

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

% **Judgment Reserved on : 19th January, 2022**
Judgment Delivered on : 17th February, 2022

+ W.P.(C)-IPD 12/2021, CM No.209/2021(for stay) & CM No.210/2021(for summoning of record before the IPAB)

**MR. SANJAY CHADHA TRADING AS EVEREADY
TOOLS EMPORIUM AND ANOTHER** Petitioners

Through: Mr. S.K.Bansal and Mr. Ajay
Amitabh Suman, Advocates.

versus

UNION OF INDIA AND ANOTHER Respondents

Through: Ms. Biji Rajesh, Advocate for
Respondent No.1.
Mr. Ajay Sahni and Ms. Sucheta Roy,
Advocates for Respondent No.3.

**CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL**

JUDGMENT


AMIT BANSAL, J.

[VIA VIDEO CONFERENCING]

1. The present petition filed under Articles 226 and 227 of the Constitution of India impugns the common order dated 22nd September, 2020 passed by the Intellectual Property Appellate Board (hereinafter referred to as the 'IPAB'), whereby the rectification/cancellation petitions bearing ORA/97/2009/TM/DEL and ORA/98/2009/TM/DEL, filed on behalf of the respondent no.3 Eveready Industries India Limited (hereinafter

referred to as the ‘respondent’), have been allowed, resulting in the removal of the registered trade marks No. 439233 (“EVEREADY” word per se) and



No. 539621 (“EVEREADY” logo) or “” in Class-8 from the Register of Trade Marks. Vide the present petition the petitioners are challenging the impugned order passed in ORA/97/2009/TM/DEL to the extent whereby, the petitioners’ registered trade mark under No. 439233 (“EVEREADY” word per se) in Class-8 was removed.

2. The facts, which emerge on a reading of the claims of the petitioners and the respondent, are set out below:

2.1 The petitioners are engaged in the business of manufacturing and marketing of hand tools sold under the trade mark/label “EVEREADY”. The petitioner no.2 adopted the “EVEREADY” label in 1985 in relation to the said goods and obtained the trade mark No. 439233 (“EVEREADY” word per se) in Class-8 in respect of screw drivers and cutting pliers w.e.f. 19th June, 1985.

2.2 By virtue of the Assignment Deed dated 6th January, 2009, the petitioner no.2 assigned the rights in the trade mark “EVEREADY” in favour of the petitioner no.1 along with goodwill and reputation and by virtue of the said Deed, the petitioner no.1 had become the owner and proprietor of the said trade mark with effect from 1st April, 2005.

2.3 The respondent, on the other hand, is engaged in the business of manufacturing and trading, *inter alia*, in dry cell batteries, flashlights, compact fluorescent lamps (CFLs), and general service lamps (GSLs). All the products of the respondent are manufactured and sold under its

brand name and trade mark “EVEREADY”. The respondent is India’s largest selling brand of dry cell batteries and flashlights having a share of about 46% and 80% respectively in the organized market. The respondent is the registered proprietor and owner of the trade mark “EVEREADY”, which is registered under various classes of the Trade Marks Act, 1999 and the respondent has been using the mark “EVEREADY” since 1942. It is further claimed that the trade mark “EVEREADY” has attained the status of “well known trade mark” within the meaning of Section 2(1)(zg) of the Trade Marks Act.

2.4 On or about 1st September, 2008, the respondent came to know about the impugned registered trade mark in favour of the petitioner no.2, when the petitioners filed their opposition against the respondent in trade mark proceedings.

2.5 As per the respondent, in the year 1985, the petitioners had fraudulently registered the trade mark “EVEREADY” under No. 439233 and in the year 1990, fraudulently registered the identical

artistic logo/trade mark “EVEREADY” or “” under No. 539621.

2.6 In 2009, the respondent filed a civil suit, being CS(OS) 1422/2009 (now CS(COMM) 901/2018) before this Court and in the said suit, an interim order dated 22nd December, 2010 was passed in terms of which the petitioners were restricted from the use of the word trade mark “EVEREADY”, except in respect of screw drivers and cutting pliers. Since the petitioners were already restrained by the IPAB from

using “EVEREADY” device mark, no injunction was passed against use of the device mark. However, it was further directed that in case the registration in favour of the petitioners is cancelled, they will forthwith stop the use of the word mark “EVEREADY”, even in respect of the screw drivers and pliers. The evidence in the suit has been completed and the matter now is at the stage of final hearing.

2.7 The respondent filed rectification/cancellation petitions in 2009 before the IPAB alleging that the respondent is the registered proprietor and owner of the trade mark “EVEREADY”, which is registered under various classes of the Trade Marks Act and the respondent has been using the mark “EVEREADY” since 1942. The details of the registrations in favour of the respondent are set out in paragraph 11 of the application for cancellation of registration of the mark under No. 439233, filed before the IPAB. The details of the sales achieved by the respondent from 1981-82 to 2007-08 and the amounts spent on advertisement from 1990-91 to 2007-08 are set out in paragraph 12 of the aforesaid application.

2.8 Vide the impugned order dated 22nd September, 2020, the rectification/cancellation petitions filed by the respondent were allowed, *inter alia*, resulting in the removal of the registered trade mark No. 439233 (“EVEREADY” word per se) from the Register of Trade Marks. Hence, the present petition.

3. The case set up by the petitioners before the IPAB was as follows:

(i) The trade mark “EVEREADY” was adopted in an honest and *bona fide* manner by the petitioner no.2 in the year 1985 and has been used by the petitioners ever since in respect of hand tools.

