infringer acts upon an honest mistaken belief that he is not infringing the trade mark of the plaintiff and if, after a period of time when the infringer has established the business reputation, the plaintiff turns around and brings an action for injunction, the defendant would be entitled to raise the defence of acquiescence. Acquiescence may be a good defence even to the grant of a permanent injunction because the defendant may legitimately contend that the encouragement of the plaintiff to the defendant's use of the mark in effect amounted to the abandonment by the plaintiff of his right in favour of the defendant and, over a period of time, the general public has accepted the goods of the defendant resulting in increase of its sale. It may, however, be stated that it will be for the defendant in such cases to prove acquiescence by the plaintiff. Acquiescence cannot be inferred merely by reason of the fact that the plaintiff has not taken any action against the infringement of its rights.

**[19]** Applying the aforesaid principles to the present case, we shall now proceed to consider whether the Appellate Board was justified in rejecting the rectification application on the ground of inordinate delay, laches, acquiescence and res judicata.

**[20]** It appears from the materials on record that M/s.Crompton Parkinson Limited, a company organized under the laws of Great Britain, Leeds, England, are the registered proprietor of the trademark "CROMPTON" in Class-7, 9 and 11. The petitioner herein was a licensee of M/s.Crompton Parkinson Limited, England, upto 30th June 1975 for the purpose of using the trademark "CROMPTON" in India. The petitioner manufactures electric motors in accordance with the specifications and standards of quality provided by M/s.Crompton Parkinson Limited and the trademark "CROMPTON" is used only on goods which are of the quality approved by M/s.Crompton Parkinson Limited, England. It also appears that the petitioner has entered into a registered usership agreement with the M/s.Crompton Parkinson Limited dated 11th May 1976 for the use of the trademark "CROMPTON".

**[21]** On 22nd November 1973, M/s.Crompton Parkinson Limited applied for registration of the trademark "CROMPTON" under number 292325B in Class-9 in

respect of the batteries etc. On 14th December 1976, the respondent no.1 herein applied for registration of the trademark "CROMPTON" under number 321116 in Class-7 in respect of the diesel oil engines etc.

**[22]** On 1st May 1973, the respondent no.1's first application was advertised in the trademarks journal.

**[23]** In 1978, M/s.Crompton Parkinson Limited opposed the respondent no.1's application under opposition no.BOM-3577.

**[24]** In 1979, the respondent no.1 herein withdrew its first application dated 14th December 1976.

**[25]** On 7th February 1985, the respondent no.1 herein re-applied for the registration of the trademark "CROMPTON" under application no.433540 in Class-7 in respect of diesel oil engines etc.

**[26]** On 1st February 1989, the respondent no.1's second application dated 7th February 1985 was advertised in the trademarks journal no.952.

**[27]** On 1st My 1989, M/s.Crompton Parkinson Limited opposed the respondent no.1's second application under opposition no.BOM-7728.

**[28]** On 10th November 1993, the respondent no.1 herein once again applied for registration of the trademark "CROMPTON" under application no.611572 in Class-7 in respect of diesel oil engines. The said application was third in point of time.

**[29]** On 8th February 1996, M/s.Crompton Parkinson Limited's opposition no.BOM-7728 to the respondent no.1's second application dated 1st February 1989 was disallowed by the Assistant Registrar of Trademarks.

**[30]** On 9th September 1996, M/s.Crompton Parkinson Limited filed an Appeal no.10 of 1996 before this High Court under Section 109 of the Act against the order dated 8th February 1996 passed by the Assistant Registrar of Trademarks.

**[31]** Since there was delay in filing the appeal, this Court condoned the delay vide order dated 3rd April 1997.

**[32]** On 8th October 2002, a learned Single Judge of this Court dismissed the appeal filed by M/s.Crompton Parkinson Limited in the following terms:

"Learned counsel Shri G.N.Shah for the petitioner-company states that in spite of his best efforts he is not able to get response from the petitioner-company, therefore, this petition is dismissed for want of necessary instructions."

**[33]** On 3rd September 2007, the petitioner herein filed an application for rectification no.ORA/214/2007/TM/AMD seeking cancellation of respondent no.1's registered trademark no.433540 in Class-7, trademark "CROMPTON".

**[34]** On 6th January 2012, the Intellectual Property Board rejected the application filed by the petitioner herein for rectification and thereafter after a period of six months the petitioner preferred the present petition challenging the order passed by the Appellate Board.

**[35]** Having regard to the events, which we have referred to above, we have no hesitation in coming to the conclusion that the Appellate Board committed no error in rejecting the application for rectification on the ground of acquiescence, delay and laches.

