SUPREME COURT OF INDIA

Kabushiki Kaisha Toshiba

Vs.

TOSIBA Appliances Co.

C.A.No.3639 of 2008

(S.B. Sinha and Lokeshwar Singh Panta JJ.)

16.05.2008

JUDGMENT

S.B. Sinha, J.

1. Leave granted.

INTRODUCTION

2. Jurisdiction of a Registrar of Trade Mark to remove the registered mark from the register maintained by it on the ground of non-use as contained in Section 46 of the *Trade and Merchandise Marks Act, 1958* is the question involved in this appeal which arises out of a judgment and order dated 8.12.2005 passed by a Division Bench of the Calcutta High Court dismissing an appeal being CAL No.573 arising out of a judgment and order dated 28.9.1993 passed by a learned Single Judge of the High Court affirming the final order dated 24.2.1992 passed by the Deputy Registrar, Trade Marks.

BACKGROUND FACTS

3. The factual matrix obtaining herein shorn of all unnecessary details is as under:

> "Appellant claims itself to be the largest manufacturer of Heavy Electrical apparatus in Japan. The establishment started in the name of Shibaura Engineering Works in the year 1857. In 1890, Hakunetshu-Sha and Company Ltd. established the first plant for electric incandescent lamps in Japan. It later on diversified its product into consumer products. Hakunetshu-Sha and Co. Ltd. was renamed as Tokyo Electric Company in the year 1899. Shibaura Engineering Works Company Ltd. merged with Tokyo Electric Company to form Tokyo Shibaura Electric Company in the year 1939. However, the name of the company was changed to Kabushiki Kaisha Toshiba (for short, TOSHIBA). Appellant adopted the mark TOSHIBA in which `TO' was taken from the Tokyo and `SHIBA' was taken from the word Shibaura."

4. An application was filed for registration of eight items of electrical apparatuses which fall in Class 07 of the Rules framed under the 1958 Act being:

> "Current generators, induction motors (electric), electric washing machines, compressors (machinery) and electric tool set consisting of electric drills (machines), spin dryers and can openers being electrically operated tools, all being goods include in class 7."

5. Registration was granted in respect of the said items being Trade Mark No.273758. Other registeration numbers were given in favour of the said group in respect of some other goods falling under Class IX and XI.

6. Respondent herein is an Indian company. It claims to have been carrying on business of various electrical appliances and marketing auto irons, toasters, washing machine, extension cords, table lamps, etc. under the trademark TOSIBA since 1975.

7. The following chart will show the range of goods registered in favour of TOSHIBA and which had been sought to be rectified by the respondent:

"Mark	Registration Number	Date	Class	Goods
Toshiba (Logo)	160442	5.9.1953	9	Scientific, nautical, surveying & electrical apparatus, etc.
Toshiba (Logo)	160443	5.9.1953	11	Installations for cooking, refrigerating, drying, ventilating, water supply and sanitary purposes
TOSHIBA	273758	26.7.1971	7	Current generators, induction motors (electrical), electric washing machines, etc.
TOSHIBA	273759	26.7.1971	9	Various electronics & electrical goods falling in Cl.9
TOSHIBA	273760	26.7.1971	11	Various goods including lamps, ovens, water heaters, fans, toasters, cookers, etc.

8. It is stated that the appellant had since acquired about 35 trade marks registrations in India. The period of seven years expired in 1978. On the expiry thereof, it became conclusive of its validity in terms of Section 32 of the Act. The said registration has been extended from time to time. It has been extended upto 2016.

9. In the year 1984, the name of the Tokyo Shibaura Electric Company was changed to Kabushiki Kaisha Toshiba (Toshiba Corporation). The said change was also duly incorporated in the trademarks register.

> On the premise that the respondent which had although not been producing or marketing washing machines or spin dryers, but has been using the trade name, which was deceptively similar to that of the appellant, a lawyer's notice was served upon it, stating:
>
> "The trade mark TOSHIBA is such a well known trade mark in India and abroad that its use or the use of a phonetic equivalent mark in respect of electronic and electrical goods would cause immense confusion and deception amongst the purchasing public and the trade. Our clients were surprised when they recently learnt of the adoption and use of the mark TOSIBA both as your trade mark and an essential feature of your trading style in respect of a range of electrical goods including electric irons. The adoption of the mark TOSIBA is clearly mala fide and amounts to infringement of our clients' various registered trade marks including numbers 160443 and 273760.
>
> The word TOSIBA is phonetically and visually similar to our clients' trade mark TOSHIBA and by the use of the said mark in respect of electrical goods, you are likely to cause immense confusion and deception amongst the purchasing public and the trade."

10. Respondent was called upon to desist from using the trademark TOSIBA in respect of electrical goods including electric irons or any other goods whatsoever. No reply thereto was given.

