



2024:DHC:7655



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

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*Reserved on: September 19, 2024*

*Pronounced on: October 04, 2024*

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**C.O. (COMM.IPD-TM) 599/2022**

**MASTER ENTERPRISES PVT LTD.**

**.....Petitioner**

Through: Mr. Rohit Pradhan, Adv.

Versus

**JAY KAY COIR FOAM PVT LTD. & ANR**

**.....Respondents**

Through: Mr. Harish Vaidyanathan Shankar,  
CGSC with Mr. Srish Kumar Mishra  
and Mr. Alexander Mathai Paikaday,  
Advocates for R-2.

**CORAM:**

**HON'BLE MR. JUSTICE SAURABH BANERJEE**

### **J U D G M E N T**

1. The petitioner by way of the present petition, which was originally filed before the Intellectual Property Appellate Board and was then transferred to this Court after it being abolished on 04.04.2021, seeks

cancellation of registration of the impugned trade mark



bearing registration no. 1252593 in Class 20 of respondent no.1 and for taking the said entry off the Register of Trade Marks.

2. In brief, the petitioner is a company incorporated in Pakistan and is a part of well-known Master Group of Companies.



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3. Since 1963, the petitioner has been the most trusted name in bedding, furniture and healthcare industry providing products of unmatched quality with guaranteed customer satisfaction. Innovating from a technical collaboration with Bayer (Germany), the petitioner's MOLTYFOAM evolved as a generic name for foam. This beginning was a confirmation that people were ready to give away orthodoxy and make room for real comfort. In 1997, the petitioner launched the spring range branded CELESTE. Not only did it revolutionize the bedding comfort but it also became the most demanded comfort level.

4. State of the art technology, finest craftsmanship, strict quality controls, and continuous consumer interactions rule out all possibilities of any concerns one might have while buying the petitioner's products.

5. The petitioner's "MEMORY FOAM" unveiled another shining product of the petitioner's innovation at work. These breakthrough mattresses brought a new ideal to the mattress surface with progressive heat sensitive memory foams bringing healthier sleep surfaces and even healthier room environments to consumers. The petitioner's research departments and technical testing laboratories confirm its standards of excellence, to innovate and to constantly formulate new and better foam applications designed for one's comfort. In changing times, the petitioner continues to find new and innovative ways to meet the needs of comfort and relaxation converting luxury to necessity, just as it has done for more than four decades.

6. Since the year 1963, the petitioner has been using the trade mark 'MOLTY' upon and in relation to its goods being "synthetic foam and rigid



foam (rubber), packing, stopping, padding/ insulating materials made of rubber, artificial rubber for mattresses, rubber, synthetic rubber, spongy rubber, rubber substitutes in the form of sheets, strips, blocks and tubes".

7. The petitioner has sold its goods bearing the trade mark 'MOLTY' on a large and extensive scale. The petitioner has also taken substantial efforts to popularize the said trade mark 'MOLTY' and the goods bearing the said trade mark and has spent substantial amounts on advertisement and publicity of the said goods bearing the said trade mark. Consequently, the said trade mark has acquired wide and immense popularity in Pakistan as also internationally including in India. Due to the superior quality and high efficacy of the goods bearing the trade mark 'MOLTY' and due to the large sales and wide publicity of the said goods bearing the said trade mark, the said trade mark has become well-known and the petitioner has acquired valuable global goodwill and reputation therein.

8. Many Indians have been traveling abroad, especially since economic liberalization in India since 1991. The Indian population has therefore been exposed to the aforesaid goods manufactured and sold under the said trade mark 'MOLTY'. Even otherwise, the petitioner has been exporting its goods bearing the said trade mark to international countries including India. The benefit of the goods sold under the said trade mark further exposes the aforesaid goods and the trade mark 'MOLTY' to other Indians and this has resulted into mouth to mouth publicity. The trade mark 'MOLTY' has therefore also acquired trans-border reputation in India, apart from the reputation and goodwill earned by directly selling the goods under the said



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trade mark in India/ exporting the goods bearing the said trade mark to India.