- (ii) Prior to adopting the trade mark “EVEREADY” in relation to goods falling under Class-8, the petitioners took a search report from the Trade Mark Registry on 2nd June, 1983 and thus, the petitioners had discharged the onus of being an honest adopter and were entitled to protection being an honest and concurrent user.
- (iii) The respondent had suppressed the factum of earlier knowledge of the petitioners’ registration atleast since the year 2000, when the respondent applied for the registration of the trade mark “EVEREADY” vide application No. 641191 in Class-8 on 26th September, 1994. As per the examination report dated 11th November, 1999, it was pointed out that the mark “EVEREADY” was already registered in the name of the petitioners in respect of screw drivers and cutting pliers in Class-8. Despite said knowledge, the respondent filed the rectification/cancellation petition only in 2009 after a gap of nine years and therefore, the rectification/cancellation petition was barred by delay, laches and acquiescence.
- (iv) In view of the objection raised by the Registrar of Trade Marks, the respondent, vide its letter dated 25th March, 2000, agreed to amend the goods in respect of which registration was sought and excluded screw drivers and cutting pliers from the said goods. This amounted to acknowledgement and acquiescence of the trade mark “EVEREADY” of the petitioners in respect of screw drivers and cutting pliers.
- (v) The goods dealt by the petitioners and the respondent were different and distinct from each other and belonged to different classes. Therefore, there was no question of any confusion or deception being caused.

- (vi) The respondent had not raised any challenge to the Assignment Deed produced by the petitioners.
- (vii) The respondent had not produced evidence to support its claim of a “well-known trade mark”. The respondent had further not established any usage for hand tools.

4. On the basis of pleadings of the parties, the IPAB framed the following issues:

- “i) Whether the trade-mark of the applicant is a well known mark within the meaning of Section 2(1)(zg) of the Act.*
- ii) Effect of acquiescence (if any) on the part of the applicant under Section 33 of the Act.*
- iii) Effect of non-grant of injunction in favour of applicant by the Civil Court.*
- iv) Concealment (if any) by the applicant and its effect; or any admission in the cross-examination of witness of the applicant.*
- v) Whether the adoption of the same mark and logo was honest on the date of filing of application of registration.*
- vi) Validity of assignment by the proprietor in favour of his Sanjay Chadha.*
- vii) Use of a mark in relation of goods which are not similar.*
- viii) Conduct of the assignor and assignee of two marks which are under rectification.*
- ix) Concurrent user.*
- x) If the answer to Issue No. 1 is affirmative, then whether there is dilution of the Applicant’s well known trade mark.”*

5. Vide the impugned judgment dated 22nd September, 2020, the IPAB, while allowing the rectification/cancellation petitions filed on behalf of the

respondent, directed the removal of both trade marks bearing No. 439233 (“EVEREADY” word per se) and 539621 (“EVEREADY” logo) in Class-8 from the Register of Trade Marks and came to the following conclusions:

- (i) The trade mark of the respondent was a well known mark due to its extensive, continuous use, had gained immense goodwill and reputation and, hence, had attained the status of a “well known trade mark” under Section 2(1)(zg) of the Trade Marks Act. Once it was a well known trade mark, even if the registration was appropriated in relation to different goods, the benefit of Sections 11 and 18 of the Trade Marks Act would go to a party who was enjoying the well known trade mark.
- (ii) The adoption of the trade mark “EVEREADY” by the petitioners was *mala fide* and to ride over the reputation of the respondent and therefore, the advantage of being a *bona fide* and concurrent user could not be granted to petitioners. The petitioners were unable to make out the case of continuous user of the trade mark “EVEREADY”, as there had been breaks of user for long periods of time.
- (iii) The Assignment Deed relied upon by the petitioners was a defective document and contrary to law. There was no procedure under the Trade Marks Act to make an assignment deed with retrospective operation.
- (iv) On the date of the execution of the Assignment Deed i.e. 6th January 2009, the trade mark registration No. 439233 had already lapsed in 2006 on account of non-renewal.

- (v) The trade mark “EVEREADY” could be granted protection even in relation to dissimilar goods, in view of the trade mark “EVEREADY” being an invented word and the petitioners failing to show any justification for the user/adoption of the same.
- (vi) The said case was not one of acquiescence by the respondent as there was a gap in the usage of the trade mark by the petitioners from 1987 to 1997 and further from 2000 to 2006. Meanwhile, the petitioners’ trade mark had lapsed in 2006 without being renewed. When the petitioners started using the mark after 2006, the rectification/cancellation petitions as well as the civil suit were filed on behalf of the respondent.
- (vii) The initial filings of the applications for registration by the petitioners were itself fraudulent as the petitioners must have been aware, on the date of filing of the applications, about the goodwill, reputation and user of the trade mark “EVEREADY” of the respondent.
- (viii) The evidence of the respondent witness in the civil suit had to be read as a whole to determine its intent and inferences could not be made selectively.
- (ix) The IPAB was an independent forum and had to decide the present matter irrespective of the findings of the Civil Court. Therefore, the interim orders passed by the Single Judge of this Court in the civil suit had no bearing in matters at the final stage.
- (x) The imitation by the petitioners of the respondent’s mark diluted the reputation of the respondent’s trade mark by impairing/tarnishing the distinctive quality of the trade mark. Therefore, as regards the petitioners’ usage of a mark identical to that of the respondent’s well

known trade mark, there was no need to establish the likelihood of confusion as to source, association, and connection, since, there was dilution of the respondent's trade mark by tarnishment.