PROCEEDINGS BEFORE THE REGISTRAR

11. It, however, filed an application purported to be under Section 46 and 56 of the Act read with Rule 94 of the Rules before the Registrar, Trade Marks which was marked as Application No. CAL No.573, praying for rectification of the said registered trade marks No.273758 in Class 7 alleging:

> "7. That the petitioners are using the mark TOSIBA in respect of Domestic Electrical Appliances viz. Auto Irons, Non-Auto Irons, Ovens, Toasters, Immersion Rods, Extension Cords, Table Lamps and Airy Fans etc. in class 9 since the year 1975. The mark in question offends against the provisions of section of the Trade and Merchandise Marks Act on the date of commencement of the proceedings between the parties.
>
> 8. That the mark sought to be removed was not on the commencement of the proceedings, distinctive of the goods of the Registered proprietor.

9. That the mark also offends Section 11(e) of the Trade and Merchandise Marks Act, being dis- entitled to protection in a Court of Law.

10. That the applicants are aggrieved parties as they have been served with a notice dated 24th April 1989 on behalf of the respondents to discontinue the use of the word TOSIBA which the petitioners adopted in the year 1975. They have been threatened with action under various provisions of Trade and Merchandise Marks Act and also under Article 36A of the *Monopoly and Restrictive Trade Practices Act, 1969* alleging unfair trade practices. The respondents have no business in India.

The threats made were unjustified. That the petitioners even approached the respondents attorneys for not to interfere with their long- standing business, but without any result, hence the petitioner are the aggrieved party within the meaning of Section 56 of Trade and Merchandise Marks Act competent to file the present petition."

Two other applications were also filed for rectification of two other trade marks wherewith we are not concerned.”

12. Appellant filed a suit in the Delhi High Court against the respondent praying for a decree for permanent injunction for using the mark TOSIBA or any other deceptively similar mark in respect of electrical goods including electric irons, immersion rods, toasters, table lamps, ovens and stoves. The said suit is still pending.

13. In its affidavit before the Registrar of Trade Marks, the appellant contended:

"14. Annexed to my affidavit and marked Annexure H are extracts from the Import and Export Policy of the Government of India (Ministry of Commerce) for the years:

i) April 1985 to March 1988;

ii) April 1988 to March 1991;

iii) April 1990 to March 1992.

Thus, the import and export policies for the period April 1985 to March 1991 show that electric motors, compressors and generators fall under Appendix 3 Part A of the policy which is a list of limited permissible items for which the import is not free but only against a licence. ashing machines being consumer goods fall under Appendix 2 part B which is the list of restricted items.

It is, therefore, evident that the import of goods covered by registration No.273758 is not free but restricted."

14. By reason of an order dated 12.5.1992, the Deputy Registrar of Trade Marks partially allowed the application for rectification filed by the respondent being Application No.CAL.573 and directed that the register of Trade Mark be rectified by deleting the goods `washing machines' and `spin dryers' from Trade Mark No.273758 in Class 7. Rectification was also directed on the other applications filed by the respondent being CAL-574 and 575.

APPEAL BEFORE THE HIGH COURT

15. An appeal was preferred thereagainst before the Calcutta High Court in terms of Section 109 of the Act. Appeals were also preferred against orders in respect of Class 9 and Class 11 registrations. The said appeal was allowed in part by the learned Single Judge of the High Court of Calcutta by an order dated 28.9.1993, upholding the order of the Deputy Registrar so far as the application related to Section 46(1)(a) of the Act but rejected the plea as regards Section 46(1)(b) thereof, holding:

> "The first point to my mind which should be disposed of is the point as to the locus standi of Mr. Gupta's client. It is the admitted position that until now the respondents have manufactured and sold articles only in class 11, and those are household electrical articles like electric iron, fan and toaster. They sell these under the mark `TOSIBA'.
>
> It is not that the respondent has manufactured or sold washing machines or spin dryers at all or even that they have any finalized plans for so commencing the manufacture or sale of any of these items.
>
> In a paper book running to no fewer than 725 pages, not to mention a comparatively slim supplementary paper book, the only place where a connection between the respondent and washing machines or spin dryers is mentioned is at page 542, where it is recorded as stated before the Deputy Registrar in his order that the respondent also deals in some goods falling in class 7 such as washing machines and spin dryers and some other allied goods. If that statement was made before the deputy registrar, then that was a misstatement.
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> XXX XXX XXX
>
> The mark of the appellant `TOSHIBA' and the status of the said word as a registrable mark is beyond dispute. It is almost admittedly an invented word, a hybrid between the name of the city Tokyo and the name of the company of origin, Shibaura.
>
> It is also in my opinion beyond dispute that the mark `TOSIBA' is so similar to the mark `TOSHIBA' as to give the appellant an indisputable right to call upon the respondent to cease to use that mark in relation to goods for which the appellant is registered, in case such registration can be maintained by the appellant on the register." (Emphasis supplied)

16. However, with regard to the contention of the appellant that the respondent was not a person aggrieved or that the Registrar should not have used its discretionary jurisdiction, the learned judge held:

