

INTELLECTUAL PROPERTY APPELLATE BOARD
2nd floor, Annexe-I, Guna Complex, 443, Anna Salai, Teynampet,
Chennai 600 018

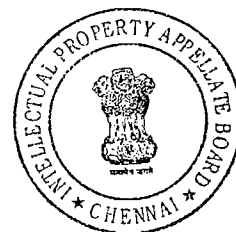
TA/12to 14 and TA23-25/2003/TM/CH/(TMA/2to4/98 and
TMA/2/2000)

FRIDAY, THIS THE 9th DAY OF JULY 2004

HON'BLE SHRI JUSTICE S.JAGADEESAN
HON'BLE DR.RAGHBIR SINGH

CHAIRMAN
VICE -CHAIRMAN

M/s Kraft Jacobs Suchard Ltd
Klausstrasse 4-6
CH-8008, Zurich
Switzerland,
Rep. by its power of attorney
Mr.Ranjan Negi



Appellant

(By Sr. Advocate Shri Habibullah Basha for C.Daniel)
Vs.

1. Government of India
By Secretary
Ministry of Commerce and Industry
New Delhi

2.The Assistant Registrar
Trade Marks Registry
Rajaji Bhavan, II Floor
D-Wing Besant Nagar
CHENNAI 600 090

3.T.R.Subramanian
Registrar of Trade Marks
Trade Marks Registry
Central Building
101 Maharishi Karve Road
MUMBAI 400 020

4.R.V. Yadav
(formerly Assistant Registrar of
Trade Marks
Trade Marks Registry
Rajaji Bhavan
Besant Nagar
CHENNAI

5.K.Pushkaran
Sole Proprietor
Marks & Trade
No.8, V Cross Street
C.I.T. Colony
Mylapore
CHENNAI 600 004

6.Pioneer Bakeries (P)Ltd
Poondhurai Road
Moolapalayam P.O.
Erode – 638 002

Respondents

(By Advocate J Madan Gopal Rao for R 1 to R3)
(By Advocate Shri Satishparasaran, Ms Parvathi.Pushkar for R5
and R6)

ORDER NO. 79

Hon'ble Dr.Raghubir Singh, Vice-Chairman

These are six appeals filed as TMA/2-4/98 and TMA /2-4/2000 in the High Court of Judicature at Madras. The said appeals have been transferred to this Board in terms of section 100 of the Trade Marks Act, 1999 and numbered as TA/12-14/2003/TM/CH and TA/23-25/2003/TM/CH respectively. Since the appeals are between the same parties and are against a single order dated 19th December, 1997 of the Registrar, a combined hearing was held.



2. Respondent No.6 filed three applications under numbers 513602B, 513601B and 513603B seeking registration of three label marks consisting of the word 'MILKA' as its prominent feature along with other descriptive matters in respect of bread under class 30 in the Trade Marks Registry at Chennai. The marks were advertised in Trade Marks Journal No.1103 dated 16th May, 1995 at pages 758,747 and 759 respectively before acceptance in Part B of the register. The appellant filed three notices of opposition on 20th June, 1995 which were taken on record and numbered as MAS 3298, MAS 3299 and MAS 3300. The principal grounds for opposition which were taken are:-

i) that opponents are proprietors of trade mark 'MILKA' under number 291042B dated 22nd September,1973 in class 30 in

respect of chocolate, chocolate confectionary and mixtures of chocolate and milk and the same is valid and subsisting;

ii) the marks applied for registration are neither adapted to distinguish nor capable of distinguishing the applicant's goods;

iii) by virtue of world-wide registration, opponent's company is entitled to exclusive proprietary rights in the said trade mark 'MILKA' and the applicants have no reason whatsoever to adopt an identical trade mark except with a view to trade upon and benefit from the opponent's world famous mark and thus the same will be contrary to the provisions of sections 11(a) and 11(e) of the Act;