6. The submissions made on behalf of the petitioners before this Court may be summarized as under:

- (i) It is an admitted case of the respondent that their usage of the trade mark "EVEREADY" (word per se) has been in relation to dry cells, batteries, and flash lights etc., and the respondent did not obtain registration of the trade mark in Class-8 in respect of hand tools.
- (ii) It has been falsely stated by the respondent that they came to know about the registered trade mark in the name of the petitioners only on or about 1st September, 2008. The petitioners had filed their objections when the respondent applied for the registration of the trade mark "EVEREADY" in Class-8 on 26th September, 1994 vide application No. 641191.
- (iii) Vide the examination report dated 11th November, 1999 issued by the Registrar of Trade Marks in respect of the aforesaid application for registration filed by the respondent, the respondent was informed specifically of the registration of the trade mark No. 439233 of "EVEREADY" (word per se) in favour of the petitioners in respect of screw drivers and cutting pliers, being hand tools.
- (iv) In the response dated 25th March, 2000 to the said Examination Report, the respondent sought to amend the application filed on behalf of the respondent by excluding screw drivers and cutting pliers from the category of goods for which registration was sought.

- (v) Accordingly, in their trade mark registration application filed under Class-8, the respondent had sought exception in respect of screw drivers and cutting pliers, the goods for which registration had been obtained by the petitioners.
- (vi) The respondent has also concealed the fact of the cross notice dated 4th April, 2003 issued by the Registrar of Trade Marks to the petitioners informing the petitioners of the application filed by the respondent for registration of the said trade mark in Class-8.
- (vii) Reliance is placed on the judgment dated 22nd December, 2010 passed by this Court in the suit bearing CS(OS) 1422/2009 (now CS(COMM) 901/2018), filed on behalf of the respondent against the petitioners, to contend that there was an acquiescence on the part of the respondent to the use of the impugned trade mark by the petitioners in respect of the screw drivers and pliers. Therefore, the judgment dated 22nd December, 2010 partially dismissed the injunction application of the respondent and the petitioners were permitted to use the trade mark “EVEREADY” in relation to screw drivers and cutting pliers. The appeal against the said judgment was dismissed by the Division Bench vide order dated 28th November, 2011 passed in appeal bearing FAO (OS) No. 282/2011.
- (viii) Reliance is placed on the cross-examination of the respondent witness in the said suit to contend that the respondent had admitted that the petitioners are the users and owners of the trade mark “EVEREADY” in relation to screw drivers and cutting pliers.
- (ix) Reliance is placed on Section 33 of the Trade Marks Act to contend that there has been acquiescence on the part of the respondent, which

disentitles the respondent to oppose the use of the impugned trade mark by the petitioners in relation to screw drivers and cutting pliers. In the present case, the respondent had acquiesced for a continuous period of more than five years in the use of the trade mark by the petitioners. In this respect, the petitioners have relied upon the judgment in *Khoday Distillery Limited (Now known as Khoday India Limited) Vs. Scotch Whisky Association and Ors.*, (2008) 10 SCC 723.

- (x) The petitioners could not file the renewal application in respect of said mark in 2006 as the Trade Mark Registry failed to issue the mandatory renewal notice to the petitioners in this regard under Section 25(3) of the Trade Marks Act.
- (xi) The respondent had failed to prove that there has been no continuous user of the mark by the petitioners.
- (xii) There is no basis for the IPAB to return a finding that “EVEREADY” was a ‘well known brand’.
- (xiii) The trade mark “EVEREADY” is not an invented word, it is actually a combination of two words of the English language ‘ever’ and ‘ready’. The judgment in the case of *Bata India Limited. Vs. Pyare Lal and Co., Meerut City and Ors.*, AIR 1985 Allahabad 242, relied upon by the IPAB, was therefore, not applicable in the present case.
- (xiv) The entire findings of the IPAB are based on presumptions as the respondent failed to lead any evidence before the IPAB. The respondent has not placed any documents showing use and reputation of the trade mark “EVEREADY” prior to 1985. In this regard, reliance has been placed on the judgment in *Jabbar Ahmed Vs.*

Prince Industries and Anr., 2003 SCC OnLine Del 455, to contend that the onus lies on the applicant to establish the grounds on which rectification is sought by establishing the specific grounds by means of cogent and reliable evidence, which the respondent has failed to do in the present case. Reliance is also placed on the judgment in *Cadbury UK Limited & Anr. Vs. Lotte India Corporation Ltd.*, 2014 (57) PTC 422 [Del], to contend that the respondent has to actually show that they have a protectable goodwill and reputation and a mechanical incantation of reputation is not sufficient. Furthermore, the judgement in *Corn Products Refining Co Vs. Shangrila Food Products Ltd.*, (1960) 1 SCR 968 is relied upon to state that prior registrations in favour of the respondent of the mark “EVEREADY” are not proof of prior use of the mark “EVEREADY” and it is not permissible to draw any inference as to the use of marks from the presence of the marks on the Register.

- (xv) Even if the Assignment Deed entered between the petitioners was invalid, the trade mark remained the property of original proprietor and could not be rectified/cancelled.
- (xvi) The renewal of the petitioners’ trade mark applied for in 2010 and the Assignment Deed were never challenged by the respondent.

7. Per contra, the submissions made on behalf of the respondent can be summarized as under:

- (i) The respondent is one of the most reputed companies in existence and since more than 80 years are in the business of manufacturing and trading in, *inter alia*, dry cell batteries, rechargeable batteries,

flashlights and general lighting products and small home appliances etc.

- (ii) The products of the respondent bear the trade mark “EVEREADY”, which is a well known trade mark under Section 2(1)(zg) of the Trade Marks Act registered in several classes, the first one being Class-9.
- (iii) The trade mark “EVEREADY” in an invented word, which does not find mention in the English dictionary and also forms the prominent and dominant feature of the corporate name of the respondent no.3 i.e., EVEREADY INDUSTRIES INDIA PRIVATE LIMITED.
- (iv) The adoption of the trade mark “EVEREADY” by the petitioners in 1985 and obtaining registration in respect thereof, along with both word marks as well as device mark, was a *mala fide* act on the part of the petitioners. They have given no basis as to why the said invented mark was adopted by them.
- (v) It is a settled law under the provision of Section 29(4) of the Trade Marks Act that where a mark is a well known mark, a subsequent adopter cannot use the said mark or any other similar mark in relation to goods which may not even be similar, so far as the first adopter and user has a reputation in India and subsequent use of the identical/similar mark without due cause takes unfair advantage of or is detrimental to the distinctive character or repute of the prior adopted and registered well known trade mark. A well known trade mark is liable to be protected across all classes of goods/services.
- (vi) Not only the word mark, the petitioners have also been using the pyramidal structure of the brand “EVEREADY” throughout in a *mala fide* manner through the device mark and it was only before this Court

that the petitioners withdrew their petition challenging the impugned order of the IPAB in respect of the pyramidal structure on 7th May, 2021.

