

INTELLECTUAL PROPERTY APPELLATE BOARD

Guna Complex Annexe-I, 2nd Floor, 443, Anna Salai, Teynampet, Chennai-600018

CIRCUIT BENCH SITTING AT DELHI

M.P. No.249/2009 in ORA/220/2009/TM/DEL & ORA/220/2009/TM/DEL

FRIDAY, THIS THE 10th DAY OF FEBRUARY, 2012

Hon'ble Smt. Justice Prabha Sridevan

... **Chairman**

Hon'ble Ms.S. Usha

... **Vice-Chairman**

KYK Corporation Ltd.
43-2-509, Otori
NAKA-MACHI-2-CHO
SAKAI CITY
JAPAN.

... Applicant

(By Advocate: Mr. M.K. Miglani)

Vs

Vivek Kocher & Vineet Kocher
Trading as KYK Bearing International
C-9/140, Yamuna Vihar
Delhi-110053.

...

... Respondent

(By Advocate: Mr. Satish Kumar)

M.P. No.250/2009 in ORA/221/2009/TM/DEL & ORA/221/2009/TM/DEL

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ORDER(No.36/2012)

Hon'ble Ms.S. Usha, Vice-Chairman:

Applications for removal of the trade mark KYK registered under No.1291522 in Class 7 and 949032 in Class 12 under the provisions of the Trade Marks Act, 1999 (hereinafter referred to as the 'Act'). These two applications were heard together as the issues involved and the parties are one and the same, with the consent of the parties. A common order is passed.

2. The applicant is a company duly organized and existing under the laws of Japan and engaged in the business of manufacturing, marketing, selling and exporting *inter alia* all types of bearings, including part of land vehicles, bearing (axle) for vehicle wheels, and bearings (carrying for wheels) since the year 1952. The applicants well known trade mark is its house mark which also forms a prominent part of the corporate trade and has acquired a global fame and reputation of being the most trusted name in bearings industry.

3. The applicant was founded by Mr. Kiyosias Yamamoto and was originally incorporated in the year 1952 in Japan under the name Kabusikikaisiya Yamakei Bearing Limited. That Mr. Kiyosias took the first letter from the corporate name of his company Kabusikikaisiya Yamakei and conjoined with the first letter of his name Kiyosias to coin the expression KYK and adopted the same as a trade mark in his high quality goods manufactured and sold by his company. The corporate name underwent a change in the year 1982 and the company was known as Tottori Yamakei Bearing Seisakusho Ltd. when the manufacturing facility of the company was shifted to Tottori province in Japan. The said corporate name further underwent a change in the year 2000, to KYK

Corporation Limited which is the present applicant herein. Since its incorporation, the applicant used the said trade mark through itself as well as through its licensees/distributors and franchisees in relation to the aforesaid goods not only in Japan but across the globe. The goods bearing the trade mark KYK were exported and marketed in the United States as early as 1953. The high quality goods of the applicant received market recognition and the applicant began to expand its marketing operations to other parts of the world. Since its inception, KYK has remained the most well-known and renowned trade mark. The applicants have also obtained valuable intellectual property rights in the said mark KYK by securing registrations in various countries. The said registrations are valid and subsisting. In order to secure statutory rights, applicants had applied for registration of their trade mark KYK in Classes 7 and 12 under No.1460575 and 1460576 respectively. These applications were advertised in the trade mark journal and are pending registration.

4. The applicants trade mark KYK is a coined expression which has no dictionary meaning and was honestly and bonafidely conceived and adopted by its founder. The trade mark has no descriptive relevance and meaning. The said trade mark is inherently distinctive and has come to be exclusively associated with the applicant.