**[36]** The petitioner herein was very well aware about the use of the trademark "CROMPTON" by the respondent no.1 since 1991 when one of its employees filed an affidavit in support of M/s.Crompton Parkinson Limited in the matter of application no.433540 for registration of the trademark "CROMPTON" in the name of Indian Trading Corporation i.e. the respondent no.1 herein. The affidavit has been placed on the record of this case along with an affidavit-in-reply filed by the respondent herein. The Appellate Board has taken into consideration the affidavit which was filed by one Ms.Feroza Driver. In the said affidavit, Ms.Driver has averred that her company i.e. the petitioner herein has been authorized by its principals i.e. M/s.Crompton Parkinson Limited to use the word/mark "CROMPTON" as a part of its trading style. The contents of the affidavit are self-explanatory and speak for itself. In the said affidavit, there is also a reference of one another affidavit filed by an employee of the petitioner named Arun Majmudar dated 17th September 1979 in opposition no.BOM-3577 to the application no.321116 for registration of trademark "CROMPTON" in Class-7 by the respondent no.1 herein. Since the affidavit of Ms.Feroza Driver assumes significance, we deem fit to quote the entire affidavit.

"IN THE MATTER OF TRADE AND MERCHAHDISE MARKS ACT, 1958

-and -

IN THE NATTER OF APPLICATION NO.433540 for registration of the trade mark "CROMPTON" in the name of Hindustan Trading Corporation.

-and -

IN THE MATTER OF OPPOSITION THERETO being No.BOM-7728 by CROMPTON PARKINSON LIMITED

## EVIDENCE IN SUPPORT OF OPPOSITION

I, Feroza Driver, of Bombay, Indian Inhabitant, residing at Park House, 81, Wodehouse Road, Colaba, Bombay - 400005 on solemn affirmation state as under :-

1. I am the Legal Officer of CROMPTON GREAVES LTD -, having its registered office at 1, Dr.V.B.Gandhi Marg, Bombay 400023 (hereinafter referred to as "my Company"). I have been associated with my Company since the year 1983 and have had and still have full and free access to the books and records of my Company maintained in the ordinary course of business. I am authorised to make this affidavit on behalf of my Company.

2. I am aware that Crompton Parkinson Ltd. (referred to as my Company's principals) of England are registered proprietors of the trade mark CROMPTON, interalia, in classes 7, 9 and 11. I am also aware of the opposition proceedings being OPP BOM-3577 by my Company's principals against the mark CROMPTON under Application No. 321116 of the applicants and the present opposition being No.OPP BOM-7728 to application No.433540 of the applicants filed by my Company's principals. I say that my Company had filed an affidavit being affidavit of Arun Majmudar dated 17.9.79 in OPP BOM-3577 to application No. 321116 for registration of trade mark CROMPTON in Class 7 by the applicants. Hereto annexed and marked Exhibit-A is a copy of the said affidavit.

3. I say that the mark CROMPTON has been and is used by my Company interalia, in respect of lightings including GLS lamps, HPMV lamps, special lamps, fluorescent tube lights and halogen lamps under Licence of the Opponent Company. The annual sales figures of such goods sold under the trade mark CROMPTON in India is :

| <b>YEAR</b> | <b>AMOUNT IN RUPEES: (LACS)</b> |
|-------------|---------------------------------|
| 1986-87     | 1490.00                         |
| 1987-88     | 1310.00                         |
| 1988-89     | 1517,00                         |
| 1989-90     | 1866.00                         |
| 1990-91     | 2174.00                         |

annexed and marked Exhibit-B are copies of Invoices/orders/ letters etc. evidencing sale of products under the mark CROMPTON.

My company has been authorised by its Principals to use the word/mark "CROMPTON" as a part of its trading style. By reason of such authorisation my Company has been using the word/mark CROMPTON as a part of its trading style.

My Company's Principals have a share holding of 37.5% of the equity capital of my Company. Other than my Company's said Principals my Company has 6,450 share holders and have over 1000 of dealers, distributors all over India. Such shareholders, distributors, dealers etc. are aware of our use of the trade mark CROMPTON by my Company separately and/or as a part of its trading style under licence from its Principals.

6. My Company's trading style is represented on all advertisement: products, literatures, product pamphlets, invoices and products itself. My Company's product range includes the following: Dry and Mining type transformers, High voltage test equipment,. Power and distribution transformers. Shunt and series reactors, HV test equipment, EHV condenser bushings, Instrument transformers, HT and EHV Switchgear, On load tap changers, HT Control panels, Moulded care circuit breakers, LT ACB, LT Control Panels, Motor control gear (including flameproof). Metal-clad plugs, sockets and conduit boxes, interlocked switch socket float switches. Rewritable and HRC Switch, fuse and fuse switches, isolators, fuse cut, distribution fuse boards and switchboards; Capacitor Accessories, HT/LT Power Capacitors, MFD Condensers; Electric motors, AC, DC, including flameproof motors, pumpsets, alternators; Ceiling, table, pedestal and wall-mounted fans. Exhaust fans; Light sources, luminaires and accessories; High Voltage vacuum interrupters, fluid purifiers; Point machines, signalling relays; Dedicated solid state system-projection systems; Protective relays; Mini computer,' micro processor based system; Mini computer/micro processor based programmable controller, Soft starters, Electronic push button telephone instruments, Thyristorised AC/DC Drives; Stamping and lamination, Toolings systems, tools etc.. Low cost automation system. The annual turnover of my company for the last 10 years is represented hereunder:-