- (vii) Even though the petitioners claim to be the user of the “EVEREADY” trade mark since 1985, the first invoice that has been filed by the petitioners is of the year 1998.
- (viii) The respondent in its rectification/cancellation petition has given sales figures and advertisement expenses from the year 1981-82 till 2007-08. The sales figures for the year 1985, from which year the respondent claims to have adopted the impugned identical trade mark “EVEREADY”, were more than INR 240 Crores and hence, it is unbelievable that the petitioners were not aware about the existence and use of respondent’s trade mark.
- (ix) The petitioner no.2 wound up her business in 2000 and it is only in the year 2006 that her son, the petitioner no.1, recommenced the business.
- (x) The Assignment Deed dated 6th January, 2009 executed by the petitioner no.2 in favour of the petitioner no.1 is a manufactured document and does not amount to a valid assignment in terms of Section 2(1)(b) of the Trade Marks Act. Under Section 2(1)(b), assignment has to be in writing, so that there cannot be any backdated assignments. Affidavit in respect of non-receipt of the statutory form O-3 from the Trade Mark Registry was filed on behalf of the petitioner no.1 and not the petitioner no.2. Since it was the petitioner no.2 who was the registered proprietor of the mark, the form O-3

would have been sent by the Trade Mark Registry to the petitioner no.2 and not the petitioner no.1.

- (xi) The Assignment Deed is not valid document in as much as in the year 2009, when the Assignment Deed was executed in respect of the impugned registered trade mark, there was no registered trade mark in existence as the same had lapsed in the year 2006 itself.
- (xii) In view of non-filing of the renewal application by the petitioners in 2006, there was no registered proprietor of the said trade mark, when the application for rectification of the register was filed by the respondent. Since there was no registered trade mark in 2009 at the time of assignment, there could not have been a valid assignment by the petitioner no.2 in favour of the petitioner no.1. Reliance is placed on the notice of opposition filed by the petitioners, which is dated 28th March, 2008 and has been signed on behalf of the petitioner no.2, to contend that if the petitioner no.2 had assigned the mark in favour of petitioner no.1 w.e.f 2005, then she could not have filed the said objection in 2008.
- (xiii) Even in the evidence filed on behalf of the petitioners before the IPAB, no sales figures have been given for the years 2000-01 to 2004-05, which clearly demonstrates that the business of the petitioners had wound up in the year 2000. Reliance is placed on the documents filed by the petitioners to contend that the dishonest nature of the petitioners is evident from their illegitimate use of the other well know trade marks such as “HMT”, “DELUXE”, “CHAMPION”, “CRAFTSMAN” and “AMUL” for selling their products.

- (xiv) The evidence led by the respondent before the IPAB and in the civil suit pending between the parties has to be read in totality and not on the basis of stray references to a particular question asked in the cross-examination.
- (xv) The use of the well known trade mark of the respondent by the petitioners would cause confusion in the trade as the consumers would assume that the respondent has gone into the manufacture of hand tools, screw drivers and pliers, which are manufactured by the petitioners.
- (xvi) There is no limitation prescribed in the Trade Marks Act with regard to filing a rectification/cancellation petition as it is based on a continuing wrong. In the changing times, goods of the petitioners as well as the respondent are sold in the same malls/markets so it cannot be said that the petitioners' goods are capable of being distinguished from those of the respondent. Reliance is placed on Section 11(2) of the Trade Marks Act in support of the submission that the petitioners cannot be granted registration in respect of the impugned trade marks as that would be detrimental to the distinctive character and repute of the earlier trade mark of the respondent.
- (xvii) The IPAB has passed a detailed and well-reasoned order and there is no error apparent on the face of record, which requires interference of this Court under its jurisdiction under Article 226/Article 227 of the Constitution of India.
- (xviii) Reliance placed on behalf of the petitioners on Section 33 of the Trade Marks Act is not applicable since the acquiescence has to be for a continuous period of five years in respect of the use of 'registered

trade mark'. In the present case, w.e.f. 2006 there was no registered trade mark of the petitioners. Therefore, it not a case of acquiescence. The registered trade mark, in favour of the petitioners, was brought back only in 2019.

- (xix) In terms of Section 11(10) of the Trade Marks Act, the petitioners ought not to have been granted registration on account of bad faith in adopting such a trade mark.
- (xx) Reliance is placed on Rule 60 of the Trade Marks Rules, 2017 to contend that even if restoration of a trade mark has to be granted, the Registrar has to consider the interests of other affected persons while granting restoration, which was not done in while renewing the trade mark of the petitioners.
- (xxi) The orders passed by the Single Judge and Division Bench of this Court were only interim orders and therefore, have no precedential value. In this regard, reliance is also placed on Section 124(4) of the Trade Marks Act to contend that the final order made in rectification/cancellation proceedings shall be binding on a Civil Court and not vice versa.
- (xxii) The IPAB has an independent jurisdiction, and the rectification/cancellation proceedings had to be decided as per its own merit and as per independent evidence, irrespective of the findings of the Learned Single Judge.