5. It is pertinent to note that the international fame and repute of the applicants trade mark KYK is not limited to any geographical limitation where the applicant may have actual presence in terms of business operations but the said fame and reputation of the applicant's trade mark has travelled to other jurisdictions including to those where the applicants may currently have active business operations. The applicants have advertised and popularized the said trade mark internationally as well as in India. The said trade mark enjoys trans-border reputation by advertising

in various magazines published outside India but having circulation in India. The goods bearing the said trade mark is widely known in India including other foreign countries due to the superior quality of the goods and the extensive publicity and it enjoys a great reputation of being associated exclusively with the applicant. By virtue of superior quality the applicants goods and services have met with voluminous and enviable sales into enormous goodwill and reputation among the members of the trade and public. By virtue of the superior quality of the goods and the international fame of the applicants products, which international reputation having spilled over to India, the applicants mark has come to be exclusively associated with the applicants in India and the members of the trade and customers in India continue to associate the same with the applicant and with none else. The applicant is therefore the true owner, lawful proprietor and prior user of the trade mark KYK internationally as well as in India in relation to the aforesaid goods. The trade mark by long and continuous use in international markets as well as in India qualified to be accorded as a well known trade mark under the provisions of Section 2(1)(zg) of the Act and deserves to be protected as such.

6. The respondent has obtained registration of the impugned trade mark KYK which is an identical and deceptively similar trade mark to that of the applicant's well known and reputed trade mark KYK. The respondents have filed a suit against the applicant for injunction restraining the applicants from infringing the respondent's registered trade mark. The registration of the impugned trade mark are being obtained by playing fraud upon the Registrar of Trade Marks. The respondents claim use since 10.10.1996 in respect of parts and fittings in Class 12 and as regards goods in respect of bearings, filters, gear and gear parts falling in Class 7 since 10.4.2000. It is however submitted that the applicants trade

mark was bonafidely adopted by the applicant as back as in year 1952. The adoption of the impugned trade mark by the respondents is absolutely dishonest, malafide and in bad faith and is in contravention of the provisions of the Act. Any use by the respondent therefore is void *ab initio* and no use in the eyes of law.

7. The applicant was not aware of the advertisement of the impugned trade mark. The registration has been obtained by fraud by making false and misleading statements and concealing material facts and matters before the Registrar. The said registration is illegal and invalid and deserves to be cancelled. It is also pertinent to mention that the writing style of the respondent's impugned trade mark KYK as depicted on their product packaging is also deceptively similar to the writing style and artistic font of the applicant's KYK. It cannot be a mere coincidence or a case of accidental similarity. The impugned trade mark was registered without any bonafide intention on the part of the respondent to use the same in respect of the goods for which it was registered. The impugned trade mark was registered with malafide intention to pass off their goods as those of the applicants. The respondent has never used the impugned trade mark in respect of the goods for which the registration was sought. The impugned trade mark was neither distinctive nor capable of being distinguished on the date of the application. The registration is in contravention of the provisions of Section 9 of the Act. The impugned trade mark on the date of application was bound to cause confusion and deception among the public as the applicant is a prior user and therefore the registration is in contravention of Section 11 of the Act. The entry pertaining to the impugned trade mark was wrongly made and which was wrongly remaining on the register and the same would affect the purity of the Registrar. The registration has been made without sufficient cause. In

the interest of purity of the register and public at large the impugned trade mark may be removed.

8. The applicant is a 'person aggrieved' and can maintain and institute this action as it is engaged in the same/similar trade and is a prior adopter of the trade mark KYK. The respondent filed a Civil Suit No.C.S.(OS) No.1305/2009 before the Hon'ble Delhi High Court and it is pending. The applicant has the *locus standi* to file and institute the present application for rectification of the impugned trade mark.

9. The respondents herein filed their counter statement stating that the present application is not maintainable as the same is devoid of truth and legality. The petition is not maintainable either in law or on facts. The application is a counter blast and is an abuse of process of law. The respondent has not concealed or misrepresented any facts before the Registrar. The registration is lawful, valid and regular. The adoption of the trade mark KYK by the respondent is bonafide and honest and the same has been used by the respondent continuously since the year 1996. The claim of the applicant is bald and basically devoid of any truth and legality and therefore this application is liable to be dismissed.