| <b>YEAR</b>     | <b>AMOUNT IN RUPEES: (LACS)</b> |
|-----------------|---------------------------------|
| 1981            | 14268.01                        |
| 1982            | 15979.67                        |
| 1983            | 16431.38                        |
| 1984            | 17168.85                        |
| 1985            | 19934.77                        |
| 1986            | 24108.61                        |
| 1987            | 28274.80                        |
| 1988            | 34319.66                        |
| 1989 (9 months) | 32022.79                        |
| 1990            | 51036.87                        |
| 1991            | 61657.55                        |

In support of the above figures, I crave leave to refer to and rely upon my Company's annual reports as and when produced.

7. My Company has advertised the products including electric motors and parts thereof etc. through various media. My Company has incurred advertisement expenses to the tune of about Rs.3 lac annually. Hereto annexed and marked Exhibit-C are copies of advertisement clippings, pamphlets etc.

8. I say that the goods under the trade mark CROMPTON are widely patronised, inter alia, because of strict standards of quality and enjoys a great reputation and goodwill in India.

9. The applicants seek registration of the trade mark CROMPTOM in respect of diesel engines and parts thereof included in Class 7. My Company has been manufacturing electric motors since the year 1937-38. The approximate sales of electric (FHP) motors amount to Rs.23.86 crores and motors with alternators Rs.101.54 crores. The goods of the applicants are of the same description. In days of power shortage it is not unusual to have an electric motor and diesel engine one acting as a stand by for the other. This is more so in respect of agriculturists who use such electric motors and diesel engines side by side.

10. I say that in the event of any person coming across the applicants products under the impugned mark, they would be confused as to the source of goods i.e. whether they emanated from my Company or its principals and/or would assume a trade connection between my Company and the applicants or my Company's principal and the applicants.

I hereby declare that the statements made in the foregoing paragraphs are true to my knowledge except the statements made in paragraphs 3, 6, 7 and 9 which are derived from the books and records of my Company maintained in the ordinary course of business which I verily believe to be true and the Exhibits are what they purport to be.

Dated this 19th day of November 1991."

**[37]** We also deem fit to quote the entire affidavit filed by Mr. Arun Majmudar dated 17th September 1979 in the matter of application no.321116 for registration of the trademark "CROMPTON" in Class-7 in the name of the respondent no.1 herein.

"In the Matter of Trade and Merchandise Marks Act, 1958

- and -

In the Matter of Application No.321116 for registration of the trade mark 'CROMPTON' in Class 7 in the name of Hindustan Trading Corporation.

- and -

In The Matter of Opposition thereto being No.BOM-3577 by Crompton Parkinson Limited

#### EVIDENCE IN SUPPORT OF OPPOSITION

I, ARUN MAJMUDAR son of Madanlal aged about 55 years, residing at "Bakul" in Bandra (East) Bombay 400 051 do hereby solemnly affirm and state as follows :

1 I am the Law Executive of Crompton Greaves Limited an Indian Company with registered office at Kanjur, Bhandup, Bombay 400 078 (hereinafter referred to as 'my company'). I have been associated with my company in one capacity or another since the year 1969 and have held my present position since the year 1976. I have had and still have full and free access to the books and records of my company maintained in the ordinary course of business. I am competent and authorised to make this affidavit on behalf of my company.

2. I am aware that Crompton Parkinson Limited, a company organised under the Laws of Great Britain, of Gulseley, Leeds LS20 9NZ, England, are the registered proprietors of the trade mark 'CROMPTON' in classes 7, 9 and 11 (hereinafter referred to as the 'registered proprietors'). I am also aware that the registered proprietors have filed an opposition to application No 321116 for registration of the trade mark 'CROMPTON' in class 7 in the name of Hindustan Trading Corporation. I have read the notice of opposition filed by the registered proprietors and the counter-statement filed by the applicants.

3 My company was upto 30.6.1975 the licensee of the registered proprietors to use the trade mark 'CROMPTON' in India. My company manufactures electric motors in accordance with the specifications and standards of quality provided by Crompton Parkinson Limited and the trade mark 'CROMPTON' is used only on goods which are of the quality approved by the latter. My company has also entered into Registered Usership Agreement with the said Crompton Parkinson Limited on 11.5.1976 for the use of the said trade mark 'CROMPTON'.

