

**Patan High Court**

**Division Bench**

**Bench No: 13**

**Hon. Judge Dhruvaraj Nanda**

**Hon. Judge Ramesh Dhakal**

**Decision**

Case No: 078-DP-1945

**Case: Appeal to have trademark published in the Industrial Property  
Bulletin**

Decision No: 76

RAJA FLAVOURS AND FOOD LLP, 619/620/621 MARKET YARD, PUNE-411037, INDIA representative Ramchandra Subedi Apex Law Chamber.....Appellant/ Complainant

Vs.

Department of Industries Tripureshwor, Kathmandu.....Defendant

Body Deciding First on the matter: Department of Industries, Tripureshwor  
Kathmandu

Decision Date: (2078/04/28) 12/08/2021

Information of Decision: (2079/02/19) 02/06/2022

According to section 8(1) of the Administration of Justice Act, 2073 the jurisdiction falls within the court and appeal is registered to which the brief facts and decision as follows:

## Facts

1. On 11/12/2019, Raja Flavours and Foods LLP applied for the registration of the trademark TOOFAN for products falling under class 30. However, due to its confusing similarities to another company's trademark, TUFFAN, the Department of Industries ruled on 12/08/2021 that the trademark cannot be approved.

2. In this context, a search was conducted on the IPAS system of the Department of Industries regarding the TOOFAN trademark, similar to Pragati Tea Packing Industry's TUFFAN. It was found that the registration certificate had not been collected from the department. TUFFAN trademark was registered on the Industrial Property bulletin on 08/10/2009, however the owner had not paid the required amount and obtained the trademark certificate. The department argued that the owner's responsibility is fulfilled upon filing the trademark request. The party must be aware of opposition claims, be ready to defend, and conclude disputed matters.

However, in the case of Pragati Tea Industry fourteen years prior, the order for the trademark certificate was already issued. The owner neglected to submit the required amount upon certificate issuance. The Department of Industries determined that it cannot proceed with the registration based on the assumption that appellant's TOOFAN trademark is similar to another company's trademark under the Patent, Design and Trademark Act, 2022. According to section 2(c), a trademark must have different words, signs, or symbols to be valid. The appellants argue that TOOFAN trademark is distinct from TUFFAN, and even in the NICE classification, different goods are mentioned in the same class. If consumers aren't confused, two different companies can register their trademarks. Referencing the case of Nandhani Deluxe vs. Karnataka Co-Operative Milk Production Federation Ltd, the appellants argue that using a similar trademark for different products does not violate the law. They contend that, without considering the similarity of class, name, and usage, the decision to reject the registration violates the principle of natural justice under section 2(c) of the Patent, Design, and Trademark Act, 2022. The registration request for TOOFAN, submitted under class 30, application no: 84878, should be processed further for publication in the industrial property bulletin, as per sections 2(c), 16(1), 18(1), and 18(1) of the provision clauses and section 1, which adhere to legal principles.

3. On 12/08/2021, the Department of Industries issued a decision stating that the TUFFAN trademark certificate, though registered systematically, was not obtained due to non-usage and similarity with the TOOFAN trademark. The decision, considering evidence and relevant sections such as 2(c), 18(a), and 21(c) of the Patent, Design, and Trademark Act 2022, may have different interpretations. According to the Muluki Civil Code, 2074, Section 213, a substitute needs to be established or presented after the deadline, as ordered on 29/10/2022.

4. Upon review, application no: 28402 for the TUFFAN trademark sought registration under class 30 prior to the appeal for the Company's TOOFAN trademark, which had been published in the industrial property bulletin. There is a demand for an amendment, citing that other companies have also applied for trademarks under class 30, including TOOFAN trademarks of application numbers 2392 and 52393. Another company's TUFFAN trademark had already been registered before TOOFAN, preventing its publication in the industrial property bulletin.

Before the appellant, amendments were requested for TOOFAN trademark applications No: 52392 and 52393, leading to the inability to register it under class 30. This is not found in accordance with the law under Section 18(1) of the Patent, Design, and Trademark Act 2022, as multiple companies under the same class could cause confusion among consumers. The first registering company may be adversely affected. Amendments requested for TOOFAN trademark applications No: 52392 and 52393 before the appellant affected the processing of those trademarks to maintain departmental uniformity. The department has a responsibility to uphold the prestige of registered trademarks and the interests of consumers. Consequently, it was determined that the appellant's trademark could not be registered. Following dissatisfaction with this decision, the Department of Industries, Tripureshwor, filed a complaint seeking its dismissal.