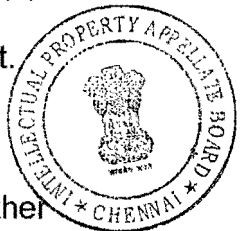
iv) the goods in respect of which the applicants are seeking registration are of the same description and the marks applied for are identical and hence registration would be prohibited under section 12(1) of the Act;

v) the applicants are not entitled to rely on honest and concurrent user also under Section 12(3) of the Act as the use of the applicant's mark 'MILKA' is illegal from the beginning and is in violation of opponent's prior statutory rights in respect of their 'MILKA' mark;

vi) applicants cannot claim to be proprietors of the mark under Section 18(1) of the Act as they have acted dishonestly in selecting the impugned mark;

viii) appellant /opponent thus concluded that the registration of the impugned mark would be contrary to Sections 9, 11(a), 11(e), 12(1), 12(3) and 18(1) of the Act as also Section 18(4) of the Act.

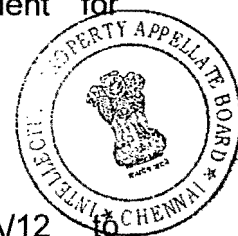
3. The Registrar dealt with all the three applications together with the consent of both the parties and passed a combined order dated 19th December 1997. In proceedings before the Registrar, the learned counsel for the appellant / opponent chose not to press for his objections under Section 9. Registrar on examination of



the opponent's objections under Section 12(1) of the Act came to the conclusion that the composite label mark 'Pioneer's MILKA' sought for registration in Part B of the Register is deceptively similar to the appellant's mark 'MILKA'. However, he found that the rival marks relate to different description of goods and came to the conclusion that the test laid down for Section 12(1) for denying the registration is not met. Hence the opponent's objection under Section 12(1) of the Act is not sustainable. He did not find merit in the opponent's objection under Section 11(a) of the Act based upon the user and reputation of its mark. The Registrar came to the conclusion that since the opponent has miserably failed to establish the user and reputation of its mark in India, its objection about the use of applicant's mark likely to cause confusion is without any basis. Similarly, he came to the conclusion that there is no merit in the objection under Section 11(e) of the Act. He did not find favour with the argument in the opponent's objection under Section 18(1) of the Act. In view of the above, the Registrar rejected the opponent's objections and ordered that all the three applications shall proceed for registration. The appeals T.A.Nos 23 to 25/2003 are against the order of allowing the three applications of the 6th respondent for registration.

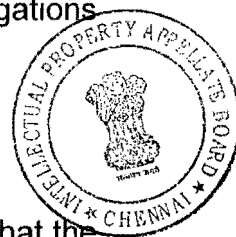
4. In three similar appeals numbering TA/12 to 14/2003/TM/CH, the appeals are directed against the order of the Registrar rejecting the three oppositions filed by the appellant.

5. All six appeals were listed for hearing on 26th May 2004, Shri Habibullah Basha assisted by Ms.Gladys Daniel appeared for the appellant. Shri J.Madana Gopala Rao, the Central Government Standing Counsel appeared for respondents No.1 to 3. Shri Satish



Parasaran assisted by Ms.Parvathi Pushkar appeared for respondent Nos.5&6.

6. The appellant in TA/23-25/03/TM/CH, besides making certain allegations against various respondents which included officers of the Trade Marks Registry about their integrity etc., has raised issues about the haste shown by the Trade Marks Registry in issuing registration certificate. The bone of contention of the appellant is that in terms of Section 109 of the Act read with rule 121 of the Trade and Merchandise Marks Rules, 1959, the Registrar should not have issued the certificate within three months from 19th December, 1997, being the date of decision of the Assistant Registrar deciding opposition in favour of the applicant and accepting the application for registration. In other words, he should have waited for the statutory period of three months, within which an aggrieved person can file an appeal, to elapse and thereafter only should have issued the certificate. We fail to comprehend any basis for this argument. The Registrar is within his rights to issue the certificate any time after the orders have been passed. Respondent No.3, the then Registrar of Trade Marks has filed his counter affidavit on behalf of 1st, 2nd and 3rd respondents denying all the allegations made by the appellant in the petition. We hold that there is nothing wrong in the action of the Registrar in issuing the certificates of registration without waiting for the period of filing of appeal to elapse. The learned senior counsel appearing for the appellant very graciously and fairly represented that he is not pressing much on the allegations against the authorities of the Trade Mark Registry.