> "If a person obtains a registration at a time when the mark, according to his own estimate, is economically unusable, then he cannot be said to have had a bona fide intention at the time of registration that the mark should be used in relation to the goods. If, however, he waits and watches the market of the country in which he wishes to have registration, and then, as soon as the restriction is lifted, he obtains registration without delay, he can indeed then be said to have a bona fide intention that the goods should be used in the market in question.
>
> It is possible that if he waits for so long as that, he will no longer be able to get his registration at all, for another trader within the country might well have used up his name by then for the same goods. This is an unpreventable hazard. The trade mark law is a national code and not an international treaty, speaking broadly. If a country blocks international trade within itself, international names only cannot be registered and preserved in the blocked market. This would mean allowing international names to hold the market totally without goods, or give international marks a copyright value, and both these are impermissible and against the first principles of trade mark law.
>
> It cannot therefore in my opinion be said that in 1971 the appllenats had a bona fide intention that the goods, namely, washing machines and spin dryers, should be traded in India under their trade mark `TOSIBA'. Without the economic restrictions being lifted from the Indian market, trading, according to themselves, was and continued to be an unprofitable proposition. Such lack of intention can be gathered from the admitted stand taken by the appellant before me, and in the registry, where it was the respondent. The onus upon the respondent in appeal to show such lack of intention is thus fully discharged."
>
> The contention of the appellant was rejected, opining: "Mr. Gupta has conceded even from the time of the interlocutory application was heard in aid of this appeal that the order of the Deputy Registrar is to be so read as to restrict the rectification to the two items of washing machines and spin dryers only and it should not be read as the rectification application succeeding for the entire class.
>
> With recording of such concession, I dismiss the appeal but I do it on grounds of my own which I have mentioned above and not necessarily on the grounds given by the Deputy Registrar. The respondents would entitle to the costs of this appeal."
>
> It was furthermore held that the special circumstances mentioned under sub-section (3) of Section 46 were not applicable."

17. An intra court appeal was preferred thereagainst. Cross-objections were also filed by the respondent on the pleas that the mark should also be rectified under Section 46(1)(b), i.e., no bona fide use for a continuous period of five years and one month.

IMPUGNED JUDGMENT

18. By reason of the impugned judgment dated 8.12.2005, the said appeal was dismissed holding that the respondent was a person aggrieved, stating:

> "The purpose of introducing the expression `person aggrieved' in the statute is obviously to prevent action from persons who are interfering only from merely sentimental notions or personal vengeance and act as mere common informers. But in case where one trader, by means of having a trade mark wrongly registered in his name, narrows the area of business open to his rivals, in that case the rival is a person aggrieved. It may be that the rival is not immediately carrying on the the rival to carry on that trade in future in view of his presently carrying on a trade in the same class of goods then the rival trader is a person aggrieved. In other words, if a person or a corporation is in the trade of the same class of goods along with the company which has got a mark registered in its name and is thus the hampered in the possible expansion of his trade in that case the person or the corporation is a person aggrieved.'

19. The question as to whether requirements of Section 46(1)(a) of the Act were fulfilled or not was answered thus :

> "Here the date of registration was 26.7.1971 and the date of rectification application was 30.5.1989. In between there has been no use of the concerned goods by the registered proprietor except one advertisement which has already not been accepted by this Court as an instance of use. Therefore, in the facts of this case, the order of the Deputy Registrar of rectification by deletion of two items namely electric washing machine and spin dryers from the registered Trade Mark No.273758 in Class 7 goods is quite justified. It appears that the registration in favour of the appellant in Class 7 goods was in respect of various other goods and out of those goods only two have been deleted. This is quite permissible and is within the object and scope of Section 46 of the said Act."

20. The Division Bench of the High Court did not go into the contention of the respondent that the appellant was not entitled to any relief in terms of Section 46(1)(b), stating :

> "The learned Counsel for the respondents on the basis of the cross appeal has urged that the appellants are not entitled to the relief under Section 46(1)(b). But in view of the facts of this case which make the case against the appellants under Section 46(1)(a) so very clear that this Court need not decide the said cross appeal in any detail. This Court is of the view that the decision of the learned Judge under Section 46(1)(a) was right and the rectification which has been ordered by the Registrar cannot be interfered with."

CONTENTIONS

21. Mr. F.S. Nariman, learned Senior Counsel appearing on behalf of the appellant, would urge:

> "1) Respondent having not been dealing with either washing machine or spin dryer, was not a `person aggrieved' within the meaning of Section 46 of the Act.
>
> 2) The statutory scheme must be gathered from reading the provisions of Section 46, 47 and 56 conjointly and so read it would be evident that as the appellant having been found to have abandoned its right to continue to be registered, it should have been held that the requirements under Section 46(1)(a) have also not been fulfilled.
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> 3) The name `TOSHIBA' being well known and the word being an innovated one, although not directly but the spirit of the provisions of Section 47 should have been considered by the Registrar in exercise of its discretionary jurisdiction under the Act, particularly when no public interest was found to be involved."

