IN THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment delivered on: 05.01.2018

\+ **W.P.(C) 2828/2013 & CM No. 5325/2013**

KELLOGG COMPANY ..... Petitioner

versus

POPS FOOD PRODUCTS (P) LTD. ..... Respondent

Advocates who appeared in this case:

For the Petitioner : Mr N. K. Anand and Mr Raunaq Kamath.
For the Respondent : Mr Ashok Mittal.

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HON'BLE MR JUSTICE VIBHU BAKHRU

JUDGMENT

VIBHU BAKHRU, J

1. The petitioner has filed the present petition, *inter alia*, impugning an order dated 06.01.2012 (hereafter 'the impugned order') passed by the Intellectual Property Appellate Board (hereafter 'IPAB'), whereby the registration of the petitioner's trademark "POPS" bearing Registration No. 507137 in class 30 (hereafter 'the impugned mark') has been directed to be removed from the Register of Trademark. The impugned order was passed on an application filed by the respondent alleging non-use of the said Trademark.

2. According to the petitioner, the impugned order is erroneous as the respondent was not a person aggrieved and, therefore, could not maintain an application for rectification of the registration in respect of the impugned mark. The petitioner further claims that IPAB had erred in not

appreciating that the petitioner intended to use the trademark in question in India.

3. Briefly stated, the relevant facts necessary to address the controversy involved in the present petition are as under:-

3.1 The respondent is the proprietor of the registered trademark "POPS" under registration nos. 342674, 342675 and 342676 in classes 30, 29 and 30 respectively. The respondent has been using the said trademark for its goods being chewing gum, bubble gum and dairy products. The respondent asserts that its trademarks have acquired substantial goodwill and reputation in the market.

3.2 The petitioner was the registered proprietor of the impugned mark (trademark "POPS" bearing registration no. 507137 in class 30). It is the petitioner's case that it had adopted the said trademark internationally in the year 1941. The petitioner is also the proprietor of the registered trademark "CORN POPS" bearing registration no. 638273, "COCO POPS" bearing registration no. 758864, "SNAP CRACKLE PPP" bearing registration no. 345988 and "POP-TARTS" bearing registration no. 516460. The petitioner also asserts that its trademarks have acquired substantial goodwill in the international market.

3.3 The impugned mark was registered in favour of the petitioner on 16.03.1989 and was subsisting in the petitioner's name for the past 22 years.

3.4 The respondent also made an application for registration of a trademark "POPS" in class 30, which was published in the Trademark Journal no. 1232 (Supplement) dated 08.10.2000. The respondent's

application also included use for confectionery. This was not acceptable to the petitioner and, therefore, the petitioner caused a legal notice dated 25.11.2000 to be served on the respondent indicating its intention to oppose the respondent's application. According to the petitioner, the respondent's application also covered goods in which the petitioner was interested.

3.5 Thereafter, certain communications were exchanged between the parties. In July, 2001, the respondent filed a petition before this Court for expunging the impugned mark from the register. This petition was transferred to the IPAB and was subsequently allowed by the impugned order dated 06.01.2012.

4. The IPAB found that there was no evidence of sale of goods by the petitioner under the impugned mark from 1989 to 2011 and further the petitioner had also not shown any evidence that it intended to use the impugned mark. In view of the above, the IPAB decided to rectify the register by expunging the impugned mark.

5. Mr N. K. Anand, learned counsel appearing for the petitioner advanced arguments on broadly three fronts. First, he submitted that respondent was not a "person aggrieved" and, therefore, was not entitled to maintain the petition for rectification of the impugned mark. He submitted that the respondent had been using the trademark "POPS" in relation to chewing gum and bubble gum, which were completely different products and, therefore, the registration of the impugned mark did not affect the interest of the respondent in any manner. He relied upon the decisions of the Supreme Court in ***Hardie Trading Ltd. and Anr. v. Addisons Paint and Chemicals Ltd.***: ***(2003) 11 SCC 92*** and ***Infosys Technologies Ltd. v.***

Jupiter Infosys Limited and Anr. : ***(2011) 1 SCC 125***, in support of his contentions.

6. Second, he contended that the parties had agreed to settle the disputes in terms of an agreement, whereby the petitioner had agreed to confine the use of the trademark to "cereal based breakfast food". He submitted that the respondent had also written a letter to the IPAB mentioning that the parties were settling their disputes. He submitted that thereafter, the respondent desired to sell all its plant, machinery, goodwill and the registered trademarks to the petitioner for a sum of ₹12 crores. However, the petitioner was not willing to purchase the plant and machinery and the business of the respondent and, therefore, the respondent resiled from the agreement. He contended that the respondent was required to establish that it was an aggrieved person not only at the time when the application for rectification was made but also at the time when the final order was passed. Since the respondent had agreed to sell its business, it was no longer a person aggrieved at the time when the impugned order was passed.