### **Verdict**

5. The case was brought before the bench for a decision, with the initial documents and appeal letter presented. Learned Advocates Mr. Ramchandra Subedi and Ms. Nimishka Pandey, representing the appellant, argued that the registration of the TOOFAN trademark under class 30, application no: 84878 was not only similar to any existing trademark in Nepal but was also registered in a foreign country. Despite not violating any laws, the trademark was not registered, and the disputed trademark was not published in the department's bulletin on 12/08/2021, contrary to the Patent, Design, and Trademark Act 2022, the Paris Agreement, principles set by the Supreme Court, and the department's previous decisions. The appellants requested the cancellation of the department's decision and the resumption of the registration process for the disputed trademark, leading to its publication in the industrial property bulletin.

The Deputy Attorney from the High Public Prosecutor's Office, representing or opposing industrial department, argued that the appeal should be dismissed since the TOOFAN trademark sought for registration was deemed similar to the TUFFAN trademark of the Pragati Tea Packing Industry in Dhangadi, registered in Nepal.

6. RAJA FLAVOURS AND FOOD LLP applied for the registration of the TOOFAN trademark under class 30 with application number 84878. However, the TUFFAN trademark had already been granted to Pragati Tea Industry on 29/01/2008. The Department of Industry decided not to publish the TOOFAN trademark, citing its similarity to the TUFFAN trademark published in the industrial property bulletin on December 11, 2019. The opposition argues for the dismissal of the department's decision, asserting that it goes against the provisions of Section 2(c), Section 18(1), and Section 21(c) of the Patent, Design, and Trademark Act, 2022. The request is to proceed with the registration process and publish the TOOFAN trademark in the Industrial Property Bulletin.

7. Whether the decision given by the Department of Industry on this matter is correct? Whether or not are the claims put forth in the appeal letter satisfactory? The decision is to be made to address these questions.

8. Upon looking at the decision, it was found that the petitioner applied for the registration of trademark TOOFAN under class 30 which could not be published as a similar word TUFFAN was already registered under Pragati Tea Industry, Dhangadi on schedule 1 of the industrial property bulletin on 29/04/2008. The fact that it was published in the industrial property bulletin is hence not disputed. Petitioner company RAJA FLAVOURS AND FOODS LLP had applied for the registration of TOOFAN trademark under class 30 application no. 84878 on 11 December 2019 before the Department of Industries under section 17 of Patent, Design and Trademark Act 2022. In such application the trademark TUFFAN word already was registered under Pragati Tea packing industry, Dhangadi which was also mentioned in schedule 1 of industrial property bulletin on 29/04/2008. The decision which was issued on 12/08/2021 that publication of TOOFAN trademark could not be proceeded as it is contradictory to section 18(1) of the Patent, Design and Trademark act, 2022 because it was published without proper examination. The main claim in the appeal is that the decision issued was flawed and TOOFAN trademark needs to be published in the Industrial Property Bulletin. In the response it was observed that the petitioners claimed that before TOOFAN trademark was registered another trademark TUFFAN under class 30 application no: 28402 had already been registered and published in the industrial property bulletin. There were applications from other companies as well, including TOOFAN trademarks under applications 52392 and 52393 in class 30. The reputation of the initially registered trademark is compromised, and consumers are also likely to get confusion if a trademark with the same name is registered under the same class.

9. According to section 2(c) of the Patent, Design and Trademark Act 2022 Trademark is defined as "Trademark" means word, symbol, or picture or a combination thereof to be used by any firm, company or individual in its products or services to distinguish them with the product or services of others. Looking

upon the definition in the given act, the process of distinguishing any production from other production is a trademark. According to WIPO (World Intellectual Property Organization) “Trademark is any sign that individualizes the goods of a given enterprise and distinguishes them from the goods of its competition. According to TRIPS (Trade related Aspects of Intellectual Property Rights) Agreement Trademark is “Any sign or any combination of signs, capable of distinguishing goods or services of one undertaking from those of other undertaking. The main objective of a trademark is to have different productions and service used so that the consumers do not get confused with the products. This hampers the company, the produced product, and the service. Any person who registers the trademark acquires legal rights and no one can use it without the permission of the owner.