4 My company has extensively used the trade mark 'CROMPTON' in India in respect of several goods manufactured in accordance with the specifications provided by Crompton Parkinson Limited and in compliance with the standards of quality laid down by the said Crompton Parkinson Limited. My company has also been

manufacturing and selling on a wide and extensive scale electric motors and parts thereof. I set out below the sales figures of my company's electric motors including FHP motors, alternators, generators and/or exhaust fans and parts thereof sold under the trade mark 'CROMPTON' in India during the period 1970 to 1975 as the authorised users.

| <b>YEAR</b> | <b>AMOUNT IN RUPEES: (LACS)</b> |
|-------------|---------------------------------|
| 1970        | 91.76                           |
| 1971        | 101.09                          |
| 1972        | 97.62                           |
| 1973        | 162.08                          |
| 1974        | 181.27                          |
| 1975        | 282.17                          |

I annex hereto collectively marked as Exhibit 'A' copies of a few invoices in support of the sales figures mentioned above.

5. My company has advertised the products including the electric motors and parts thereof sold under the trade mark 'CROMPTON' in India through various media. I set out below the sales promotion expenditure incurred by my company during the period 1970 to 1975 in respect of the said products inclusive of the electric motors and parts thereof sold under the trade mark 'CROMPTON'.

| <b>YEAR</b> | <b>AMOUNT IN RUPEES: (LACS)</b> |
|-------------|---------------------------------|
| 1970        | 25.60                           |
| 1971        | 33.30                           |
| 1972        | 14.24                           |
| 1973        | 27.49                           |
| 1974        | 23.75                           |
| 1975        | 43.55                           |

I annex hereto collectively marked as Exhibit 1B' a few advertisement clippings, pamphlets and other sales promotion literature.

6. I submit that the trade mark 'CROMPTON' is distinctive of my company's goods manufactured under a licence and in accordance with the specification and standards of quality of the registered proprietors. The trade mark 'CROMPTON' enjoys a great reputation and goodwill in India.

7. The applicants seek registration of the trade mark 'CROMPTON' in respect of diesel engines and parts thereof included in class 7. The applicants' goods and the goods sold by my company as the licensed user of" the trade mark 'CROMPTON'

are goods of the same description. In days of periodic power shortages it is not unusual to have an electric motor and diesel engine, one acting as a stand by for the other, particularly in use in tube wells. I say that there are also other areas in which electric motors and diesel engines are used side by side. There is likely to be a confusion between the applicants' mark and the registered proprietors' mark as the applicants have copied the registered proprietors' trade mark 'CROMPTON'. I say that the registration of the impugned mark is bound to cause confusion and/or deception among the trade and public.

I hereby declare that the statements made in the foregoing paragraphs of this affidavit are true to my knowledge except the sales figures and sales promotion expenditure mentioned in paras 4 and 5 which are derived from the books and records of my company maintained in the ordinary course of business which I verily believe to be true and the exhibits are what they purport to be.

Dated this 17th day of September 1979.

Sd/- A. Majmudar."

**[38]** In our opinion, the Appellate Board was quite justified in arriving at the conclusion that the petitioner herein was also guilty of suppressing material facts and the affidavits filed by their own employees should have been brought on record.

**[39]** In the aforesaid context, we may now consider the provisions contained in Section 33 of the Act 1999.

"33. Effect of acquiescence.-

Where 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, he shall no longer be entitled on the basis of that earlier trade mark-

(a) to apply for a declaration that the registration of the later trade mark is invalid, or

(b) to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used,

unless the registration of the later trade mark was not applied in good faith.

(2) Where sub-section (1) applies, the proprietor of the later trade mark is not entitled to oppose the use of the earlier trade mark, or as the case may be, the

exploitation of the earlier right, notwithstanding that the earlier trade mark may no longer be invoked against his later trade mark."

**[40]** Section 33 lays down the effect of acquiescence. According to the provisions of this Section, the proprietor of the earlier trademark or other earlier right cannot contest the validity of the registration of a subsequent trademark, if he has acquiesced in the use of the subsequent trademark for a continuous period of five years, unless he can prove that the registration of the subsequent trademark was not obtained in good faith. Sub-clause (2) states that where the Sub-clause (1) applies, the proprietor of the latter mark also is not entitled to oppose the use of the earlier trademark.

