

HIGH COURT OF DELHI

CORAM: HON'BLE MR. JUSTICE ANISH DAYAL

Date of Decision: February 15, 2024

C.O. (COMM.IPD-TM) 90/2021

A.K. AL MUHAIDIB AND SONS Petitioner

versus

CHAMAN LAL SACHDEVA AND ANR. Respondents

Legislation:

Section 47 of the Trade Marks Act, 1999

Subject: Petition for the removal of respondent no.1's trademark "AL-WALIMAH" due to non-use, under Section 47 of the Trade Marks Act, 1999.

Headnotes:

Trademark Non-Use and Removal – Petition for removal of "AL-WALIMAH" trademark under Section 47 of the Trade Marks Act, 1999 – Petitioner alleges non-use of the impugned mark by respondent no.1 – Impugned mark registered in 1990, petitioner claims no prior or subsequent use by respondent – Investigation report supports non-use claim – Court finds no reason to disbelieve petitioner's claim and investigator's report in absence of rebuttal by respondent no.1 [Paras 1-4, 6-9, 14-19, 26-27].

Legal Basis for Removal – Reliance on Section 47(1)(b) of the Act, requiring non-use of the trademark for a continuous period of five years and three months – Petitioner established as "person aggrieved" under the Act, holding two trademark registrations including the word "AL-WALIMAH" – No bona fide use of the impugned mark by respondent no.1 found [Paras 3, 7, 24-25, 30-31].

Petitioner's Use and Goodwill – Petitioner's extensive use of "AL-WALIMAH" since 1980 – Petitioner, a major player in food distribution in Saudi Arabia, asserts ownership and reputation in the mark – Evidence of high turnover and marketing activities presented – Petitioner's prior business dealings with respondent no.1 [Paras 8-12, 29].

Court's Decision – Petition allowed, directing removal of “AL-WALIMAH” trademark from the Register of Trade Marks – Emphasis on the absence of bona fide use by respondent no.1 – Special circumstances not cited by respondent for non-use – Respondent no.1 proceeded ex parte, failing to contest claims [Paras 27-28, 30-34].

Referred Cases:

- Hardie Trading Ltd. v. Addisons Paint & Chemicals Ltd., (2003) 11 SCC 92
- Infosys Technologies Ltd. v. Jupiter Infosys Ltd., (2011) 1 SCC 125
- Disney Enterprises Inc. v. Balraj Muttneja, 2014 SCC OnLine Del 781
- Russell Corpn. Australia Pty. Ltd. v. Ashok Mahajan, (2023) SCC Online Del 4796

Representing Advocates:

Mr. Vikramjeet Singh for petitioner

Mr. Harish Vaidyanathan Shankar, CGSC with Mr. Srish Kumar Mishra, Mr. Alexander Mathai Paikaday, and Mr. Krishnan V. for respondent no. 2

JUDGMENT

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1. This petition under Section 47 of the Trade Marks Act, 1999 (**‘the Act’**) seeks removal of respondent no.1’s trademark “AL-WALIMAH” registered as trademark no. 523217 dated 22nd January, 1990 in Class 30 (**‘the impugned mark’**).

2. The matter was initially filed before the Intellectual Property Appellate Board (**‘IPAB’**) in 2017 and was subsequently transferred to this Court upon abolition of IPAB in 2021. Notice was issued to respondent no.1 but there was no appearance and respondent no.1 was proceeded *ex parte* by order of this Court dated 1st September, 2023. While the matter was pending before the Court, petitioner was successful in two of its trademark registration applications (petitioner had filed a total of five trademark applications) and the mark “AL-WALIMAH” was registered in its favour in respect of

trademark nos. 896370 and 1271981 for marks



s

and



rice.

respectively for goods in Class 30, namely,

Submissions on behalf of Petitioner

3. Petitioner's counsel has essentially adverted to grounds under Section 47 of the Act in respect of non-use of the impugned mark by respondent no.1. Respondent no.1 filed an application for registration of the mark "ALWALIMAH" in Class 30 claiming user since 1st April, 1975. Since no opposition was filed post publication, the impugned mark was registered in favour of respondent no.1 on 13th November, 1995.