10. The fundamental principle agreed upon is that if an industry distinguishes itself from its competitors, it possesses exclusive authority over its trademark. In accordance with this principle, legal provisions and sole ownership rights are granted by the state to those who register a trademark. The state bears the responsibility of safeguarding these trademarks. The use of another company's trademark by a different entity is likely to create confusion among consumers. The primary objective of the legal system is to ensure that consumers are not misled, and their rights are preserved. The nation is obligated to protect trademarks, covering aspects such as the replication, translation, and production of pre-existing goods, as outlined in the Paris Agreement of 2015. This agreement emphasizes that a trademark's distinct identity among consumers cannot be appropriated or registered by any other trademark. As Nepal is a party to this treaty, it is imperative to uphold its commitments and refrain from actions that contravene the agreement.

11. The application indicates that the TUFFAN trademark was previously registered for Pragati Tea Packing Industry, Dhangadi, and the registration was published in the Industrial Property Bulletin on 29/04/2004. Despite the issuance of a trademark certificate, the company has not collected it, and the corresponding revenue has not been received. The department, in response to the petitioner's arguments, has presented evidence suggesting agreement with the claims. It is observed that the department's silence implies acceptance of the petitioner's assertions.

In accordance with section 18(1) of the Patent, Design, and Trademark Act 2022, if a trademark registered in the department remains unused for one year from the registration date, the department can conduct an examination and may dismiss the registration. However, the rights of trademark owners, as per section 18, extend up to 7 years, excluding provisions for renewal outlined in section 18(c). Notably, no action has been taken regarding the due punishment specified in section 18(c)

and (d). It is worth noting that a company's rights are not deemed perpetual, especially in cases where the certificate remains uncollected, as per section 18(c).

12. Provision of section 18, of Patent, Design, and trademark Act, 2022 mentions that “In case any person files an application under Section 17 for registration of trademark, the department shall register such trademark in the name of the applicant the specimen form indicated in Schedule 2 (c), shall conduct necessary investigation and provide sufficient opportunity to defend him/herself and also conduct further inquiry based on the sense made and if finds it appropriate to register it.

13. The trademark TOOFAN was submitted for registration under section 17 of the Patent, Design, and Trademark Act, 2022, under class 30. A similar trademark, TUFFAN, had already been registered for Pragati Tea Industry. The application asserted that the opposition claim fell within their production. Pursuant to section 18(1) of the Patent, Design, and Trademark Act, 2022, an examination should be conducted and published in the Industrial Property Bulletin in case of opposition. If a claim is filed, a thorough investigation should be carried out, providing ample opportunity for defense, and if deemed appropriate, the registration and certificate should be granted to the claimant. However, the opposition's application lacked sufficient inquiry, and the opposition was not afforded a proper chance. The matter was decided by the Department of Industries without following due process on August 12, 2021, and was deemed inconsistent with the law, leading to the dismissal of the decision.

14. The registration procedure, which failed to advance, was hindered by the non-publication of the opposition claim notice in the Industrial Property Bulletin. The department's decision was deemed incorrect, and formal opposition to the decision is held on August 12, 2021.

### **Particulars**

1. The decision held by the department on 12 August 2021(2078/04/28) shall not be upheld. The proceedings regarding trademark registration requested by appellant shall proceed with the notice published in the bulletin along with the copy of the decision and inform the Department of Industries.
2. Make a copy of this decision and provide and inform it to the High Public Prosecutors' office.
3. If the concerned person requests a copy of the given decision, provide it after collecting the required fees.
4. Make a copy of this decision available online, clear the amount and hand the case file to the record department.

Ramesh Dhakal

Judge

I'm satisfied with this judgment.

Dhruvaraj Nanda

Judge

Assistant contributors of the decision

Bench Officer: Gopal Gajmer

Computer Operator: Manisha Dhakal

7 May, 2023

Date of Authentication:

Court's Stamp