**[41]** The learned counsel appearing for the petitioner fairly conceded to the fact that the use of the trademark "CROMPTON" by the respondent no.1 was for a continuous period of more than five years but according to the learned counsel, the plea of acquiescence should fail on the ground that the registration of the trademark "CROMPTON" by the respondent no.1 herein was not applied in good faith. The argument of good faith is based on the premise that the respondent no.1 herein very well knew that the petitioner is the original/prior adopter and user of the trademark/trading style CROMPTON /CROMPTON GREAVES ever since 1937 in respect of wide range of goods including motors, pumps, alternators, generators (which include diesel engines and pumps). According to the learned counsel, the respondent no.1 was also aware that it was not the petitioner alone who coined the word "CROMPTON" and used the same for its goods being goods of Class-7, 9 and other such electrical goods. The respondent no.1 has willfully and with deliberate intention adopted an identical mark to trade upon and benefit from the popularity and goodwill of the petitioner's mark CROMPTON/CROMPTON GREAVES which amounts to fraud. The sum and substance of the argument of the learned counsel for the petitioner is that the trademark "CROMPTON" is not a word like 'Himalaya', 'Ganga' etc., which could be used by any person.

**[42]** We are not impressed by such submission of the learned counsel appearing for the petitioner for the simple reason that for how many times the respondent no.1 herein is expected to prove his bona fides in using the trademark "CROMPTON". In the first round of litigation against M/s.Crompton Parkinson Limited, the respondent herein succeeded and against the order passed by the Assistant Registrar of Trademarks dated 8th February 1996 disallowing the M/s.Crompton Parkinson Limited's opposition, although an appeal was filed before this High Court under Section 109 of the Act, M/s.Crompton Parkinson Limited failed to pursue the appeal and allow the same to be dismissed for want of necessary instructions. There is no escape for the petitioner herein but to accept that when their principals failed in successfully opposing the

registration of the trademark "CROMPTON" in the name of the respondent no.1, they would enter into the shoes of M/s.Crompton Parkinson Limited.

**[43]** In our opinion, the question whether there was an honest concurrent user by the respondent no.1 herein so far as the trademark "CROMPTON" is concerned stood concluded with the order passed by the Assistant Registrar of Trademarks dated 8th February 1996 against which although an appeal was preferred before this High Court the same was not pursued, thereby allowing said order to be confirmed. Thereafter, at this stage now it is too late in the day for the petitioner to contend that the registration of the trademark "CROMPTON" by the respondent no.1 was not applied in good faith.

**[44]** In the aforesaid context, we may with profit look into the decision in the case of *Electrolux V. Electrix*, 1953 71 RPC 23. In that case, the defendants had been using the mark "Electrix" for a period of ten years. The plaintiffs filed a suit for injunction alleging that the use of the mark by the defendant amounted to an infringement of the plaintiffs registered mark. It was alleged that there was a bona fide user of the mark by them. It was sought to be contended that the plaintiffs had acquiesced to the defendants user and, therefore, were not entitled to any relief. We are referring to this decision, considering the concept of good faith. This decision has also been considered and relied upon by the Delhi High Court in *M/s.Hindustan Pencils Pvt. Ltd.* . Thereafter, the Court observed as follows:

"Upon this matter, a great deal of learning has been referred to, and we have also had our attention drawn to a number of cases. The latter include the well known statement in *Willmott v. Barber*, 1880 15 Ch 96 by Fry, J. (as he then was) at p. 105. He said this : "It has been said that the acquiescence which will deprive a man of his legal rights must amount to fraud, and in my view that is an abbreviated statement of a very true proposition. A man is not to be deprived of his legal rights unless he has acted in such a way as would make it fraudulent for him to set up those rights". Let me pause here to say that I do not understand that, by the word "fraudulent", the learned Judge was thereby indicating conduct which would amount to a common law tort of deceit. "What, then, are the elements or requisites necessary to constitute fraud of that description? In the first place the plaintiff must have made a mistake as to his legal rights. Secondly, the plaintiff must have expended some money or must have done some act (not necessarily upon the defendant's land) on the faith of his mistaken belief. Thirdly, the defendant, the possessor of the legal right, must know of the existence of his own right which is inconsistent with the right claimed by the plaintiff. If he does not know of it he is in the same position as the plaintiff, and the doctrine of acquiescence is founded upon conduct with a knowledge of your legal rights. Fourthly, the defendant, the possessor of the legal right, must know of the plaintiffs mistaken belief of his

rights. If he does not, there is nothing which calls upon him to assert his own rights. Lastly, the defendant, the possessor of the legal right, must have encouraged the plaintiff in his expenditure of money or in the other acts which he has done, either directly or by abstaining from asserting his legal right".

44.1 In reading the aforesaid passage, it will be necessary as observed by the Delhi High Court that the position of the plaintiff and defendant as they are usually met with are there transposed, and that one of the parties who is there spoken of as the plaintiff corresponds with the present case with the defendants and vice versa.

**[45]** We shall now look into the decisions relied upon by the learned counsel appearing for the petitioner on which strong reliance has been placed.