9. The petitioner is the first to adopt use of the trade mark 'MOLTY', having used the same in Pakistan at least since 1981 and having registered the same in Pakistan in the year 1990. Even in so far as India is concerned, the petitioner is first to adopt the trade mark 'MOLTY', having adopted the same on 04.09.1997. Presently, the petitioner has the following registrations/ pending application for the trade mark 'MOLTY' in India:

S. No.	Trade Mark	Class	Application No.	Date of Application	User Detail	Status
1.	MOLTY	20	761999	04/09/1997	Proposed to be used	Opposed by respondent no.1
2.	Master Molty	17	1328693	28/12/2004	Proposed to be used	Registered
3.		17	2486345	27/02/2013	Proposed to be used	Registered

10. The respondent no.1, based in Jammu and Kashmir claims to have been incorporated on 25.04.1995. Though respondent no.1 claims to have adopted the registered trade mark 'MOLTY' on 01.04.1995 and to have been using the same since then, no document(s) *qua* user of the same has been furnished to substantiate its claim of such prior adoption and/ or alleged use thereof since 1995 in India.

11. The oldest document produced by respondent no.1 is an Invoice dated 14.05.1998, which is only subsequent to the date of adoption, i.e. 04.09.1997 of the trade mark 'MOLTY' by the petitioner in India. Also, the year wise



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sale figures filed by respondent no.1 are only pertaining to the later period between 2006-07 to 2012-13, subsequent to the petitioner's registration of the said trade mark. In any event, the said Invoice is without the impugned registered trade mark 'MOLTY' said to belong to the respondent no.1 but with other trade mark(s) 'Classic', 'Champion', 'Janta' therein.

12. The respondent no.1 adopted and allegedly started using the registered trade mark while the trade mark application no.761999 for the trade mark 'MOLTY' was pending registration.

13. The use of the registered trade mark 'MOLTY' in relation to the respondent no.1's goods including mattresses, pillows, cushion & covers, furniture, mirrors, picture frames, articles (not included in other Classes) of wood, corks, reeds, amber, wicker, ivory, born, bone, shell and substitutes for these materials is likely to deceive or cause confusion as to the trade origin. Confusion and deception between the impugned goods of the respondent no.1 and the petitioner's well-known goods would be inevitable.

14. As per learned counsel for the petitioner, the use of the registered trade mark 'MOLTY' by the respondent no.1 tantamounts to passing off the petitioner's well-known goods under the said trade mark and therefore the impugned registered trade mark is disentitled to protection in a Court of Law.

15. Learned counsel further submitted that the members of the trade and public will be put in the state of wonderment on coming across the respondent no.1's goods bearing the impugned registered trade mark 'MOLTY' and think them to be the petitioner's goods. Also, the said registered trade mark in the name of the respondent no.1 is devoid of any



distinctive character and is also not capable of distinguishing its goods or adapted to distinguish its goods because the registered trade mark is identical with/ closely and deceptively similar to the petitioner's trade mark, having regard to the nature of rival goods which are same/ similar.

16. Learned counsel also submitted that the respondent no.1 did not have *bona fide* intention to use the registered trade mark as on the date of application and that it has not used the impugned registered trade mark in relation to the impugned goods for which it is registered since inception till date.

17. Learned counsel further submitted that the petitioner has been using the trade mark 'MOLTY' in respect of its goods. The petitioner is therefore an aggrieved person by the entry of the impugned registered trade mark in the Register of Trade Marks under registration no.1252593. Even otherwise, the respondent no.1 has filed opposition to the petitioner's application for registration of the trade mark 'MOLTY' in Class 17 being Opposition No.168401 to application no.761999 in Class 20. Being the person aggrieved, the petitioner is entitled to maintain and file the present petition for cancellation of registration of the impugned registered trade mark.

18. Learned counsel then submitted that the petitioner's erstwhile attorneys who were handling the petitioner's trade mark applications in India, did not properly advise the petitioner vis-a-vis filing application for rectification of the impugned registered trade mark. In the year 2013, when the petitioner changed its attorneys, its new attorneys advised it to file an application for rectification of the impugned registered trade mark at the



earliest. Accordingly, the petitioner, who was the applicant, filed the application for rectification as soon as possible before the Intellectual Property Appellate Board. Thus, the petitioner cannot be penalized for the fault of its erstwhile advocates and therefore, there is no delay, much less a conscious or deliberate delay that can be attributed on the part of the petitioner in approaching the Tribunal with the rectification application.

19. Relying upon *Kamal Trading Bombay vs. Gillette*<sup>1</sup>, he submitted that as per the settled law, goodwill and reputation of mark does not depend on its availability in a particular country.