8. I have heard the counsels for the parties and given consideration to the submissions advanced on behalf of the parties. I now proceed to give my findings on the various issues raised before me on behalf of the parties.

9. **Well known trade mark**

9.1 At the outset, reference may be made to Section 2(1)(zg) of the Trade Marks Act, which defines the term “well known trade mark” as under:

“2. Definitions and interpretation.—: (1) In this Act, unless the context otherwise requires,—

(zg) “well known trade mark”, in relation to any goods or services, means a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services.”

9.2 After analysing the evidence/material placed on record by the respondent, the IPAB observed as under:

“17. In view of such material, it has come on record that –

- a) Public has a knowledge about this mark.*
- b) Extent of user more than 78 years is sufficient in India and abroad.*
- c) Large number of registrations obtained.*
- d) Successful enforcement.*
- e) All conditions of Section 11(1)(6) are satisfied and also under Section 2(1)(zg) of the Act.*

18. Thus, the applicant’s mark is a well-known mark due to their extensive, continuous use, have gained immense goodwill and reputation and have attained the status of a well-known mark under Section 2(1)(zg) of the Act.

19. Once it is a well known marks, the registration if appropriated in bad faith even in relation to different goods, the benefit of Section 11 and 18 must go to a party who is enjoying the well-known mark.”

9.3 It is an admitted position that the respondent has been using the trade mark “EVEREADY” since 1942 and obtained registrations of the said mark from the year 1942 in various classes. There are various judicial orders passed from the year 1930, which take notice of the respondent’s use of the mark “EVEREADY”. The respondent has also given its sales figures from the year 1981-82 to 2007-08 totalling more than INR 12,450 Crores and advertisement figures of more than INR 465 Crores. It is also an admitted position that the respondent has been selling their products only under one single mark of “EVEREADY”. In support of the said submission, the respondent has filed invoices from the year 1981-82 to 2007-08. Furthermore, the respondent’s use of the mark “EVEREADY” has been reported in various judgements, namely in 1930 in the case of *Chwan Swee Bee Vs. National Carbon Co.*, MANU/RA/0071/1930, in 1953 in *National Carbon Co. (India) Ltd. Vs. Raj Kumar and Ors.*, MANU/UP/0122/1954, and in 1964 in *Chhabildas Tribhuvandas Shah and Ors. Vs. Commissioner of Income Tax, West Bengal*, MANU/SC/0174/1964, which itself establishes the prior use and goodwill of the respondent.

9.4 In view of the above, I am satisfied that the respondent’s trade mark, due to its extensive and continuous use, has gained immense goodwill and reputation and therefore, fulfils the criteria of being a “well known trade mark” under Section 2(1)(zg) of the Trade Marks Act. Therefore, the judgments in *Jabbar Ahmed* (supra) and *Cadbury UK Limited* (supra) are of no aid to the petitioners, as in the present case, the plaintiff has produced sufficient material, which would show user of trade name “EVEREADY” in respect of their goods, and the goodwill and reputation garnered in respect

thereto. As the present case deals with identical marks, “EVEREADY”, the case herein is also distinguishable from that in *Corn Products Refining Co* (supra), therefore, leading to the said case having no consequence. It is further to be noted that the rectification/cancellation petitions filed by the respondent were not only based upon earlier registrations in various classes granted to the respondent in respect of the mark “EVEREADY”, but the respondent had also corroborated their claim of prior and continuous user with other sufficient material as illustrated above.

9.5 Once a trade mark is held to be a “well known trade mark” under Section 2(1)(zg) of the Trade Marks Act, it would be entitled to protection under Section 11(2) of the Trade Marks Act. Under Section 11(2), the registration shall not be granted in respect of a trade mark, which is identical with or similar to an earlier trade mark, even if the goods in respect of which registration is sought are not similar to the goods for which the earlier trade mark is registered, if the said earlier trade mark is a “well known trade mark” in India and the use of the later mark, in respect of which registration is sought, would be detrimental to the distinctive character or repute of the earlier trade mark.

9.6 In respect of whether registration can be granted in respect of a trade mark, which is identical to an earlier mark, if both marks pertain to dissimilar goods, the IPAB returned the following findings:

“32. Different goods

No doubt, the goods of rival parties are different. But once the trade mark is a famous trade mark under the mandatory provisions for different goods, the same can be protected for

different goods. Section-11 prohibits such registration. Even otherwise, reputed trade marks are also protected for dis-similar goods irrespective of facts whether well-known or not as per settled law, particularly when the trade marks are invented and the party is unable to give any justification to hit upon the trade mark under rectification. In the present case, the respondents have failed to give any valid reason for adoption of trade mark has hit upon them. It appears to us that it is simply a theft. Stolen property cannot become rightful property any amount of user although in the present case, the user claim and continuous evidence is missing. Even if the trade mark is not a well-know trade mark and business activities are different, still it can be protected because of long user, proprietary ship right and nature of the mark in question.”

9.7 In the present case, admittedly the two trade marks in question are identical i.e. “EVEREADY”. In terms of Section 11(2) of the Trade Marks Act, it does not matter whether the aforesaid trade marks are in respect of similar goods or not. The IPAB in the impugned order has rightly concluded that the mark in question can be protected in relation even to dissimilar goods. It was also noted that the goods of both the parties are allied and cognate goods that would be available in super markets and malls. Thus, the only test to be applied is whether the earlier trade mark is a well known trade mark and whether the use of the later mark would be detrimental to the distinctive character or repute of the earlier trade mark. The answer to both the aforesaid questions in the present case is in the affirmative.