**[46]** In [Amritdhara Pharmacy v. Satya Deo Gupta](#), 1963 AIR(SC) 449, the issue before the Supreme Court was whether the trade names "Laxmandhara" and "Amritdhara" in respect of medicinal preparation for alleviation of various ailments were likely to deceive and confuse the persons of the class, who generally purchase such preparation. The second issue before the Court on facts was whether there was any fraudulent user by the respondent of his trade name "Laxmandhara".

46.1 The application for registration of the trade name "Laxmandhara" in respect of a medicinal preparation was opposed by the proprietors of the trade name "Amritdhara" which was already registered as trade name in respect of similar medicinal preparation. The Court held that the question had to be approached from the point of view of a man of average intelligence and imperfect recollection. To such a man, the overall structural and phonetic similarity of the two names "Amritdhara" and "Laxmandhara" was likely to deceive or cause confusion. The Court proceeded to observe that the overall similarity of the two composite words "Amritdhara" and "Laxmandhara" had to be considered. In the facts of that case, the Court reached to the conclusion that the overall similarity between the two names in respect of same description of the goods was likely to cause deception or confusion within the meaning of Section 10, Clause (1) of the Trade Marks Act, 1940. The respondent relied on two other circumstances, namely, (i) honest concurrent user of the name "Laxmandhara" since 1923 and (ii) acquiescence on the part of the appellant in the user of the name "Laxmandhara". The Court took the view on the basis of the materials on record that there was no fraudulent user by the respondent of his trade name "Laxmandhara". The name was first used in 1923 in a small way in Uttar Pradesh. Later in point of time, it was more extensively used and in the same journal, two trade marks were published. The Court considered the finding of the Registrar that the appellant and its agents were well aware of the advertisement of the respondent and the appellants stood by and

allowed the respondent to develop his business till it grew from a small concern in 1923 to a turn over of Rs.43,000/- in 1949. In the Supreme Court such circumstances established the plea of acquiescence and brought the case within Sub-section (2) of Section 10 and in view of admission made on behalf of the respondent that his goods were sold mainly in Uttar Pradesh the Registrar was justified in imposing the limitation he had imposed.

**[47]** The aforesaid decision has been relied upon to fortify the submission that, in the present case also the word "CROMPTON" was likely to deceive or cause confusion in the mind of a man of average intelligence and imperfect recollection. This decision, in our opinion, does not help the petitioner in any manner because the issue before us is very limited and i.e. with regard to the effect of acquiescence. We have already explained exhaustively the applicability of Section 33 in the present case negating the contention about the registration of the latter trademark not applied in good faith. On the contrary, paragraph 14 of this decision would support the case of the respondent herein.

**[48]** In [Bengal Immunity Company Limited v. Denver Chemical Manufacturing Company and Others](#), 1959 AIR(Cal) 636, the question before the Division Bench of the Calcutta High Court was whether the Deputy Registrar of Trademarks who refused an application preferred by the appellant for registration of the word "B.I.Phlogiston" in white on a dark background with the name of the appellant and its address Calcutta below the same as the trademark for certain medicinal preparation was in error in thinking that the mark "B.I.Phlogiston" was nearly resembled the mark "Anti Phlogiston" and is likely to deceive or cause confusion. In answering the said question, the Court noticed that there was no evidence of confusion having actually caused, though admittedly the medicine with the mark "B.I.Phlogiston" had been on the market for a considerable time along with the medicine of the opponent company with the mark "Anti Phlogiston". However, the Court came to the conclusion that no importance could be attached to such lack of evidence as regards actual confusion. According to the Supreme Court, it was unreasonable to expect any evidence of such confusion. If there was any question of retail trader being confused when making their own purchase, one might expect some tradesman coming forward to give evidence that there had been such confusion. The Court observed that it agreed that resemblance in that case was not such as was likely to deceive or cause confusion to the traders, when making their purchase. However, according to the Court, the real question was whether the resemblance was such as was likely to deceive or cause confusion to the members of the public trying to obtain the medicine known to them as "Anti Phlogiston". The Court observed that whether or not there was any resemblance and whether or not the resemblance was such as was likely to deceive or cause confusion were the questions

which had to be decided by the Registrar and the Court on the basis of their own understanding of the matter. In the facts of that case, the Court held that the decision of the Deputy Registrar of the Trademarks was just and proper.

48.1 The aforesaid decision also would not help the petitioner in any manner because it is on the same line with that of the Supreme Court in the case of Amritdhara Pharmacy which we have discussed above.