20. Then relying upon *Mohan Goldwater Breweries vs. Khoday Distilleries*<sup>2</sup>, *Plus Systems, Inc. and Visa International Service Association vs. Plus Computer Systems*<sup>3</sup>, *Sun Pharmaceutical Industries Limited vs. CIPLA Limited*<sup>4</sup>, *Drums Food International Pvt. Ltd. vs. Euro Ice Cream and another*<sup>5</sup>, he submitted that as per settled law actual, use is not necessary, an intention to use and registration of the trade mark is sufficient for acquisition of proprietary right in a trade mark, which is also indicated by the language of *Section 18* of the Trade Marks Act, 1999<sup>6</sup>.

21. Further relying upon *Jawahar Lal Aggarwal vs. The Registrar of Trade Marks & Anr.*<sup>7</sup>, he submitted that as per settled law trade mark in

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<sup>1</sup> 1987 SCC Online Bom 754

<sup>2</sup> 1977 IPLR Vol. I83

<sup>3</sup> MIPR 2008 (3) 105

<sup>4</sup> 2007 (34) PTC 481 (Bom)

<sup>5</sup> 2011 SCC Online Bom 817

<sup>6</sup> Hereinafter referred to as "Act"

<sup>7</sup> 2010 SCC Online IPAB 341



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respect of goods which are allied and cognate can be registered under ‘other special circumstances’ as under *Section 12* of the Act.

22. Lastly relying on *Armasuisse vs. Trade Mark Registry and another*<sup>8</sup>, *Dalip Singh vs. State of U.P.*<sup>9</sup>, *M/s. Haldirams (India) Pvt. Ltd. and Ors. vs. The Registrar of Trade Marks and Ors.*<sup>10</sup>, he submitted that false user claim by way of fabricated invoices can lead to rejection of trade mark registration.

23. *Per contra*, based on the counter statement filed by the respondent no.1, who was proceeded *ex-parte* vide order dated 06.11.2023, the respondent no.1, based in Jammu and Kashmir, claimed to be manufacturing mattresses, pillows, cushions and covers and have established valuable goodwill in the market on account of high quality.

24. The respondent no.1 is the registered proprietor of the trade mark



and has been using it since 01.04.1995 and is the continuous user since year 1995 which the well-known to the petitioner. It claims that the rectification application was time-barred as the mark was put up in the Register in 2005 whereas the rectification application was filed in 2013. It is the case of the respondent no.1 that it is the prior user of the registered trade mark in India.

25. This Court has heard the learned counsel for the petitioner and perused

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<sup>8</sup> (2023) SCC Online Del

<sup>9</sup> (2010) 2 SCC 114

<sup>10</sup> 2013 IPAB 53



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the pleadings along with the documents filed therewith as well as the other documents on record as also taken note of the written submissions filed by the petitioner.

26. Interestingly, the pleadings made by the petitioner remain uncontroverted, uncontested, unrebutted and thus unchallenged by the respondent no.1. As such, for all purposes the pleadings made therein are deemed to have been admitted by it. Moreover, the said respondent no.1 has not raised any defence/ case contrary thereto.

27. The respondent no.2/ Trade Marks Registry has neither filed its reply nor made any submissions controverting the submissions made by the learned counsel for the petitioner.

28. Based on the documents on record, it emerges that 'MOLTY' is an invented word with no meaning and which is not found in the dictionary. The petitioner entered India only in 1997, when it filed the application for registration of the said mark 'MOLTY' in its name in Class 20 on a '*proposed to be used*' basis.

29. Be that as it may, the petitioner has filed numerous Invoices with the said mark 'MOLTY' since and from at least 14.07.1981 as also various advertisements in magazines and TV commercials during the period 1997-2005. Additionally, the petitioner has filed details of as many as 27 registrations in its name in different Class(s) 01, 02, 03, 05, 09, 10, 13, 17, 20, 21, 22, 23, 24, 26, 27, 31, 32, 33 and 34 in Pakistan along with news articles reflecting its sponsorship of the ICC World Cup' 96 as also of the ICC Champions Trophy 2004.