9.8 Section 11(3) of the Trade Marks Act provides that a trade mark shall not be registered if its use is to be prevented by virtue of law of copyright and law with regard to passing off. Though in the present petition, the issue of violation of copyright does not arise, but it is not disputed by the petitioners that the petitioners had been using the “EVEREADY” logo,

which was identical to the “EVEREADY” logo being used by the respondent, including in respect of the visual and colour scheme, and this was also the subject matter of the rectification/cancellation petition filed by the respondent before the IPAB. Though, it may be noted that subsequently, the writ petition challenging the order of the IPAB to the extent of rectification granted in respect of the “EVEREADY” logo has been withdrawn on 7th May, 2021 before this Court by the petitioners.

9.9 In my view, the respondent has produced sufficient evidence before the IPAB in support of its claim that the mark “EVEREADY” is a well known trade mark. Under the scheme of the Trade Marks Act, reputed trade marks are also entitled for protection, even in respect of dissimilar goods, when the said trade marks are invented words and the party using the said reputed trade marks is unable to give any justification for using the same. In this regard, the IPAB has correctly placed reliance on the judgments in *Bata India Ltd.* (supra) and *Daimler Benz Aktiegesselschaft and Ors. Vs. Hydo Hindustan*, MANU/DE/1008/1993.

9.10 In the present case the word “EVEREADY” is a combination of the words ‘ever’ and ‘ready’ and is entitled to protection in terms of the judgment passed by this Court in *Living Media India Limited Vs. Jitender V. Jain*, MANU/DE/0607/2002, wherein while dealing with a similar question this Hon’ble Court held that:

“28. The word "AAJ" and "TAK" may be individually descriptive and dictionary word and may not be monopolised by any person but their combination does provide a protection as a trademark if it has been in long, prior and continuous user in relation to particular goods manufactured, sold by a particular person and

by virtue of such user the mark gets identified with that person. It is so irrespective of the fact whether such a combination is descriptive in nature and has even a dictionary meaning. In such a case any other person may choose any of the two words viz. either "AAJ" or "TAK" as its trade name or mark but it has to prohibited from using the combination of these words as such a user not only creates confusion as to its source or origin but also bares the design or motive of its subsequent adopter."

9.11 Therefore, in the present case, the respondent would be entitled to benefit of Section 11 of the Trade Marks Act.

10. **Adoption of the mark by the petitioners**

10.1 No reasons have been given by the petitioners as to why the trade mark "EVEREADY" was adopted by them in the year 1985. Not just the word mark "EVEREADY", the petitioners had also applied for registration of the trade mark No. 539621 ("EVEREADY" logo), for their goods, which is exactly the same as what was being used by the respondent.

10.2 It may be relevant to mention here that not just the respondent's trade mark "EVEREADY", the petitioners were also using the other well known trade marks of "HMT", "DELUXE" and "CHAMPION" for selling their goods. In this regard references may be made to the invoices filed on behalf of the petitioners at pages 438 to 446 of the electronic file.

10.3 Furthermore, even though the petitioners claim to be the user of "EVEREADY" trade mark since 1985, the first invoice that has been filed by the petitioners is of the year 1998.

10.4 It is clear from the above that the petitioners had adopted the trade mark "EVEREADY" in a dishonest and *mala fide* manner and with an

intention to usurp the goodwill and reputation of the respondent. In terms of Section 9(1)(a) of the Act, the petitioners' goods are not capable of being distinguished from those of the respondent's and hence, the registration ought to have been refused. In this regard reference may be made to the finding of the IPAB which is set out below:

“32.

...

In the present case, the respondents have failed to give any valid reason for adoption of trade mark has hit upon them. It appears to us that it is simply a theft. Stolen property cannot become rightful property any amount of user although in the present case, the user claim and continuous evidence is missing. Even if the trade mark is not a well-know trade mark and business activities are different, still it can be protected because of long user, proprietary ship right and nature of the mark in question.”

10.5 In view of the above dishonest adoption by the petitioners, the petitioners would not be entitled to for honest concurrent use as provided under Section 12 of the Trade Marks Act.

11. Evidence produced by the petitioners about user

11.1 While analysing the evidence produced on behalf of the petitioners about the petitioners' users of the trade mark, the IPAB returned the following findings:

“29. We have gone through the documents filed by the respondents which are in the nature of Income-tax returns, invoices, price list and other connected to the user claimed since 1985. Admittedly, the user of the respondent has been denied by the applicants -

a) Income-tax return and assessment orders do not show the trade mark "EVEREADY".

b) The price list of the year 2006 is available on record.

c) Few invoices of the assignee from the year 2005-2009 of Eveready Tools Emporium are filed.

d) Sale figures do not show the trade mark.

e) Few invoices for the years 1998 and 1999 are filed pertaining to the trade mark Eveready and Champion.

It appears to us that there is no cogent and clear evidence of user claimed. The respondents were using other trade marks also. The respondent's have made the wrong statements that they have only one trade mark. Continuous user is missing in the matter. There is a break of user by the assignor and assignee for long period of time. The question of long user/continuous user does not arise nor the respondents were entitled for registration under concurrent year. The filing of applications itself were bad as on the date of respective applications, the respondents were not the proprietor of trade mark."

11.2 Much emphasis has been laid on behalf of the petitioners that it has been falsely stated on behalf of the respondent that they came to know about the trade mark of the petitioners in 2008, whereas they ought to be aware of the said trade mark as far back as in 1999, when the Examination Report dated 11th November, 1999 issued by the Registrar of Trade Marks was provided to them, which specifically mentioned the registration of the said trade marks in favour of the petitioners in Class-8 of the Trade Marks Act. Furthermore, it has been emphasised that the respondent in their trade mark registration application filed under Class-8, pursuant to the said Examination Report, sought exception in respect of screw drivers and cutting pliers, the goods for which registration had been obtained by the petitioners.