22. Mr. Ajay Gupta, learned counsel appearing on behalf of the respondent, on the other hand, would urge:

> "(1) The application for rectification being a composite one being under both Sections 46 and 56, the respondent was a person aggrieved, as envisaged under sub-section (2) of Section 56 of the Act.
>
> (2) In any event, the appellant having served the respondent with a notice of action, it was a `person aggrieved'.
>
> (3) The matter having remained pending for 19 years during which period, the appellant having not been able to obtain any order of stay from any court and/or having not entered into any arrangement for using its registered mark in India either by itself or through an Indian company, the impugned judgment should not be interfered with.
>
> (4) The distinction between clauses (a) and (b) of sub-section (1) of Section 46 being clear and explicit; it is idle to contend that only because the respondent's claim under the latter clause has been negative, its claim under clause (a) would also necessary fail.
>
> (5) The provisions of Section 45 of the Act should be kept in mind while interpreting Sections 46 and 56 of the Act. Statutory Provsions."

23. Chapter VI of the 1958 Act deals with use of trade mark and registered users. Section 45 provides for proposed use of trade mark by company to be formed. Section 46 is in two parts.

It is subject to provisions of Section 47. In terms of the said provision, the registered mark may be taken off the register in respect of any of the goods for which it was registered on application made in the prescribed manner by any person aggrieved on the grounds envisaged either clause (a) or (b). Section 47, however, provided for a defense registration of well known trade marks; sub-section (1) whereof reads as under:

> "Section 47 - Removal from register and imposition of limitations on ground of non-use.
>
> (1) A registered trade mark may be taken off the register in respect of the goods or services in respect of which it is registered on application made in the prescribed manner to the Registrar or the Appellate Board by any person aggrieved on the ground either--
>
> (a) That the trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods or services by him or, in a case to which the provisions of section 46 apply, by the company concerned or the registered user, as the case may be, and that there has, in fact, been no bona fide use of the trade mark in relation to those goods or services by any proprietor thereof for the time being up to a date three months before the date of the application; or
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> (b) That up to a date three months before the date of the application, a continuous period of five years from the date on which the trade mark is actually entered in the register or longer had elapsed during which the trade mark was registered and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof for the time being:
>
> Provided that except where the applicant has been permitted under section 12 to register an identical or nearly resembling trade mark in respect of the goods or services in question, or where the tribunal is of opinion that he might properly be permitted so to register such a trade mark, the tribunal may refuse an application under clause (a) or clause (b) in relation to any goods or services, if it is shown that there has been, before the relevant date or during the relevant period, as the case may be, bona fide use of the trade mark by any proprietor thereof for the time being in relation to--
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> (i) Goods or services of the same description; or
>
> (ii) Goods or services associated with those goods or services of that description being goods or services, as the case may be, in respect of which the trade mark is registered."

24. Chapter VII of the Act provides for rectification and correction of the register. Section 57 confers a power upon the Registrar to cancel or vary the registration and to rectify the

registrar, inter alia, on the ground of any contravention or failure to observe a condition entered on the register in relation thereto. Sub-section (2) of Section 57 provides that any person aggrieved by the absence or omission from the register of any entry, or by any entry made in the register without sufficient cause or by any entry wrongly remained on the register or by any remedy or defect in any entry in the register may apply in the prescribed manner to the Registrar and the Tribunal may make such order for canceling or varying the entry as it thinks fit.

> "The Central Government, in exercise of its rule making power, made rules known as Trade Marks Rules, 1959. The Fourth Schedule appended to the Rules classified different products; Class 7 whereof reads as under:
>
> "**THE FOURTH SCHEDULE**
>
> Classification of Goods - Names of the Classes (Parts of an article or apparatus are, in general, classified with the actual article apparatus, except where such part constitutes articles included in other classes).
>
> 1 to 6...
>
> 7. Machines and machine tools; motors (except for vehicles); machine couplings and belting (except for vehicles); large size agricultural implements; incubators." Statutory Interpretation/Application"

25. The Act is a complete Code in itself. Section 6 of the Act provides for the maintenance of a record called register of trademarks.

26. Indisputably, application for registration of the trademark filed by the appellant herein had been allowed way back in 1971 in respect of the items mentioned in the registration certificates.

27. Respondent was not in picture at that point of time. It, however, obtained registration in respect of certain products which fall in Classes 7 and 11.

28. Chapter IV of the Act provides for the effect of registration. When a trade mark is infringed, the consequences laid down under Section 29 would ensue. Section 32 provides for the registration to be conclusive as regards the validity after seven years. Indisputably, the appellant, after expiry of the validity of a period of seven years, had been getting its registration renewed from time to time. Chapter V provides for assignment and transmission. It is not necessary to notice any of the provision contained in the said Chapter as admittedly, the appellant has not assigned the same in favour of any person or granted any licence in respect thereof. Chapter VI provides for use of trade mark and registered users. Section 45 provides for proposed use of trade mark by company to be formed. Chapter VI, inter alia, lays down the guidelines as regards the mode and manner in which the trade marks can be used. Section 45 provides for proposed use of trade mark by company to be formed which is

indicative of the fact that the plan to obtain registration of a trade mark may begin even before the company is formed. Section 47 provides for defensive registration of well known trade marks; such defensive registration was, however, not resorted to by the appellant herein.