10. The respondent is an old established firm engaged in the business of marketing and selling automobile goods, parts and fittings including bearings, filters, gear and gear parts, v-belts, fan belts and machinery parts for use in motor land vehicle. The respondent in the year 1996 adopted the trade mark KYK in respect of automobile parts and fittings. Since adoption, the respondent has been continuously and uninterruptedly using the same till date.

11. The respondent has assigned the said trade mark to its sister concern, M/s. V.K. Automobiles whose proprietor is Shri Vivek Kocher,

along with its goodwill and reputation. Accordingly, Shri Vivek Kocher proprietor of the V.K. Automobiles is the lawful owner and proprietor of the registered trade mark KYK. The respondent has acquired and taken over the said trade mark vide agreement dated 25.8.2000 along with all rights and goodwill and reputation pertaining to the said trade mark in respect of business of manufacturing and selling of said goods. The respondent has adopted and has been using the said trade mark since the year 1996 continuously and uninterruptedly in relation to automobile parts and fittings etc. It is very common practice to adopt the trade mark having three letters in the bearing industry. All popular trade marks in India and all over the world consists of three letters, namely, SKF, NBC etc. The respondent invented and adopted the trade mark after the name of family members and their caste. It is further reiterated that the said trade mark was adopted after the name of the father, namely, Kuldeep Rai Kocher, uncle Yashwant Rai Kocher and the caste namely, Kocher.

12. The adoption is therefore absolutely bonafide and honest and the same has been adopted after the name of the family members and the caste namely, Kocher.

13. The applicants cannot attribute any dishonesty and malafide to the respondent with regard to adoption and use of the trade mark. Accordingly, the adoption and user of the said trade mark is bonafide and honest. On the contrary it is submitted that the applicant has no case at all. The applicant has no case in respect of their claim of prior and continuous user. The sales invoices and other documents is forged and fabricated and the applicant is called upon to produce the originals of the same. It is also pertinent to mention that the applicant company has been declared bankrupt in the year 2000 and thereafter the applicant has never

resumed its trade and business of any nature. The rest of the averments were denied by the respondents.

14. The applicants filed their reply to the counter statement denying the averments made in the counter statement.

15. We have heard Shri M.K. Miglani, the learned Counsel for the applicant and Shri Satish Kumar, the learned Counsel for the respondent on 19.10.2011.

16. The learned Counsel for the applicant submitted that the two applications are for rectification of the trade mark "KYK" registered under Nos.949032 in class 12 and 1291522 in class 7. The application under No.949032 in class 12 was filed on 21.8.2000 claiming user since 10.10.1996 and the other application No.1291522 in class 7 was filed on 21.6.2004 claiming user since 10.4.2000. The Counsel then relied on the averment made in para 23 of the plaint [C.S.(OS) No.1305 of 2009] filed before the Hon'ble High Court of Delhi] -

"23. That the resemblance between the plaintiffs' said trade mark and that of the defendants' impugned trade mark and trade name is so close that it can hardly occur except by deliberate imitation. The defendant adopted and started using the impugned trade mark and trade name in full knowledge of the plaintiffs' said rights. The unwary purchasers which include gullible motor mechanics as well as each and every section of society including the not so well educated/gullible people are bound to be deceived in dealing with and purchasing the defendant's impugned goods and business under the impugned trade mark and trade name under the impression that it is emanating from the plaintiffs source or that some vital links exist between the plaintiffs and the defendant's..."

The Counsel submitted that it is the respondent's own admission that there was likelihood of confusion being caused.

17. The applicant company was incorporated in the year 1952. The company was founded by Mr. Kujosies Yamamoto under the name Kabusikikaisiya Yamakei Bearing Limited. The trade mark KYK was coined by taking the first letter from the corporate name of the company Kabusikikaisiya Yamakei coined with the first letter of his name Kiyosies. The goods bearing the trade mark KYK were exported to the United States as early as 1953. The said trade mark was registered in the year 1966 in Japan.

18. The applicant further stated that the respondent had started using the trade mark only since 1996 very much subsequent to that of the applicants. The Counsel then relied on the notices from the Federal Register dated 6.6.2007 and submitted that they would prove their user since 1952 which was clearly stated therein. The applicants have filed invoice from the year 1989.