11.3 The fact of the matter is that there was no user of the trade mark by the petitioners from the year 2000 till the year 2005 and on account of non-use, the said trade marks stood abandoned. The said trade mark stood removed from the Register on account of the non-renewal in the year 2006. Therefore, even if the respondent was aware of the registered trade mark in favour of the petitioners in 1999, the cause of action for filing the rectification/cancellation petition arose in 2008-2009, when the petitioners began using the mark again.

11.4 In view of the fact that there was no user of the trade mark by the petitioners from 2000-2005 and that the petitioners have abandoned the said mark in the said period, even if the respondent knew about the registration of the said mark in favour of the petitioners in 1999, the same is of no relevance. The cause of action in favour of the respondent for rectification only arose when the petitioners started using the said mark again in 2006 and soon thereafter, in 2009, the cancellation/rectification proceedings were filed. It may be relevant to note here that there is no period of limitation prescribed in respect of initiating rectification proceedings.

11.5 There is merit in the submission of the counsel for the respondent that even the renewal of the trade mark, granted in favour of the petitioners, was invalid. The renewal application was filed on behalf of the petitioner no.1 stating that the petitioners did not receive a statutory renewal notice from the Trade Marks Registry and in support of the said contention, the petitioner no.1 filed an affidavit stating that neither him nor the petitioner no.2 received the statutory notice under Section 25(3) of the Trade Marks Act.

At the relevant time when the trade mark had to be renewed, it was the petitioner no.2, who was the registered owner and therefore, if the statutory notice would have been sent by the Trade Mark Registry, it would have been sent to the petitioner no.2 and not the petitioner no.1. It was for the petitioner no.2 to have filed an affidavit stating that she has not received the statutory notice from the Trade Marks Registry. But, it was the petitioner no.1 who filed such an application and not the petitioner no.2. Even the agent of the petitioners in 2006, when the statutory notice was to be issued by the Trade Mark Registry, was different from the agent who filed an application. There was no occasion for the Trade Mark Registry to issue notice to the new trade mark agent, who came into picture only in 2010. Clearly, this is a misleading submission made on behalf of the petitioners and has rightly been rejected by the IPAB.

11.6 It has been contended on behalf of the petitioners that the respondent did not make any challenge before the IPAB with regard to the validity of Assignment Deed and the renewal of the petitioners' trade mark.

11.7 However, in my view, these are technical objections and in terms of Section 57(3) of the Trade Marks Act, the IPAB can decide all questions that may be necessary or expedient to decide in connection with rectification of the Register.

12. **Acquiescence**

12.1 In terms of Section 33 of the Trade Marks Act, there has to be acquiescence for a continuous period of five years in the use of a registered trade mark. Further, an exception is provided in the event that the registration of the later trade mark was not applied for in good faith.

12.2 On the question of delay and acquiescence, the relevant observations of the IPAB are set out below:

“33. Acquiescence under Section 33 of the Act

...

The Respondents relied on various admissions made by the Applicant in the Trade Mark Registry concerning the amendment of the description of the goods, and giving up certain goods, construing them as acts of assent. In Hindustan Pencils Private Limited v. India Stationary Products, AIR 1990 Delhi 19, the question of delay and acquiescence was dealt elaborately with. It was held that there should be a positive act or an express assent on the part of the right holder to claim the defence of acquiescence. Further in Make My Trip (India) Private Limited v. Make My Travel (India) Private Limited (CS(COMM.) 889/2018), 2019 SCC OnLine Del 10638, the High Court of Delhi has reaffirmed that the trademark holder's express consent to the use of a similar/identical trademark is an essential requirement to avail of the defence of acquiescence under Section 33 of the Trademark Act 1999. In order to prove delay and acquiescence, the defendant should have demonstrated that the plaintiff expressed assent and encouraged use of the impugned marks. Merely showing delay to sue could not be accepted as sufficient grounds to exercise this defence.”

12.3 In the present case, I have already observed that the adoption of the two trade marks by the petitioners was not in good faith. Further, there has been no continuous user by the petitioners of the said trade marks. It is clear from the evidence on record that there was no user of the trade mark between the years 2000-2005. There was no registered trade mark also with effect from 2006. The user of the said trade mark by the petitioners began only in 2006 and the rectification petitions were filed in 2009. Therefore, the benefit of Section 33 of the Trade Marks Act would not be available to the

petitioners. Consequently, the judgment in *Khoday Distillery Limited* (supra), as relied upon by the petitioners is not applicable to the case at hand, as the doctrine of laches and acquiescence are not attracted in the present case.

13. Cross Examination in the Suit

13.1 The counsel for the petitioners has drawn attention of the Court to parts of the cross-examination of the respondent witness to contend that the said witness had admitted that the petitioners are users and owners of trade mark “EVEREADY” in relation to screw drivers and cutting pliers. This contention of the petitioners has been dealt with in paragraph 39 of the impugned order, which is extracted below:

“39. While drawing the inference from the evidence of witness, the whole evidence of witness i.e. examination-in-chief and cross-examination is to be considered and the Respondents cannot be permitted to read a stray line from the cross-examination to claim that the Applicant has admitted to the case of the Respondent. [Gandhi Ram v. Raj Kumar MANU/HP/0075/2015; Saygo Bai v. Chueeru Bajrangi MANU/SC/0963/2010; State of Maharashtra v. Mahesh KarimanTirki and Ors. MANU/OT/0001/2017]. In the present case, if entire statement of witness is read in meaningful manner, it appears that the statement goes against the respondent, even otherwise deceptive similarity between two competing marks has to be adjudicated by the Hon'ble Courts and not by a witness. [Mahindra & Mahindra Papers Mills Ltd. v. Mahindra & Mahindra Ltd. MANU/SC/0724/2001]. Nowhere in the statement, it is stated that the case of applicant is not maintainable and the respondent is entitled to use the mark. The objection raised by the respondents are baseless and without any force.”