7. Third, he contended that the IPAB was required to examine whether the impugned trademark had been registered on the ground of any contravention of the Act and was also required to decide any question that may be necessary or expedient in connection with rectification of the register. He submitted that the IPAB had failed to consider any other aspects and had simply directed removal of the impugned trademark on the ground of "non-use". He submitted that the petitioner was also using other trademarks such as CHOCOS, FROOT LOOPS, SNAP! CRACKLE! POP!, POP-TARTS, SPECIAL K, RICE KRISPIES, NUTRI-GRAIN etc.

and, therefore, the petitioner's impugned mark could not be removed for "non-use".

Reasons and Conclusions

8. At the outset, it is necessary to refer to Section 47 of the Trademarks Act, 1999 (hereafter 'the 1999 Act'), which is *pari materia* to Section 46 of the Trade and Merchandise Act, 1958 (hereafter 'the 1958 Act'). Section 47 of the 1999 Act, is set out below:-

> "**47. Removal from register and imposition of limitations on ground of non-use.—**
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> (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—
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> (a) that the trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods or services by him or, in a case to which the provisions of section 46 apply, by the company concerned or the registered user, as the case may be, and that there has, in fact, been no bona fide use of the trade mark in relation to those goods or services by any proprietor thereof for the time being up to a date three months before the date of the application; or
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> (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 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."

9. In ***Hardie Trading Ltd. and Anr. v. Addisons Paint and Chemicals Ltd.*** (*supra*), the Supreme Court had explained that three essential conditions are required to be satisfied before removal of a registered trademark is directed. First, that the application has been made by a person aggrieved; second, that the trademark in question has not been used by the proprietor for a continuous period of at least five years and three months prior to the date of application; and third, that there are no special circumstances which would justify the non-use of the trademark in question. The Supreme Court had also explained that the aforesaid conditions must be established seriatim. The relevant extract of the said judgment is set out below:-

"26. Thus before the High Court or the Registrar directs the removal of the registered trade marks they must be satisfied in respect of the following:

(1) that the application is by a "person aggrieved";

(2) that the trade mark has not been used by the proprietor for a continuous period of at least five years and one month prior to the date of the application;

(3) there were no special circumstances which affected the use of the trade mark during this period by the proprietor.

27. The onus to establish the first two conditions obviously lies with the applicant, whereas the burden of proving the existence of special circumstances is on the proprietor of the trade marks. These conditions are not to be cumulatively proved but established seriatim. There is no question of the third condition being established unless the second one has already been proved and there is no question of the second one even being considered unless the High Court or the Registrar is satisfied as to the locus standi of the applicant."

10. In view of the above, the principal issue to be addressed is whether the petitioner is a person aggrieved. In ***Hardie Trading Ltd. and Anr. v. Addisons Paint and Chemicals Ltd.*** (*Supra*), the Supreme Court had explained that the expression "person aggrieved" as used in Section 46 of the 1958 Act (*pari materia* to Section 47 of the 1999 Act) was materially different from the connotation of the said expression as used under Section 56 of the 1958 Act (which is *pari materia* to Section 57 of the 1999 Act). The Court had observed that Section 56 of the 1958 Act contemplated situations where the registration should not have been granted or was incorrectly granted. These situations included: (a) contravention of failure to observe a condition for registration; (b) absence of an entry; (c) an entry made without sufficient cause; (d) a wrong entry; and (e) any error or defect in the entry. The Court further explained that such types of actions were commenced to maintain "the purity of the register" and thus had an element of public interest. In this context, the expression "person

aggrieved" would necessarily have a wider sweep. However, there was no element of public mischief in favour in rectification of a register under Section 46 of the 1958 Act (Section 47 of 1999 Act) and thus, the person aggrieved in the context of removal of trademark on account of non-use would necessarily mean a person who is interested in removal of the impugned mark.

11. The Supreme Court referred to the following passage from the decision of the House of Lords in ***Powell's Trade Mark*** : ***1894 11 RPC 4***, in its decision:

> "... although they were no doubt inserted to prevent officious interference by those who had no interest at all in the register being correct, and to exclude a mere common informer, it is undoubtedly of public interest that they should not be unduly limited, inasmuch as it is a public mischief that there should remain upon the register a mark which ought not to be there, and by which many persons may be affected, who, nevertheless, would not be willing to enter upon the risk and expense of litigation.
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> Whenever it can be shown, as here, that the applicant is in the same trade as the person who has registered the trade mark, and wherever the trade mark, if remaining on the register, would, or might, limit the legal rights of the applicant, so that by reason of the existence of the entry on the register he could not lawfully do that which, but for the existence of the mark upon the register, he could lawfully do, it appears to-me he has a locus standi to be heard as a person aggrieved." (emphasis added)

12. The Supreme Court held that the tests as indicated in the above quoted passage would be applicable to determine whether the applicant was a person aggrieved within the meaning of Section 46 of the 1958 Act.