4. Petitioner, however, claims that the said mark was neither used by respondent no.1 prior to filing of application nor any time thereafter. For ease of reference, the relevant extract from Section 47 of the Act, on the basis of which this petition is asserted, is reproduced below:

"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 [High Court] 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

(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:"
(emphasis added)

5. Further reliance is placed on Section 2(2)(c) of the Act for context of the phrase 'use of a trademark' which provision is extracted below:

"(2) In this Act, unless the context otherwise requires, any reference—

...

(c) to the use of a mark,—

(i) in relation to goods, shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods;

(ii) in relation to services, shall be construed as a reference to the use of the mark as or as part of any statement about the availability, provision or performance of such services;"

6. Reliance was also placed on the decision of the Hon'ble Supreme Court in **Corn Products Refined Company v. Shangrila Food Products Ltd.**, (1959) SCC OnLine SC 11, in particular on para 16, where the Court observed the following:

"16. ...Now of course the presence of a mark in the register does not prove its user all. It is possible that the mark may have been registered but not used. It is not permissible to draw any inference as to their user from the presence of the marks on the register...."

7. On this basis, petitioner's counsel submits that as per Section 47(1)(b) of the Act, the expiry of five years and three months would be on 13th February, 2001, much prior to the instant petition being filed. Further, it was claimed that petitioner had established prior use of the trademark "ALWALIMAH" and had acquired reputation and goodwill in the said mark. Grounds were also pressed, therefore, *inter alia*, under Sections 9(1)(a), 9(2)(a), 11(1)(a) and (b), 11(2), 11(3), 11(10)(i) and (ii), 12, and 18 of the Act. Notwithstanding various grounds urged in the petition, petitioner's counsel effectively pressed the ground of non-use under Section 47 of the Act.

8. Petitioner claims to be the owner of mark "AL-WALIMAH" and is purportedly in continuous and extensive use since 1980. It, therefore,

claims to be a “*person aggrieved*” under Section 47 of the Act. Petitioner claims to have been founded in the year 1959 and is a major strategic player in the food distribution sector in the Kingdom of Saudi Arabia. Petitioner specializes in trading, distribution, and marketing of rice. It claims to be one of the reputed names in Middle East and several other countries around the world, and has relied upon various documents appended with the petition, including one particular Letter of Credit dated 20th November, 2023 for an order for export of 1500 metric tons of rice from India at a cost of USD 7.7 million.

9. Petitioner has also claimed high level of turnover in relation to the “ALWALIMAH” brand and the tabulation given by the petitioner in relation to its sales figures is as under:

S.No.	Year	USD (\$)
1	1998	USD 1,64,20,000.00
2	1999	USD 2,40,74,400.00
3	2000	USD 1,48,26,400.00
4	2001	USD 2,21,07,843.00
5	2002	USD 2,84,10,910.00
6	2003	USD 2,88,11,250.00
7	2004	USD 2,83,61,700.00
8	2005	USD 3,50,04,000.00
9	2006	USD 3,58,02,800.00
10	2007	USD 3,34,85,400.00
11	2008	USD 5,42,03,940.00
12	2009	USD 5,85,40,650.00
13	2010	USD 8,88,15,210.00
14	2011	USD 7,89,69,726.00
15	2012	USD 6,60,87,334.00
16	2013	USD 7,62,09,056.00
17	2014	USD 8,97,48,654.00
18	2015	USD 5,51,98,080.00

10. Petitioner also advertises its products in magazines and newspapers, and has a registered domain name www.alwalimah.com and operates a website on the said domain name.

11. Petitioner sells Indian Basmati rice majorly in Middle Eastern countries under the said trademark “AL-WALIMAH”. Petitioner claims that the said mark means “*the reception*” in Arabic; and that the said mark is registered in favour of the petitioner in several Middle Eastern Countries. Petitioner also applied for registration of the mark “AL-WALIMAH” through five applications in India, all of which were opposed by respondent no.1.