**[49]** In *Schering Corporation and Others v. Kilich Company (Pharma) Pvt. Ltd.* (OOCJ Appeal No.264/1990 in Notice of Motion No.3070/1989 in Suit No.3080/1989 decided on 13th March 1990) the issue before the Bombay High Court was whether the order of the trial Court refusing injunction against use of infringing mark on the ground of delay was just and proper or not. In that case, the plaintiffs were registered proprietors of the trademark "quadri-derm" a skin ointment sold in tubes and cartons of distinctive features. The defendants began using the trademark "cori-derm" for the sale of their tubes of skin ointments in similar cartons. To avoid confrontation, the plaintiffs suggested to the defendants to take certain steps, which the defendants refused, contending that the trademark "cori-derm" being an invented word there was no scope of deceptive or confusing similarity with the registered mark. Since the defendants failed to pay heed to the suggestion of the plaintiffs, the plaintiffs filed a suit. The defendants' contention was that there was a delay in moving the Court which disentitled the plaintiffs from claiming interim relief. The Court allowing the appeal of the plaintiffs observed, relying on the Delhi High Court judgment in the matter of *Hindustan Pencils*, that mere lapse of time did not amount to laches. In the facts of that case, the Court came to the conclusion that the plaintiffs had not acted with undue delay and, by reason of such lapse of time, the defendants had not altered their position nor had any equities come into existence which entitled the defendants to protection.

49.1 This decision also would not help the petitioner in any manner as the same is in the facts of that case. In this case, we have explained in detail the lapse on the part of the petitioner herein and the respondent no.1 having altered its position with continuous bona fide user of the trademark since past couple of decades.

**[50]** In [Bal Pharma Limited v. Centaur Laboratories Pvt. Ltd. and Another](#), 2002 24 PTC 226, the appeal was directed against an ad-interim order granted by the learned Single Judge of the High Court restraining the appellant from using the trademark "Microdine" of which the respondent was the registered proprietor from the year 1982 when it was registered. It was contended before the Division Bench of the Bombay High Court that the trademark "microdine" in respect of the specified pharmaceutical products had been used from the year 1992. On the other hand, the respondent had

not been able to show that there had been in use or attempt to use the trademark "microdine" by the respondent at any time prior to the year 1998. It was also contended that there was honest concurrent user of the trademark by the appellant and as such the appellant was entitled to get registration under Section 12, Clause (3) of the Act 1958. The appellant had contended that it had been using the mark freely and openly and to the knowledge of all in the trade, as was apparent from the record of CIMS right from the year 1994-95. Having allowed grass to grow under its feet, the appellant submitted that he should not be permitted to interfere with the use of the mark on the part of the respondents as delay and laches amounting to acquiescence are anathema to injunction which was an equitable relief. In the facts of that case, the Division Bench of the Bombay High Court took the view that in a situation where the defendant to an action has been using the mark, even if concurrently, without making himself aware of the fact whether the same mark was subject matter of registration and belonged to another person, the first person could not be heard to complain for he had been using it negligently inasmuch as he had not taken the elementary precaution of making himself aware by looking at the public record of the Registrar whether the mark in question was the property of another. The Court held that the delay should be of such a nature to have induced the defendant or at least to have lulled him into a false sense of security to continue to use the trademark in the belief that he was the monarch of all he surveyed. The Court found that such were not the circumstances in the case.

50.1 Again the aforesaid is a decision in the facts of that case and is of no consequence so far as the present case is concerned.

**[51]** In [M/s.National Chemicals and Colour Company and Others v. Reckitt and Colman of India Limited and Another](#), 1991 AIR(Bom) 76, the trademark which was sought to be registered by the appellants consisted of a picture of two birds sitting on a twig. One bird was partially hidden by the other bird. The words "Bul Bul" were written on either side of the two birds. "Bul" at one side and "Bul" on the other side. As against that the registered trademark of the respondent consisted of the picture of a single bird sitting on a twig with the words "Robbin Ultra Marine Blue". The two birds on the proposed trademark were very similar in appearance to the bird in the registered trademark. Both the trademarks covered goods of the same description and of the same class. In the facts of that case, the Court held that the trademark proposed to be registered was deceptively similar to the registered trademark and was also likely to cause confusion in the minds of the customers in respect of the same description of the goods. It held that both the devices had a close resemblance although the picture mark in one case consisted of only one bird. The Court explained that one could not compare two trademarks by putting them side by side and by trying to find out similarities and

differences in the two marks. What one has to see is the overall impression which the trademark gives. Because this is what the members of the public carry in their minds. This decision is also not helpful to the petitioner in any manner as it is in the facts of that case.

**[52]** We would like to clarify one aspect before parting. There cannot be any dispute with the proposition of law explained in each of the decisions relied upon by the learned counsel appearing for the petitioner. Each of the decision is on the issue of resemblance or name of the trademark likely to deceive or cause confusion. In all the decisions it was found that the trademarks covered the goods of the same description and of the same class. At this stage, it may not be out of place to state that the case of the respondent herein is that mark of the petitioner and the respondent are used for different goods and are also registered in the different classification of 4th Schedule of the Trademark Rules. It is the case of the respondent that the trademark bearing no.449892 applied on 20th February 1986 registered in favour of the petitioner herein is in Class-11 and the impugned mark which is sought to be removed from the register of the registrar bearing no.433540 registered in favour of the respondent is for Class-7. Similarly, the trademark bearing no.449893 applied on 20th February 1986 registered in favour of the petitioner is in Class-11 and the impugned mark sought to be removed from the register bearing no.433540 registered in favour of the respondent is for Class-7. Thus, the goods and the classification of both the marks are different and it appears from the materials on record that there has been no confusion in that regard even after almost three decades.