13. Undoubtedly, the respondent was required to establish that it was a person aggrieved in order to maintain its application under Section 47 of the 1999 Act. It is apparent from the facts that the respondent had clearly discharged this burden. First of all, the respondent was also registered proprietor of the trademark "POPS", which it is using in respect of chewing gums and bubble gums. The respondent had applied for the registration of the impugned trademark in respect of confectioneries as well and that had resulted in disputes between the parties.

14. Secondly, the respondent had also explained that some of the trade channels, which are used to distribute breakfast cereals are also used for distribution of chewing gums and bubble gums. Both the products are mainly used by children and it is not difficult to understand the respondent's apprehension that the children who purchase its products were likely to associate the impugned mark used in respect of breakfast cereals with the respondent. In the aforesaid context, the respondent had contended that the use of the trademark "POPS" - which is being used by respondent for several years - by any other person would result in the dilution in value of the respondent's trademarks.

15. Lastly and more importantly, the petitioner had caused a legal notice to be served to the respondent expressing its intention to oppose the respondent's application for registration of the trademark, and thus, it was hardly open for the petitioner to contend that the respondent has no interest in the removal of the impugned mark. If the petitioner itself felt that the respondent's application of the trademark "POPS" would affect its right, which was asserted, *inter alia*, on the strength of registration of the

impugned mark, it can hardly urge that the respondent was not affected by the registration of the impugned mark.

16. In view of the above, this Court is unable to accept that the respondent did not satisfy the narrow test of being a person aggrieved as used under Section 47 of the 1999 Act.

17. The contention that the parties had settled the disputes is also not persuasive, as admittedly no formal agreement was executed between the parties. The petitioner has itself stated that the respondent was insisting that its goodwill and business be purchased as a part of the settlement, which was not acceptable to the petitioner. Thus, although, it does appear that the parties had held certain negotiations for an amicable settlement, this Court is unable to accept that a final settlement was concluded between the parties.

18. Finally, there appears to be no dispute that the petitioner has not used the impugned mark upto three months prior to the date of the application. The application for registration of the impugned mark was made on 16.03.1989 indicating that use of the impugned mark was proposed. There is no material placed on record before the IPAB which would indicate that the petitioner had used the impugned mark in this country. The IPAB had considered the above and held as under:-

> "11. We accept that business cannot be started over night and we cannot also take a view different from the settled position of law that the person who alleges non user should prove non user. But in this case, the counsel for the applicant admits that till date the mark has not been used and when the mark is "proposed to be used" mark, we do not think that the applicants need to prove a case which stands proved by admission. The mark was applied 16th

march 1989 as "proposed to be used". It was published on 1st July 1994 and till date i.e. from 1989 till date there is not one evidence of use. On the contrary, it is admitted that they intend to use. The fact that they are registered in other countries is not relevant for us. Even the judgments relied on by the respondent are that industries cannot be started over night cannot be applied. The respondent claims that it is breakfast giant in the world and if right from 1989 to 2011 i.e. for almost 22 years there is no evidence of use and it can only mean that there is no bonafide intention to use. There is not even any correspondence to show that there has been some attempt to commence use of the mark in India. 22 years is a long time and it speaks for itself that there has been no bonafide intention to use. We cannot brush aside the contention of the applicant that though Bubble Gum and Cereal may not be goods coming under the same class, they are all goods sold in super market and the possibility of confusion cannot be ruled out. In any event, the respondent who has not used the mark nor demonstrated a *bonafide* intention for 2 years cannot insist on the mark remaining on the register. The mark was registered in 1995. The application for rectification was filed on January 2001 after a lapse 5 years and 1 month during which period there was no user.

In short,

a) The respondent applied for registration of their mark in 1989 as proposed to be used mark and has not used it till date.

b) There is no evidence of sale in the country from 1989 to 2011, the respondent has neither used nor shown any evidence of commencing the business.

c) when the respondent itself admits that the mark has not been used then the question of proof of non user is unnecessary.

12. For above reasons, we find that the mark deserves to be removed from the register and accordingly TRA/159/2004/TM/DEL is allowed."

19. This Court finds no infirmity with the aforesaid view. The petition is, accordingly, dismissed. The pending application is also disposed of.

20. The parties are left to bear their own costs.

VIBHU BAKHRU, J

JANUARY 05, 2018
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