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30. Therefore, though the petitioner was not physically present in India, however, considering the existing situation in the age of information technology when everything is available over the internet and since the respondent no.1 is also dealing in the very same products as that of the petitioner, it is highly unlikely that it was unaware of the petitioner and its mark 'MOLTY'. Even otherwise and especially in view of the aforesaid, adoption and/ or usage and/ or goodwill and/ or reputation of a mark is not dependent upon the actual physical usage thereof in that country. Word of mouth and transborder reputation under such circumstances have actually a big role to play. This Court finds able support in *Kamal Trading Bombay (supra)* wherein a learned Single Judge of the Bombay High Court has also held that the goodwill and reputation of a mark does not depend on its availability in a particular country.

31. In any event, since the petitioner had filed an application for registration of its mark 'MOLTY' (word) way back on 04.09.1997 in Class 20 clearly reflects that it had an interest/ intention for using the same within India. A reading of *Section 18* of the Act bears that the applicant claiming to be a proprietor of a trade mark can apply if it is being used or if it is proposed to be used. Thereby meaning, an actual use is not necessary to acquire proprietary right in a trade mark and the mere proposal/ intention of such use and applying for the same is sufficient. As such, the actual use of the mark 'MOLTY' by the petitioner was/ is not necessary and the application for registration thereof by it reflects a proposal/ intention to use the said mark 'MOLTY' is sufficient for acquisition of proprietary right thereto. In view



thereof, the fact that the petitioner filed an application for registration of the mark 'MOLTY' in its name before the Trade Mark Registry, New Delhi is sufficient. This Court finds able support in *Mohan Goldwater Breweries (supra)*, *Plus Systems, Inc. (supra)*, *Sun Pharmaceutical Industries Limited (supra)* and *Drums Food International (supra)*.

32. Furthermore, since the respondent no.1 filed an application for registration the mark 'MOLTY' (label) on 02.12.2003 there is admittedly a gap of as many as *six years three months* between filing of the application by the petitioner and that by the respondent no.1.

33. Interestingly, though the respondent no.1 has filed its reply before this Court, however, it is silent both about the adoption/ origin and the reason thereof qua the same mark 'MOLTY' as that of the petitioner. Therefore, the aforesaid were/ are both vital factors for consideration, particularly whence the registered trade mark 'MOLTY' (label) is the same as that of the petitioner's mark 'MOLTY' (word), a silence qua them from the side of the respondent no.1 raises a serious doubt about the prior adoption of the same by it.

34. Moreover, though the respondent no.1 claims to have admittedly been incorporated on 25.04.1995, however, in the impugned application no.1252593 filed by the same respondent no.1 before the Trade Mark Registry, it claims to have uses the mark 'MOLTY' (label) with effect from 01.04.1995. In any event, there is/ are no document(s) showing any usage of the said mark 'MOLTY' (label) by respondent no.1 during that time as they are all subsequent to the date of filing of the application by the petitioner for



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the very same mark 'MOLTY' (word). So much so, though the Invoices for the period 2006-2013 mention the mark 'MOLTY' (label) but that too in a side/ corner with hardly any commercial usage/ sales thereof. In fact, all the Invoices filed by it are without being substantiated with any proof and/ or statutory document(s). The alleged sales figures also fail to substantiate the adoption and/ or use of the impugned registered trade mark, of any time prior to the petitioner's application for registration of the said mark 'MOLTY' (word) in India. Under such circumstances, the respondent no.1 thus cannot be allowed to take any benefit thereof.

35. In such a scenario, where the adoption by the respondent no.1 itself is shrouded in mystery as there are no documents in support thereof, and since no reasonable response is coming forth from the said respondent no.1, it is not entitled to claim any benefit either of long usage and/ or of being an honest concurrent user. Therefore, the delay, if any, in the petitioner filing the present rectification petition cannot be a reason for the registration of the respondent no.1 to remain in the Register of Trade Marks. A registration, wrongly remaining in the Register of Trade Marks, under the existing circumstances involved herein, ought not to be allowed to remain on merely being inflicted with delay.

36. For the aforesaid reasons and analysis, the present petition is allowed and the Registrar of Trade Marks is directed to cancel i.e. take off registration



of the impugned trade mark bearing registration no.1252593 in Class 20 standing in the name of the respondent no.1 from the Register of



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Trade Marks within a period of *four weeks* from today.

37. The petition is accordingly disposed of.

**SAURABH BANERJEE, J.**

**OCTOBER 04, 2024**

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