7. The learned senior counsel for the appellant argued that the Assistant Registrar erred in coming to the conclusion that the

appellant's chocolates and respondent's bread are of totally different description. He argued that the appellant's mark 'MILKA' was registered as back as in 1973, whereas the respondent No.6 claims using of the impugned mark since April, 1989. By virtue of worldwide registration, vast publicity, long standing use of the mark 'MILKA', the appellant is entitled to exclusive proprietary rights therein. Thus the registration of the impugned trade mark is contrary to Section 11(a) and 11(e). The impugned mark is also prohibited under Section 12(1) and further he is not entitled for the honest concurrent use thereto under Section 12(3). Appellant drew our attention to the financial highlights of the company also. However, there is nothing to indicate the user of trade mark in India in terms of any sale or even publicity about the products excepting that the appellant claims that lot number of persons of Indian origin living in Europe send the MILKA products to members of their families in India and similarly Indian tourists visiting European countries buy MILKA products.



8. In this regard we feel that the Registrar was not correct in concluding that the rival marks are deceptively similar. He ought to have not forgotten that the appellant's mark is a stand alone word 'MILKA', whereas the respondent No.6's mark is a composite mark consisting of various things described here below. In view of that, the mark of Respondent No.6 meets both the requirements of Section 12(1) of the Act, namely, relating to distinct identity of the marks and the distinctive use for the goods or the description of the goods. The appellant's mark registered in India on 22nd September, 1973 and renewed from time to time is in relation to stand alone one word 'MILKA' in English whereas three trade marks registered in favour of respondent No.6 are in relation to 'Pioneer's MILKA', the word MILKA having been put in upper

casings and the word 'Pioneer's' in a stylish manner superimposed upon the word 'MILKA' in a star like design at an angle of 60 degrees. Both the words 'Pioneer's' and 'MILKA' written in a typically stylish manner are one integrated mark. Further, in all the three marks are added certain more expressions written in English and Tamil like MILKA Fruti Special, and MILKA Sweet 'N' Milk Loaf. Still more, there is something unique to each mark – a distinct pattern surrounding all these written words. All taken together weaves in a distinct mark which surely is distinguishable from 'MILKA' registered in the name of the appellant.

It is a well settled proposition that in trade mark law that the mark has to be taken as a whole. Comparison cannot be done in segments, more so in relation to a particular word. In this regard the prophetic words of Lord Parker in the celebrated Pianotist case [Pianotist Co. Ld's Appl. (1906) 23 R.P.C. 774] are worthwhile to be taken note of:-

"You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If considering all those circumstances, you come to the conclusion that there will be a confusion – that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods – then you may refuse the registration, or rather you must refuse the registration in that case".



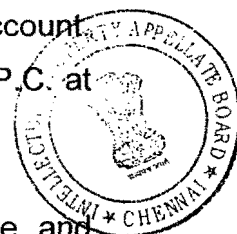
9. The learned senior counsel for the appellant argued that the Assistant Registrar was wrong in holding that appellant's chocolate and respondent's bread are goods of totally different descriptions. It is true that both chocolate and bread fall under class 30 of the 4th Schedule. So is the position with very many food items and thus it cannot be anybody's case that all the food

products are the goods of same description and thus attracting the prohibition of Section 12(1) of the Act. It was held in Australian Wine Importers' case (1889) 6 R.P.C. 311 at p.318 that the classification under the Trade Mark Rules [4th Schedule of the Trade and Merchandise Marks Rules under the Trade and Merchandise Marks Act, 1958] is no criteria as to whether or not the two sets of goods are of the same description. It was further held in Gutta-Percha and Rubber Manufacturing Co. of Toronto Ld.'s Appl. (1909) 26 R.P.C. 428 at p.433 that the description of goods may be narrower or wider than any of the classes according to the circumstances of the case. It was further held in Australian Wine Importers' case that if you come to look at that classification, you will find goods of the same description, in one sense, in different classes; and you will find goods of different description in the same class. With a view to determine whether two sets of goods are of the same description or not, various tests based on practical considerations have been taken into account. The test was stated in Darwin Ld.'s application (1946) 63 R.P.C. at P.5 as follows:-