29. As noticed hereinbefore, appellant contended that the said provision should also be taken into consideration for proper constructions of Section 46 of the Act to which we shall advert to a little later. Section 48 provides for the registered users. Whenever the user's right to use a trademarked is assigned or a licence is given to any third party, the user by the assignee or the licensee to the benefit of the register to the person who has obtained the registration.

30. Apart from Section 46, the power of rectification and correction of the register is also contained in Section 56 of the Act.

Construction of the Statute

31. In the aforementioned backdrop of the statutory provisions, we are called upon to interpret clauses (a) and (b) of sub-section (1) of Section 46 of the Act.

> "It is beyond any doubt or dispute that sub-section (1) of Section 46 confers a discretionary jurisdiction on the Registrar. The jurisdiction may be exercised if any application is filed by a person aggrieved. The said application has to be filed in the manner prescribed therefor. Whence it is found that the application is filed by a person aggrieved in the prescribed manner, the grounds which would be available to the Registrar for exercise of its discretionary jurisdiction are stated in clauses (a) and (b) of sub- section (1) of Section 46. We may, at the outset, notice that clauses (a) and
>
> (b) Are disjunctive and not cumulative. Recourse may be taken to either of them or both of them. A combined application even under Section 46 and56 of the Act is permissible in law."

32. Whereas clause (a) refers to bona fide use of the trade mark; clause

> "(b) Stipulates the period upto a date of one month before the date of application, a continuous period of five years or longer elapsed during which the trade mark was registered and during which there was no bona fide use thereof in relation to those goods by any proprietor thereof for the time being. Sub-section (3) postulates an exclusion clause as regards application of clause (b) of sub-section (1) of Section 46 if any non-use of a trade mark which is shown to have been due to special circumstances in the trade or not to any intention to abandon or not to use the trade mark in relation to the goods to which the application relates."

33. No doubt, a statute is required to be read as a whole, Chapter by Chapter, Section by Section and clause by clause. However, the purpose for which clauses (a) and (b) of sub-section (1) of Section 46 on the one hand and sub-section (3) thereof, vis-`-vis Section 56 of

the Act on the other have been enacted require consideration. The appeared to have been enacted for different purposes.

ANALYSIS

34. We may now consider the three-fold submission of Mr. Nariman that:

> "i) The Registrar has not exercised its jurisdiction under Section 56 of the Act;
>
> ii) The learned Single Judge while exercising its appellate jurisdiction has found that no case has been made out for invoking clause (b) of sub-section (1) of Section 46; and
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> iii) The trade mark consists of an invented word and is very well known in the international market. The basis of the said submission, thus, appear to be two-fold:
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> (1) As there is no evidence that the appellant had any intention to abandon the use of the said trademark, as a logical corollary thereof, the High Court ought to have held that the appellant had the intention of bona fide use of the trade mark not only at a point of time when an application for registration was filed but also continuously thereafter;
>
> (2) The provisions of clauses (a) and (b), if read in the aforementioned context, sub-section (3) of Section 46 would also come into play particularly when the words `non-use' therein and clause (a) of sub- section (1) are identical, namely `not to have any intention to abandon or not to use the trade mark in relation to the goods to which the application relates' and save and except in clause (a), the word `bona fide' has been added."

35. We do not find any force in the aforementioned submission. Clauses (a) and (b) operate in different fields. Sub-section (3) covers a case falling within clause (b) and not the clause (a) thereof. Had the intention of the Parliament been that sub-section (3) covers cases falling both under clause (b) and clause (a), having regard to the similarity of the expressions used, there was no reason as to why it could not be stated so explicitly.

36. If the submission of Mr. Nariman is to be accepted, the result thereof would be that for all intent and purport, no distinction would exist in the situations covered by clause (b) and clause (a) except that whereas in the former no period is mentioned, in the latter a specific period is provided.

37. There may be a case where owing to certain special circumstances; a continuous use is not possible. The trade mark for which registration is obtained is used intermittently. Such non-user for a temporary period may be due to any exigency including a bar under a statute, or a policy decision of the Government or any action taken against the registrant.

38. Moreover, in cases of intermittent use, clause (b) shall not apply.[See *M/s. Plaza Chemical Industries v. Kohinoor Chemicals Co. Ltd.*[1], *Express Bottlers Services Pvt. Ltd. v. Pepsico Inc &Ors.*[2], *Bali Trade Mark (Rectification Ch.D*[3], *Bali Trade Mark (Rectification C.A.)*[4] *and"BULOVA" Trade Mark (Rectification Ch.D)*[5].