12. Petitioner’s counsel further submits that respondent no.1 had business relations with petitioner and was, therefore, aware of the use of the mark by petitioner. Proforma invoice dated 5th May, 1995 appended with the petition was referred for an order placed on respondent no.1 by the petitioner for export of 4950 metric tonnes of rice. Petitioner’s counsel submits that considering that respondent no.1 was aware of petitioner’s mark, they dishonestly applied for the mark in India and got the impugned registration.

13. As stated above, during the pendency of this petition, two device marks have now been registered in favour of the petitioner, which include text and artistic work including the word “AL-WALIMAH”, in Class 30. Respondent no.1 has apparently stopped appearing in the oppositions before the Registrar of Trade Marks. Considering that these pleas are unrebutted by respondent no.1, they would be accepted for the purposes of this petition.

Investigation Report

14. Reliance is also placed by petitioner on an investigation report dated 2nd February, 2024 (**‘the investigation report’**) in respect of use of the impugned mark by respondent no.1. The investigation was conducted at two places – *namely*, Post Office Gilwali, Sangrana Sahib, Tarn Taran Road, Amritsar, Punjab - 143006 and 17-A, Cantonment Amritsar, Amritsar, Punjab-143001.

15. On the premises at Tarn Taran Road, they found a commercial unit in the name of ‘Pari Agro Exports’ with its board being displayed at the location.

Photographs of the same are extracted below:



16. The investigators were apparently informed by the security staff that the premises were being used as a warehouse by Pari Agro Exports for trading of rice, and they were not familiar with the impugned mark "AL-WALIMAH". They were further informed that respondent no.1 had earlier operated from the premises, but had vacated it some months ago, and the premises were subsequently let out to Pari Agro Exports by respondent no.1.

17. As regards the premises at Cantonment Amritsar, it was informed by local persons that respondent no.1 had previously been running a rice shop in the market but had left 6-7 months ago, and the shop was currently vacant. They were not aware of the impugned mark "AL-WALIMAH". Photographs of the said premises are extracted below:



18. Market survey of relevant shops in Amritsar was also conducted and no rice product under the impugned mark was found in the said market survey, nor did any shopkeeper express any knowledge in that regard. Additionally, a survey was carried out in shops at Delhi which also led to the same result and it was found that none of the shopkeepers were aware of the impugned mark.

19. Accordingly, on the basis of the investigation report, the petitioner buttressed its contention relating to 'non-use' under Section 47 of the Act.

Analysis and Conclusion

20. The Court has considered the submissions made by petitioner's counsel and perused the documents on record.

21. The principal question to be answered in the instant petition is whether the impugned mark is liable to be removed under Section 47 of the Act on the ground of non-use.

22. Hon'ble Supreme Court in para 26 of ***Hardie Trading Ltd. v. Addisons Paint & Chemicals Ltd.***, (2003) 11 SCC 92 underscored the triple test required to be satisfied for a direction for removal of a mark under Section 46 of the Trade and Merchandise Marks Act, 1958, which is *pari materia* to Section 47 of the Trade Marks Act, 1999. The said paragraph is extracted below:

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

(1) that the application is by a “person aggrieved”; (2) that the trade mark has not been used by the proprietor for continuous period of at least five years and one month prior to the date of the application; (3) there were no special circumstances which affected the use of the trade mark during this period by the proprietor.”

23. A “person aggrieved” has been described in the following terms by the Hon’ble Supreme Court in **Infosys Technologies Ltd. v. Jupiter Infosys Ltd.**, (2011) 1 SCC 125:

“28. The position that emerges from the above provisions is this. Whether the application is under Section 46 or under Section 56 or a composite application under both sections, it is a prerequisite that the applicant must be a person aggrieved. Section 46(1) of the 1958 Act enables any person aggrieved to apply for removal of registered trade mark from the register on the ground of non-use as stated in clause (a) and/or clause (b). To be an aggrieved person under Section 46, he must be one whose interest is affected in some possible way; it must not be a fanciful suggestion of grievance. A likelihood of some injury or damage to the applicant by such trade mark remaining on the register may meet the test of locus standi.