"Consideration has to be given, e.g. to the nature and characteristics of the goods, their origin, their purpose, whether they are usually produced by one and the same manufacturer or distributed by the same wholesale houses, whether they are sold in the same shops over the same counter during the same seasons and to the same class or classes of customer, and whether by those engaged in the manufacture and distribution of the goods they are regarded as belonging to one and the same trade. No single one of these tests is conclusive in itself."

In the given situation, bread as a food item is clearly used as a substitute for any cereal preparation made out of wheat flour or rice in the Indian households. Bread, besides being used as a breakfast item, is taken for other meals also during the course of the day. In the public eating places it is served as a food item in substitution of any other conventional Indian food. People of all economic strata consume bread in different forms. It forms a main course of meal wherever taken. Chocolates and other variations thereof are more a variety of confectionary item consumed more particularly by the children and surely not as a necessary food item for survival. In view of this, its description as goods is without any doubt distinctive of chocolates.

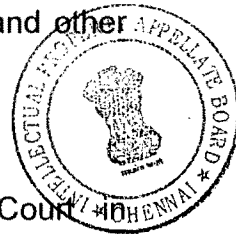
10. The learned counsel for respondent No.6 put heavy reliance upon the Charminar case [Vishnudas trading as



Vishnudas Kishan Das V Vazir Sultan Tobacco Company Ltd. Hyderabad 1996 PTC (16)512] wherein the respondent company which was manufacturing cigarettes only was holding registration of trade mark 'Charminar' in class 34 of the schedule in respect of 'manufactured tobacco'. The Registrar in view of this registration had refused registration of 'Charminar' to the petitioner for 'Zarda and Quiwam'. Consequent upon the rectification application moved by the petitioner, the registration was restricted to cigarettes only, leading to the conclusion that cigarettes vis-a-vis zarda and quiwam though all being tobacco products are distinct identifiable goods. Learned counsel also drew our attention to Life guard Milk Products Proprietary Ltd.'s Appl. (1957) R.P.C. 79 T.M.R. wherein an application to register a mark consisting of the word 'Life guard' with some device in respect of milk and milk products for food was allowed and a opposition by owners of the mark 'Life guard' registered for tea was rejected. Milk and tea both being the food products were considered to be distinctive goods. Learned Assistant Controller put reliance on many other similar cases decided by the English Courts and concluded that there is no cause for deception. He found no resemblance between tea on the one hand and milk and milk products on the other hand in matter of their production and manufacture trade channels. So he concluded that the tea on the one hand and milk and milk products on the other hand are goods of different description. Learned counsel for Respondent No.6 also referred to Caesar Park Hotels and Resorts Inc. V. Westinn Hospitality Services Ltd 1999 PTC (19) (DB) 123 wherein the learned judges of the High Court of Madras considered transborder reputation as an important factor in matter of protection of marks. However, in the said case with a view to assess the transborder reputation of the impugned mark, the learned judges took into account numerous prior actions undertaken by the petitioner in India which included appointment of general sales agents, travel agents, advertisements in prominent newspapers in India like the Times of India, New Delhi and other periodicals having wide circulation in India.

11. The following observations of the Supreme Court in Milment Oftho Industries & Ors V Allergan Inc 2004 (28) PTC 585 (SC) are instructive:-

"However, one note of caution must be expressed. Multinational corporations, who have no intention of coming to India or introducing their product in India should not be



allowed to throttle an Indian company by not permitting it to sell a product in India, if the Indian company has genuinely adopted the mark and developed the product and is first in the market. Thus, the ultimate test should be who is first in the market."