39. Clause (a) of sub-section (1) of Section 46 takes within its sweep a situation where registration has been obtained without any bona fide intention on the part of the registrant that it should be used in relation to those goods by him and that there has, in fact, been no bona fide use. Clause (a), therefore, provides for more than one contingency. Pre-conditions laid down therein are required to be fulfilled and not the contingency which is contemplated by clause (1).

Furthermore, it is not a case where the appellant had taken recourse to Section 47 of the Act.

40. In *American Home Products Corporation v. Mac Laboratories Pvt. Ltd. & Anr.*[6], this Court categorically noticed the aforementioned distinction, stating:

> "32. Clause (b) of Section 46(1) applies where for a continuous period of five years or longer from the date of the registration of the trade mark, there has been no bona fide use thereof in relation to those goods in respect of which it is registered by any proprietor thereof for the time being. An exception to Clause (b) is created by Section 46 (3). Under Section 46(3), the non-use of a trade mark, which is shown to have been due to special circumstances in the trade and not to any intention to abandon or not to use the trade mark in relation to the goods to which the application under Section 46(1) relates, will not amount to non-use for the purpose of Clause (b). 33. The distinction between Clause (a) and Clause (b) is that if the period specified in Clause (b) has elapsed and during that period there has been no bona fide use of. the trade mark, the fact that the registered proprietor had a bona fide intention to use the trade mark, at the date of the application for registration becomes immaterial and the trade mark is liable to be removed from the Register unless his case falls under Section 46(3), while under Clause (a) where there had been a bona fide intention to use the trade mark in respect of which registration was sought, merely because the trade mark had not been used for a period shorter than five years from the date of its registration will not entitle any person to have that trade mark taken off the Register."

41. The intention to use a trade mark sought to be registered must be genuine and real. When a trade mark is registered, it confers a valuable right. It seeks to prevent trafficking in trade marks. It seeks to distinguish the goods made by one person from those made by another. The person, therefore, who does not have any bona fide intention to use the trade mark, is not expected to get his product registered so as to prevent any other person from using the same. In that way trafficking in trade mark is sought to be restricted.

PERSON AGGRIEVED

42. The concept of the term `person aggrieved' is different in the context of Section 46 and 56. Section 46 speaks of a private interest while Section 56 speaks of a public interest. Respondent filed a composite application. Registrar did not think it fit to consider the case from the point of view of public interest and confined the case to Section 56 of the Act, as would appear from the fact that while sustaining the respondent's objection under Section 46(1) and (b) on the ground that the same had not been used by the appellant for the last twenty years, it was observed:

> "Having held that Section 46(1)(a) is a bar to the continuation of the impugned mark on the Register as above, I hold that the entry in respect of those goods for which the Registered Proprietors could not prove their user of the Registered Trade Mark 273758 was wrongly made in the Register and is wrongly remaining on the Register under Section 56(2) of the Act."

43. Reference to Section 56(2) of the Act at that place appears to be a typographical mistake. It is palpably wrong. No deliberation was made on the said question. No fact or contention has been taken note of. There are no discussions; no findings.

44. The learned Single Judge found that the respondent No.1 had never manufactured or sold washing machine and spin dryers at all. They did not have even any plan for commencing the manufacture or sale thereof. It, in that backdrop, was observed:

> "If that statement was made before the Deputy Registrar, then that was a misstatement."

45. Respondent however was found to be a person aggrieved upon taking into consideration a large number of decisions. It was held:

> "The respondent is anything but a common informer or an officious person. It deals in articles of class 11 and it uses the mark TOSIBA. If it were to go into the trade of washing machines or spin dryers, and if the mark TOSHIBA were to remain on the register, with the appellant as its proprietor, the respondent could not in that event, use its mark for washing machines and spin dryer too. This is enough, I think, to com to the conclusion without any hesitation that the respondent had a sufficient and impeachable locus standi to maintain the rectification application in the registry."

46. The learned Single Judge as also the Division Bench referred to a large number of decisions to hold that the respondent was the person aggrieved within the meaning of Sections 46 and 56 of the Act. It is beyond any doubt that the question has authentically been answered by a Division Bench of this Court in *Hardie Trading Ltd. & Anr. v. Addisons Paint & Chemicals Ltd.*[7], holding

> "30. The phrase "person aggrieved" is a common enough statutory precondition for a valid complaint or appeal. The phrase has been variously construed depending on the context in which it occurs. Three sections viz. Sections 46, 56 and 69 of the Act

contain the phrase. Section 46 deals with the removal of a registered trademark from the register on the ground of non- use. This section presupposes that the registration which was validly made is liable to be taken off by subsequent non-user. Section 56 on the other hand deals with situations where the initial registration should not have been or was incorrectly made. The situations covered by this section include: - (a) the contravention or failure to observe a condition for registration; (b) the absence of an entry; (c) an entry made without sufficient cause; (d) a wrong entry; and (e) any error or defect in the entry. Such type of actions is commenced for the "purity of the register" which it is in public interest to maintain. Applications under Sections 46 and 56 may be made to the Registrar who is competent to grant the relief. "Person's aggrieved" may also apply for cancellation or varying an entry in the register relating to a certification trademark to the Central Government in certain circumstances. Since we are not concerned with a certification trademark, the process for registration of which is entirely different, we may exclude the interpretation of the phrase "person aggrieved" occurring in Section 69 from consideration for the purposes of this judgment.