19. The Counsel then submitted that there are discrepancies as to the trading style. The application has been filed by KYK International but the sales figures are given by M/s. V.K. Automobiles at page 44 of the counter statement and at page 45 the sales figures are given by KYK International. The registration has therefore been obtained by fraud.

20. The Counsel then relied on few judgments:

- (i) **2007 (34) PTC 731 (IPAB) – Jain Doors Pvt. Ltd., Applicant v. Suresh Kumar Jain, Respondent** was relied on to say that though the respondents claim user since 1996 there is nothing on record to prove the same and therefore the registration

has been obtained by false statement. The said order has been confirmed by the Hon'ble High Court of Delhi.

(ii) **1995 PTC 165 – Power Control Appliances and others, Plaintiff v. Sumeet Machines Pvt. Ltd. and others** - Settled principle of law relating to trade mark is that there can be only one mark, one source and one proprietor.

(iii) **2004 (28) PTC 585 (SC) – Milment Oftho Industries & Ors., Appellants v. Allergan Inc., Respondent** - The mere fact that the respondent has not been using the trade mark in India would be irrelevant if they were first in the world market.

21. In reply, the learned Counsel for the respondent submitted that in the Interlocutory Petition filed in the suit before the Delhi High Court there was an interim arrangement passed against which the applicant had not preferred any appeal and so that order has become final. The Counsel then submitted that their adoption was bonafide and honest.

22. The Counsel then relied on few judgments:

(i) **Laws on Intellectual Property by W.R. Cornish 3rd Edition page 550** – "...The same considerations apply when the plaintiff establishes a business reputation in one place and the defendant then sets up a similar business in another so as to suggest that the plaintiff has opened a new outlet.

(ii) **1967 RPC 581 – Alain Bernardin Et Compagnie, Plaintiff v. Pavilion Properties Limited, Defendants** – "...a trader cannot acquire goodwill in this country for the purposes of a passing off action without user of some sort here. Although in certain cases slight activities might suffice, the mere dissemination of material advertising the plaintiffs' business activities abroad could not

constitute user in this country sufficient to acquire a reputation in the sense material for a passing off action, and an interlocutory injunction could not therefore be granted.”

(iii) **1980 RPC 343 – *The Athletes Foot Marketing Associates Inc., Plaintiff v. Cobra Sports Ltd. and another, Defendants*** –

“...Now, in the present case the most remarkable fact of all is that the plaintiffs disclose not one single solitary transaction by way of trade with anybody in this country at all. The nearest they get to this essential requirement is to show that they had entered into some kind of negotiations with Ravel with a view to the grant of a franchise to that Company. But, to date, this has not come to anything. But the matter does not rest there. There is not even a single instance given of a transaction by one of the plaintiffs’ ...

The principle was expressed by Walton J. at page 350 as follows:

...as a matter of principle, no trader can complain of passing off as against him in any territory --and it will usually be defined by national boundaries, although it is well conceivable in the modern world that it will not – in which he has no customers, nobody who is in a trade relation with him. This will normally shortly be expressed by saying that he does not carry on any trade in that particular country...but the inwardness of it will be that he has not customers in that country: no people who buy his goods or make use of his services (as the case may be) there.”

(iv) **1998 (18) PTC (Bom) – *Cluett Peabody & co. Inc., Petitioner v. Arrow Apparals, Respondents*** – Courts shall not protect the rights of a proprietor unless there is sale of the goods to

which the mark is applied to. Without use, the proprietor cannot restrain others use.

(v) **1999 (19) PTC 238 Del – Herb Shop, Petitioner v. Nectar (U.K.) Ltd., Respondents** – “...Transborder reputation -- Indian Company claiming to be prior user in India -- Interim injunction sought against the foreign company which started using trade mark in India recently -- The company unable to produce any authorization for use of trade mark apart from its use as trade name – Interim injunction granted.”