The above observations were made by the Supreme Court in a matter where same trade mark 'OCUFLOX' relating to a medical preparation for eye care was the subject matter of passing off action initiated by a foreign company which claimed that it had a world-wide reputation in relation to its product having the mark 'OCUFLOX' against an Indian company which had marketed its medical preparation for eye care with that brand.



12. Learned senior counsel for appellant has drawn our attention to number of cases decided by various courts in India in support of his case. Some relate to situations where the Courts have protected the foreign marks based upon the transborder reputation enjoyed by those marks in India, namely, Whirlpool case [N.R.Dongre V Whirlpool Corporation, (1996) 5 SCC 714], Tiger Balm case [Haw Par Bros International Ltd. V Tigar Balm Co (P)Ltd 1996 PTC (16) 311] and Caterpillar case (Caterpillar Inc. V Jorange 1998 PTC (18) 31]. The views held by the Courts in this regard consistently had been that some visible activity in furtherance of acquiring reputation in India should have been undertaken by the proprietor of the mark. In Whirlpool case, it was found that the mark had been widely and frequently advertised and had featured in international magazines having circulation in India. In the Caesar Park Hotels and Resorts Inc. V. Westinn Hospitality Services Ltd case 1999 PTC (19) (DB) 123 the High Court of Madras, while assessing the transborder reputation of the mark in India, has meticulously taken into consideration a lot of activity short of actually establishing a hotel in that name in India had been done by the petitioner which included appointing general sales agents, travel agents, publicity in the Indian magazines and newspapers. In the Tiger Balm case, High Court of Madras had taken note of that even during occupation of Burma by Japanese in second world war and in view of economic restrictions for a certain period thereafter, the product could not be imported into India, but still through travellers and in the clandestine market in India the product was very much in demand and available. In the Caterpillar case since the same American company was in the business of heavy duty vehicles and garments also, one of their products i.e. heavy duty vehicles were

being imported into India, thereby the reputation and familiarity of the same trade mark in relation to garments too was available in India and thus use thereof by the rival was considered to be violation of the trade mark. In number of cases where a mark has enjoyed high reputation and had been associated with the names of certain specific goods, courts have held the use thereof in relation to other goods by the rival traders as a breach of right of the original owner – like Bajaj which is a registered mark for electrical goods and use thereof in relation to utensils was held to be a case of passing-off [Bajaj Electricals Ltd. V Metals and Allied Products, AIR 1988 Bom 167]. Philips for timepiece and wall clocks was held to be passing off since the mark is extensively used for radios [Banga Watch Co V N.V.Philips, AIR 1983 P&H 418], Seven 'O' Clock with respect to tooth brush was held to be leading to confusion since the mark is already well known in relation to blades [Kamal Trading Co. V Gillette UK Ltd., 1988 PTC 1]. It was held that use of Benz for garments shall lead to confusion since the mark is extensively used in relation to automobiles. [Daimler Benz V Hybo Hindustan, AIR 1994 Del 239]. The use of the mark 'Batafoam' with respect to mattresses was held to be a case of passing since the name 'BATA' is extensively used with respect to footwears [Bata India Ltd. V Pyare Lal and Co., AIR 1985 AU 242]. Appellant is at odds in putting reliance upon these precedents since the proprietors or their authorised users have established use of those marks in India by manufacture, sale or at least by publicity. Appellant does not have even a fledgling evidence to cite about the publicity of its product in the Indian market, what to say of the high reputation of the products mentioned above by the appellant.

13. In view of the aforesaid, we are of the opinion that the Registrar was right in rejecting the opposition of the appellant and in allowing all the three applications of the 6th respondent to proceed for registration. Accordingly, the appeals have no merit and all the appeals are dismissed but without any order as to costs.

(Dr. Raghbir Singh)
Vice-Chairman

(Justice S. Jagadeesan)
Chairman

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