13.2 There is no infirmity in the above finding. A stray statement made on behalf of the witness in the course of cross-examination cannot be the basis

to say that the party has admitted to the case of the opposite side. The Court has to consider evidence as a whole in the facts and circumstances of the case to arrive at a finding. In this regard reference may be made to the judgment passed by the Supreme Court in *Mahendra and Mahendra Paper Mills Vs. Mahindra and Mahindra Ltd.*, MANU/SC/0724/2011, wherein it has been held that whether there is a likelihood of deception or confusion arising is a matter of decision by the Court, and no witness is entitled to say whether the mark is likely to deceive or cause confusion. Therefore, this Court does not find any merit in the aforesaid argument of the petitioners.

14. **Assignment Deed**

14.1 The Assignment Deed dated 6th January, 2009 was executed by petitioner no.2 in favour of her son, the petitioner no.1, seeking to assign the aforesaid two registered trade marks in Class-8. Even though the Assignment Deed was dated 6th January, 2009, it is sought to be made effective from 1st April, 2005.

14.2 The counsel for the respondent is right in submitting that in terms of Section 2(1)(b) of the Trade Marks Act, there cannot be any retrospective assignment of a trade mark. In terms of Section 2(1)(b) of the Act, the assignment has to be in writing. Therefore, once the Assignment Deed is executed on 6th January, 2009, it would have to take effect from the said date and not from an earlier date. When the said Assignment Deed was executed in 2009, there did not exist any registered trade mark as the said trade mark had lapsed in the year 2006 itself. Therefore, there could not have been an assignment thereof. Clearly, the intention of executing the said Assignment Deed with retrospective effect was to get over the fact that the registration of

the trade mark had expired in the year 2006 on account of non-renewal of the same by the petitioners. The fact that the Assignment Deed is a manufactured document becomes obvious also from the fact that the notice of opposition was filed by the petitioner no.2 on 28th March, 2008. If the assignment had taken place from the petitioner no.2 to the petitioner no.1 vide Assignment Deed dated 6th January, 2009 with effect from 1st April, 2005, how could the petitioner no.2 file the notice of opposition in 2008.

14.3 The counsel for the petitioners had made a submission that even if the Assignment Deed is held to be invalid, the mark would still be in the name of the original proprietor i.e., the petitioner no.2. This submission does not have any force as that the petitioner no.2, the assignor, had abandoned the mark from the year 2000 and in fact, after 2006, on account of its non-renewal, there was no valid registration in favour of the petitioner no.1.

15. **Non-grant of injunction**

15.1 This Court finds merit in the submission of the respondent that the interim order dated 22nd December, 2010 passed by the Single Judge and the dismissal of the appeal thereagainst by the Division Bench would not be binding precedent before the IPAB. The IPAB has an independent jurisdiction given to it under Section 124 of the Trade Marks Act in respect of rectification proceedings. The said jurisdiction has to be exercised by the IPAB independently on the basis of evidence and material on record before the IPAB.

15.2 This jurisdiction of the IPAB has also been recognised by the judgment dated 22nd December, 2010 of the Single Judge of this Court by stating that the non-grant of injunction in favour of the respondent in respect

of the word mark “EVEREADY” would be subject to the orders in the rectification/cancellation petition.

15.3 With regard to the submissions of the petitioners that order of the IPAB is based on surmises and conjectures and not on the evidence on record, it may be necessary to point out here, that in terms of Section 92 of the Trade Marks Act, the IPAB was not bound by the procedure under the CPC but was guided by principles of natural justice. While considering any application for rectification of a mark, the IPAB/Court has to take into account public interest. It is in the interest of the public that the purity of trade mark Register, has to be maintained. As far back as in *Hindustan Pencils (P) Ltd. Vs. India Stationery Products Co.*, AIR 1990 Del 19, it was held that though in an action for infringement of trade mark if the interim injunction is not granted, the plaintiff when ultimately succeeds can always be compensated by awarding damages for the loss suffered but during the period the defendant is allowed to continue to infringe the trade mark, it is the consumer or the purchaser who alone suffers and who ultimately cannot be compensated; therefore, in order to curb the menace of manufacture, production and sale of spurious goods and the blatant violation of intellectual property, it will be proper for the Court to take into consideration the interest of the general public.

16. In conclusion, while allowing the cancellation/rectification petition resulting in the removal of the registered trade mark No. 439233 (“EVEREADY” word per se), the IPAB has returned the following findings:

“43. We have asked number of times, how his client has hit upon the said mark being not the common name. No valid explanation is given except answers. About user of the marks applied. There is no

continuous users so as the sale and advertisements figures. There is a break of user of number of years by the assignor as well as assignee. Income tax return of number of years is shown as Nil. The respondents' counsel have referred number of decisions. We have gone through the same. None the decisions applicable to the facts of present case. In the present case, the adoption, user are dishonest. The assignment deed is a sham document. In the affidavit as evidence many incorrect statements are made apparently.”

17. In view of such categorical findings of the IPAB, the result of this petition would also depend on the scope of jurisdiction of this Court, while exercising power under Article 226 and 227 of the Constitution of India, and the manner, in which evidence has been appreciated by the IPAB. The IPAB, in exercise of its independent jurisdiction, in the impugned order has at length recorded the fact that there is absence of cogent and clear evidence of user, concurrent, *bona fide*, and continuous, as claimed by the petitioners and held the petitioners to be dishonest user. In the opinion of this Court, the IPAB has passed a detailed and well-reasoned order and there is no error apparent on the face of record or any perversity, which would warrant interference of this Court under its jurisdiction under Article 226 and Article 227 of the Constitution of India in the manner as sought by the petitioners.

Dismissed.

AMIT BANSAL, J.

FEBRUARY 17, 2022

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