31. In our opinion the phrase "person aggrieved" for the purposes of removal on the ground of non- use under section 46 has a different connotation from the phrase used in section 56 for cancelling or expunging or varying an entry wrongly made or remaining in the Register.

32. In the latter case the locus standi would be ascertained liberally, since it would not only be against the interest of other persons carrying on the same trade but also in the interest of the public to have such wrongful entry removed." Section 46(1)(b) issue"

47. Mr. Gupta would contend that the respondent is entitled to raise the question of applicability of clause (b) of sub-section (1) of Section 46 although no cross-objection has been filed, on the principles analogous to Order XLI Rule 33 of the Code of Civil Procedure. Strong reliance in this behalf has been placed on *Ravinder Kumar Sharma v. State of Assam & Ors.*[8]. We do not agree.

"Mr. Gupta himself submitted that clauses (a) and (b) of sub-section (1) of Section 46 are in two different water tight compartments. It confers, therefore, two remedies. The ingredients to establish that a case has been made out for removal of the registration of the appellant from the register, thus, are on separate grounds. If the High Court has refused to consider one of the grounds, its right was affected to urge the applicability of clause (b) being separate and distinct from the grounds on which contention can be raised for applying the ingredients of clause (a) being wholly distinct and different, the principles of Order XLI Rule 33 of the Code of Civil Procedure, in our opinion, would not be applicable. The causes of action for invoking clauses (a) and (b) are different and, thus, when a composite application is filed, only different causes of action are joined together. If one cause of action fails, the remedy by way of appeal thereagainst must be availed."

48. Mr. Gupta submits that therein the application was filed under Section 46 and not under Section 56 whereas grounds have been raised both under Sections 46 and 56 of the Act.

49. A situation of this nature has not been considered in any of the precedents. The original application filed by the respondent was maintainable on three counts:

> "1. Application of Section 46, both under clauses (a) and (b);
>
> 2. Application of Section 56; and
>
> 3. The common law principle that he had been served with a legal notice by the appellant desisting from using the word TOSIBA."

50. It is difficult to hold that only because respondent had not been able to prove one of the grounds, namely, applicability of Section 56 of the Act, it loses its locus also. It would continue to be a person aggrieved even within the purview of Section 46 of the Act as it was slapped with a notice of action and it had a cause of action. It had a remedy. It invoked the jurisdiction of the Registrar on a large number of grounds. One of it was accepted, others were not.

51. The petition, therefore, which was maintainable, did not cease to be so particularly when the respondent not only faced with a legal action but, in fact, later on a suit has also been filed by the appellant against it. We would leave the question at that.

Exercise of Discretional jurisdiction

52. This brings us to the question as to whether it was a fit case where the Registrar and consequently the High Court should have exercised its discretionary jurisdiction.

> "Sub-section (2) of Section 109 provides for an appeal from any order or decision of the Registrar under the Act or the Rules made thereunder. An appeal is to be heard by a learned Single Judge. A further appeal is provided before a Division Bench in terms of sub-section (5) of Section 109 of the Act. Appellate jurisdiction of the High Court is not restricted or limited. Sub-section (6) of Section 109 stipulates that the High Court shall have the power to make any order which the Registrar could make under the Act. In other words, if the Registrar exercises a discretionary jurisdiction, the High Court while exercising its appellate jurisdiction would continue to do so. The High Court having a plenary jurisdiction, thus, was not only entitled to take into consideration the materials placed on record as also the finding of the Registrar, but it could also arrive at its own finding on the basis of the materials on record."

53. For the said purpose, the basic admitted fact could have been taken into consideration. It may be true that the appellant whether from the date of registration, or from the date of order of rectification or even a post rectification period did not use the registered trade mark. It did

not enter into any collaboration agreement with an Indian company. It did not grant any licence to any other person to use the trade mark.