(vi) **1999 (19) PTC 775 (Del) – M/s. Smithkline Beecham Plc., & Ors. v. M/s. Hindustan Lever Limited & Ors., Defendants** – “...Transborder reputation – No evidence produced on record to show any goodwill of the product in the country – Prima facie claim of passing off not maintainable – Interim injunction granted refused.”

(vii) **2001 (21) PTC 513 (Del) – The Gillette Company and others, Plaintiffs v. A.K. Stationery and others, Defendants** – “Section 33 -- Prior user – Use in India relevant.”

(viii) **2006 (32) PTC 275 (Del) – Asia Pacific Breweries Ltd., Plaintiff v. Superior Industries Limited, Defendant** – “...Plaintiff has neither produced any evidence regarding foreign registrations or sales of their TIGER beer in foreign countries, nor they have produced any substantial evidence to show prima facie that the extent of sale of their product in India is so enormous that the word TIGER has assumed secondary significance that it denotes their product only. Even labels under which they are selling TIGER beer and cans have not been produced. So practically there is no

material showing prima facie that the two competing labels are deceptively similar...”

23. In rejoinder the Counsel for applicant submitted that the respondent had not given any vital reasons for adoption of the trade mark. The Counsel then relied on the observations made in the Civil Suit.

24. We have heard and considered the arguments of both and have gone through the pleadings and documents.

25. The two original rectification applications have been filed by the applicants being aggrieved by the Civil Suit filed by the respondents before the Hon'ble High Court of Delhi. The applicants have the locus to file and maintain the application for rectification. The marks are identical and are used in respect of identical goods. By the impugned registration, the applicant is likely to be injured or damaged in some way or the other.

26. The other issue is regarding the proprietorship of the trade mark “KYK”. The respondents have not placed before us any record or documents to say that V.K. Automobiles is also the proprietor of the trade mark. The Civil Suit has been filed by V.K. Automobiles and M/s. KYK International. The first application under No.949032 filed on 21.8.2000 has been filed by KYK Bearing International. On 25.8.2000, KYK Bearing International has assigned the trade mark in favour of V.K. Automobiles. If that is the case then how is it the application under No.1291522 on 21.6.2004 has been filed by KYK International. There is nothing on record to say if there had been any partial assignment. That apart the respondents claims user since 1996 as regards Class 12 application and 2000 as regards Class 7 application. When the mark was assigned to V.K. Automobiles in the year 2000 then the 1st bill dated 1999 in the name of V.K. Automobiles cannot be taken note of for deciding this case as it is not

clear as to the proprietor. The respondent thus cannot be the proprietor of the trade mark and the registration is therefore in contravention of Section 18 of the Act.

27. The other issue is regarding the user claimed by the respondents in their application for registration. The respondents claim user since 1996 and 2000 in their application. There is no evidence prior to 2005. It is also the case of the respondent that the manufacturing of bearings were carried out through one M/s. Techno Mark Grindwell Industries. The 1st invoice is dated 2005 by M/s. Techno Mark Grindwell Industries. The respondents have not proved their user as claimed.

28. The respondents have claimed user since 10.10.1996 for Class 12 goods and 10.4.2000 for Class 7 goods. The respondent's contention is that they had been dealing through one M/s. Techno Mark Grindwell Industries. It is not clear as to how long they were carrying on business through M/s. Techno Mark Grindwell Industries. As stated earlier 1st invoice is of the year 2005. In the absence of any documents either from 1996 or at least from 2000 the claim of user before the Registrar is wrong statement for which reason the mark cannot be allowed to continue on the Register.

29. As held earlier, the respondents having not given any cogent evidence to prove their user since the date as claimed in their application for registration, we do not think it correct to allow the mark to continue on the register.

30. The judgments relied on by both the parties are not dealt into as it will only multiply authorities.

31. For the reasons stated above, the impugned trade marks registered under Nos.1291522 and 949032 in Class 7 and 12 respectively are cancelled with a direction to the Registrar of Trade Marks. No order as to costs. Miscellaneous Petitions are closed.

(S. Usha)
Vice-Chairman

(Justice Prabha Sridevan)
Chairman

REPORTABLE: YES/NO

RR/-

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