**[53]** Further the trademark bearing no.928752 applied on 31st May 2000 in favour of the petitioner is in Class-7 and the impugned mark sought to be removed from the register bearing no.433540 registered in favour of the respondent is for Class-7. The registration is dated 7th February 1985. The trademark bearing no.928754 applied on 31st May 2000 registered in favour of the petitioner is in Class-7 and the impugned mark which is sought to be removed from the register bearing no.433540 registered in favour of the respondent is for Class-7 since the 7th February 1985 and lastly the trademark bearing no.1363319 applied on 13th June 2005 registered in favour of the petitioner is also in Class-7 and the impugned mark which is sought to be removed from the register bearing no.433540 registered in favour of the respondent no.1 is for Class-7 since 7th February 1985.

**[54]** We also deem fit and proper to observe that the Appellate Board in the order impugned has also taken note of the findings recorded by the Assistant Registrar of Trademarks in its order dated 8th February 1996 that is the order disallowing M/s.Crompton Parkinson Limited's opposition no.BOM-7728, that all the affidavits which were filed by M/s.Crompton Parkinson Limited, Leeds, were found to be faulty

and that M/s.Crompton Parkinson Limited had not established that the mark applied for by the respondent herein would cause confusion. The Assistant Registrar also observed in the order that the goods covered under the rival marks were totally different. The Assistant Registrar on perusal of all the documents namely two bills books of the respondent herein from 1973 onwards found that there was honest and concurrent user. In such circumstances, the mark proceeded to registration.

**[55]** Such findings of the Assistant Registrar of Trademarks has attained finality with the dismissal of the appeal vide order dated 8th October 2002, which was filed by the Principal of the petitioner M/s.Crompton Parkinson Limited in this High Court. It may be true that the appeal was not adjudicated on merits but at the same time the appellants M/s.Crompton Parkinson Limited allowed the appeal to get dismissed for non-prosecution. This is suggestive of the fact that they were not at all serious in pursuing the appeal. M/s.Crompton Parkinson Limited being the principal of the petitioner permitted the respondent herein to continue with the use of the mark. It is worth noting that the order of the Assistant Registrar of the Trademarks is dated 8th February 1996. The appeal was preferred in 1996 before this High Court and was dismissed for non-prosecution on 8th October 2002. Even thereafter almost after a period of five years, i.e. on 3rd September 2007 the application was filed by the petitioner herein for removal of the trademark.

**[56]** Thus, in our opinion, the case law which has been relied upon by the petitioner, in no manner, fortifies the case of the petitioner.

**[57]** It is now well settled that a decision is an authority in the facts of a particular case and even a minute variation in the facts of another case may make the said decision inapplicable to the other case. In this regard, the observations of the Supreme Court in paragraph 12 of the judgment in the case of [State of Orissa vs. MD. Illiyaz](#), 2006 1 SCC 275 would be relevant, which reads thus:

"Reliance on the decision without looking into the factual background of the case before it is clearly impermissible. A decision is a precedent on its own facts. Each case presents its own features. It is not everything said by a Judge while giving judgment that constitutes a precedent. The only thing in a Judge's decision binding a party is the principle upon which the case is decided and for this reason it is important to analyse a decision and isolate from it the ratio decidendi. According to the well-settled theory of precedents, every decision contains three basis postulates-

(i). findings of material facts, direct and inferential. An inferential find of facts is the inference which the Judge draws from the direct, or perceptible facts.

statements of the principles of law applicable to the legal problems disclosed by the facts, and

judgment based on the combined effect of the above. A decision is an authority for what is actually decides."

**[58]** The observations of the Supreme Court in paragraph 10 of the judgment in the case of [Union of India vs. Dhanwanti Devi](#), 1996 6 SCC 44 would also be relevant, which read thus:

"Therefore, in order to understand and appreciate the binding force of a decision it is always necessary to see what were the facts in the case in which the decision was given and what was the point which had to be decided. No judgment can be read as if it is a statute. A word or a clause or a sentence in the judgment cannot be regarded as a full exposition of law. Law cannot afford to be static and therefore, Judges are to employ an intelligent technique in the use of precedents."

**[59]** For the foregoing reasons, we do not find any merit in this petition and the same deserves to be rejected. The petition is accordingly rejected. However, in the facts and circumstances of the case, there shall be no order as to costs.