> "We may, however, notice that at least in the year 1985 it had issued an advertisement before any controversy arose. It renewed the registration every seven years. Its registration stands extended upto 2016 A.D. It specifically brought to the notice of the Registrar that it had been maintaining service centres in India in respect of washing machines, stating:
>
> "Thus, to summarize:
>
> (a) TOSHIBA has several joint venture agreements in India, for various products including VCRS, colour picture tubes, batteries. etc.
>
> (b) TOSHIBA has technical collaboration agreements for manufacture of various products in India including body scanners, ultra sound equipments, PIP televisions etc.
>
> (c) TOSHIBA has several service centres in India in the cities of New Delhi, Bombay, Madras, Calcutta, Baroda, Bhopal, Cochin, Kerala and Bangalore for repairing various electronic and electrical products including televisions, VCRS, ovens, music systems, washing machines etc.
>
> (d) TOSHIBA has sold several goods in India under the trade mark TOSHIBA including electric motors and accessories, generators, fax machine, whole body C.T. scanners & ultrasound equipment, circuit breakers, transistors, integrated circuits, colour TV sets, engineering, samples and spare parts for televisions, VCRs, cassette recorders, microwave equipment and various other goods to actual users and authorized service centres."
>
> The learned Single Judge also noticed the said contention in the following terms:
>
> "I come now to the two limbs of Section 46(1)(a). I propose to take up first the limb regarding use of the mark in relation to washing machines and spin dryers upto a date when one month prior to the rectification application.
>
> The only evidence of use of the mark, produced by the appellant, if use it can be called is at page 190 of the paper-book which is an advertisement of a freezer and a washing machine of Toshiba published on the 27th August 1985 in the Indian Express, New Delhi, also mentioning therein certain service centres.
>
> Now, this is no use of the mark in relation to the goods within the meaning of the Trade Marks Act."
>
> The Division Bench also did so, stating:

"On the merits the learned Judge also found and this has not been disputed in appeal that the only evidence of the use of the registered mark produced by the appellant is an advertisement of a freezer and washing machine of Toshiba published on 27th August, 1985 in the Indian Express, New Delhi and in that advertisement there was mention of five service centres. The learned Judge also found that such a solitary advertisement is not use of the mark in relation to the goods within the meaning of Section 2(2)(b) of the Act. The learned Judge found that when there are no goods at all in physical existence, there can be no use of the mark in relation to those goods. The learned Judge also found that however, big or famous the establishment of the appellant may be, the use of the mark must be made in India and not abroad and that mere use of the mark for one advertisement is insufficient as use otherwise such a use may amount to trafficking in trade mark."

54. Appellant had to maintain the service centres because although they were not in a position to manufacture washing machines or spin dryers or market the same because of the ban imposed by the Central Government, but it had been rendering the services to those who had been importing the said machines. On the one hand, appellant had not been using its registered trade mark effectively but on the other hand there was a finding that it did not intend to abandon the said right. It intended to enforce its right under the Act as against the respondent, suit was filed by it as far back as in the year 1990. Mr. Gupta commented that the very fact that the appellant did not obtain any order of injunction as against the respondent for more than 17 years itself indicates that it was not serious in pursuing its case before the High Court.

55. This is one side of the picture. The other side is that there has been no injunction as against the respondent. It was free to market its products in the name of TOSIBA. It had also, however, not been manufacturing washing machine and spin dryers. A finding of fact has been arrived at by the learned Single Judge, which has not been overturned by the Division Bench that the respondent never had any intention to manufacture the said goods.

The balancing act between the user of registered trade mark and non- user should be such which leads to the possibility of neither of the parties being injured. The learned Single Judge has also held:

"The mark of the appellant `TOSHIBA' and the status of the said word as a registrable mark is beyond dispute. It is almost admittedly an invented word, a hybrid between the name of the city Tokyo and the name of the company of origin Shibaura.

It is also in my opinion beyond dispute that the mark `TOSIBA' is so similar to the mark TOSHIBA' as to give the appellant an indisputable right to call upon the respondent to cease to use that mark in relation to goods for which the appellant is registered, in case such registration can be maintained by the appellant on the register."

56. There was delay on the part of the respondent in filing the application under Section 46 of the Act. The delay, if any, on the part of the appellant did not cause any harm to the respondent. It had been using the word TOSIBA for such a long time without in any way being obstructed to do so by reason of an order of the Court or otherwise.

57. In the matter of *The Trade Mark No.70, 078 of Wright, Crossly, and Co.*[9], it was stated:

> "I think, notwithstanding what was said in that case, and has been said in other cases dealing with Trade Marks , that an applicant in order to show that he is a person aggrieved, must show that in some possible way he may be damaged or injured if the Trade Mark is allowed to stand; and by `possible' I mean possible in a practical sense, and not merely in a fantastic view."

58. It is this aspect of the matter which has been missed by the learned Single Judge and the Division Bench of the Calcutta High Court.

59. We, therefore, are of the opinion that on this short ground, the impugned judgment cannot be sustained. It is set aside accordingly. We would, however, request the Delhi High Court to consider the desirability of disposing of the suit filed by the appellant against the respondent as expeditiously as possible. The appeal is allowed. No costs.

[1]*[AIR1975 Bombay 191]*
[2]*[1988 (1) CLJ 337]*
[3]*[1966 (16) RPC 387]*
[4]*[(1968 (14) RPC 426]*
[5]*[1967 (9) RPC 229]*
[6]*[(1986 (1) SCC 465]*
[7]*[(2003) 11 SCC 92]*
[8]*[(1999) (7) SCC 435]*
[9]*[1898) 15 RPC 131]*