29. In Kerly's Law of Trade Marks and Trade Names (11th Edn.) at p. 166, the legal position with regard to “person aggrieved” has been summarised thus:

The persons who are aggrieved are all persons who are in some way or the other substantially interested in having the mark removed—where it is a question of removal— from the register; including all persons who would be substantially damaged if the mark remained, and all trade rivals over whom an advantage was gained by a trader who was getting the benefit of a registered trade mark to which he was not entitled.

We accept the above statement of law.”

(emphasis added)

24. In view of the fact that respondent no.1 had opposed the petitioner’s applications for registrations; that petitioner is the user of the mark “ALWALIMAH” in various countries and; that the petitioner is now the holder of two trademark registrations in the said mark in India, the petitioner is evidently a “person aggrieved” under Section 47 of the Act.

25. A bare reading of Section 47 of the Act reveals that a registered trademark is liable to be taken off the Register of Trade Marks if the mark is not used for a period of five years and three months prior to the date of filing of the petition.

26. The investigation report, *prima facie*, reveals that the impugned mark was never used by respondent no.1. Furthermore, respondent no.1 also conducted a market survey of relevant shops in Amritsar and Delhi; however, no rice product under the impugned mark was found in the said market survey, nor did any shopkeeper express any knowledge in that regard. This Court finds no reason to disbelieve the investigator's report.

27. Considering that respondent no.1 has been proceeded *ex parte* and no response has been filed by it, petitioner's averments stand unrebutted. Further, the evidence which has been placed with regard to non-use by respondent no.1 can be relied upon, in light of there being no repudiation of the same by respondent no.1. The petition was filed in 2017 before the IPAB and till date, there is no statement or response on behalf of respondent no.1 in relation to their case. It is evident that respondent no.1 is not interested in contesting the matter.

28. Therefore, in view of the decision of this Court in ***Disney Enterprises Inc. v. Balraj Muttneja***, 2014 SCC OnLine Del 781, no further evidence would be required in this matter. This position has been reiterated by the Court on several occasions, including recently in ***Russell Corpn. Australia Pty. Ltd.***

v. Ashok Mahajan, (2023) SCC Online Del 4796, wherein the following relevant observation was made:

"24. Under such circumstances, in the absence of denial by the respondent, the court has no reason to disbelieve the pleadings as also the investigator's affidavit on record. The respondent has chosen not to appear in the matter despite being served. Specific court notice was issued even to the lawyer/trade mark agent of the respondent.

25. In the context of non-use, it is the settled legal position that use has to be genuine use in the relevant class of goods and services. Unless the non-use is explained by way of special circumstances, the mark would be liable to be removed for non-use. In the present case, no special circumstances have been cited and, in these facts, the mark would be liable to be removed on the ground of non-use itself."

(emphasis added)

29. Considering that there was business dealing between respondent no.1 and the petitioner in relation to export of rice, it is quite possible that respondent no.1 applied for registration of the impugned mark and procured the same without petitioner's knowledge. As per petitioner, the mark "ALWALIMAH" is an Arabic word having a specific connotation,

- being used extensively in the Middle East by the petitioner for rice, and has no association with respondent no. 1.
30. In view of the facts and circumstances stated above, aside from various other grounds urged, the instant petition can be allowed in terms of Section 47(1) of the Act, there being no *bona fide* use of the impugned mark by respondent no.1 in relation to goods in Class 30, particularly, 'rice'.
 31. Accordingly, the present petition is allowed. It is directed that the impugned mark under trademark no. 523217 dated 22nd January, 1990 for the mark "AL-WALIMAH" in Class 30 be removed from the Register of Trade Marks, and the website of respondent no. 2, Registrar of Trade Marks, be updated accordingly. This direction shall be given effect to within four weeks. A copy of this decision be supplied to the Trade Mark Registry at llcipo@gov.in for compliance.
 32. Petition is accordingly disposed of.
 33. Pending applications, if any, are disposed of as infructuous.
 34. Judgment be uploaded on the website of this Court.

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