

Cfa Institute Vs. the Institute of Chartered Financial Analysts of India and Another

Cfa Institute Vs. the Institute of Chartered Financial Analysts of India and Another

SooperKanoon Citation : sooperkanoon.com/1117818

Court : Intellectual Property Appellate Board IPAB

Decided On : Dec-10-2009

Judge : Honourable Z.S Negi Chairman & Honourable Syed Obaidur Rahaman Technical Member

Appeal No. : M.P.No. 32 of 2009 & 55 of 2009 in OA/5 of 2009/TM/CH & OA /11/2009/TM/CH

Appellant : Cfa Institute

Respondent : The Institute of Chartered Financial Analysts of India and Another

Judgement :

ORDER (No.212/2009)

Syed Obaidur Rahaman, Technical Member:

1. This is a miscellaneous petition filed for stay of the order of the Deputy Registrar of Trade Marks till the disposal of the appeal filed before this Appellate Board under section 91 of the Trade Marks Act, 1999 (hereinafter referred to as the Act) against the order of the Deputy Registrar of Trade Marks dated 22.09.2008 whereby the opposition Nos. MAS-52359 and MAS-52360 were rejected and application Nos. 523515 and 523513 in class 16 were ordered to proceed for registration.

2. The facts of the case is that a lable mark/service mark consisting the letters CFA and the word CFA PROGRAMME were sought for registration in class 16 under application Nos. 523513 and 523515 on 29.01.1990 for the goods printed matter and publications, periodicals; instructional, educational and teaching materials by the applicants. The user claimed for the mark CFA PROGRAMME was from March, 1985 and CFA Logo was from March 1986. After some objections, the applications were accepted for registration in Part B of the Register of Trade Marks and advertised in the Trade Marks Journal No. 1165 dated 16.2.1997 at pages 1753 and 1754. The opponent, the appellant herein, lodged a notice of opposition for CFA PROGRAMME on 13.04.1998 and for CFA Logo on 09.04.1998 objecting to the registration of the aforesaid marks. The opponents organization is a global, non-profit organization founded in the year 1959 and incorporated in 1962 to (a) administer the Chartered Financial Analyst/CFA programme and exams; (b) award the Chartered Financial Analyst/CFA charter and (c) grant the right to use the marks Chartered Financial Analyst and CFA to successful candidates. The opponent is an affiliate of Association for Investment Management and Research (AIMR). AIMR was incorporated in the year 1986 and began operating under the current name from 01.01.1990. The appellant/opponent is also registered proprietor of the mark CFA (amongst others) in the United States, amongst other countries. The appellant/opponent was granted registration of the mark CFA by the United States Patent and Trade Mark Office in International Class 42 under registration No. 935504. The CFA mark is thus a creation of the opponent, which was developed in and has been in continuous use since 1963. In addition to the mark CFA and Chartered Financial Analyst, the appellant/opponent has also been using the marks ICFA, C.F.A., CFA Digest and the Institute of Chartered Financial Analyst. The use of the impugned marks CFA Logo and CFA PROGRAMME by the respondent No. 1/applicant which is deceptively similar to the appellant/opponents mark ICFA is bound to cause confusion and deception in the minds of the purchasing public and the members of the trade inducing them to believe that the said mark is of the opponents origin. The registration of the impugned mark would therefore be contrary to the provisions of section 11 (a) of the Act. The respondent No. 1/applicant is thus not the proprietor of the impugned mark but is an imitator who has misappropriated

the appellant/opponents reputed and well-known mark.

3. It is also the case of the appellant/opponent that the respondent No. 1/applicant, being the licensees of the appellant/opponent with regard to the mark ICFA, cannot in any circumstances claim proprietorship in the same. The appellant/opponents case is that, they raised objections before the Registry to the registration of the impugned marks mainly under sections 11(a), 11(e) and 18 (1) of the Act and also prayed for the exercise of discretion, adverse to the applicant under section 18 (4) of the Act.

4. The respondent No. 1/applicants case is that they are a society registered under the A.P. (Telengana Area) Public Societies Registration Act 1350 Fasli (Act I of 1350 F). But the constitution of the opponent remain undisclosed and this itself is a ground for rejection of the opposition in limine.

5. The appellant/opponents filed the evidence in support of opposition under rule 50 of the Trade Marks Rules, 2002 by way of an affidavit of Mr. Michael S. Caccese along with annexures. The applicants filed evidence in support of application under rule 51 of the aforesaid Rules by way of affidavit along with exhibits. The appellant/opponents filed one more affidavit as evidence in reply by way of an affidavit of Mr. Sharon J. Glover. The appellant/opponents filed two interlocutory petitions along with Form TM-16 and other documents for substitution of name, i.e. from Association for Investment Management and Research to CFA Institute. They also filed one more interlocutory petition dated 07.04.2008 for consolidation of opposition proceedings. Three interlocutory petitions along with Form TM-16 were allowed at the hearing held on 30.04.2008 with the condition that the main matter in these proceedings will be heard on 14.05.2008 at 11.00 a.m. Accordingly, the main hearing in these matters was heard on 14.05.2008 in the presence of Shri V. Veeraghavan, Advocate for the applicants and Ms. Glinda, Advocate for the opponents.

6. It is also the case of the appellant/opponents that they have filed a case before the Honble Delhi High Court and an injunction was granted in favour of them and it is still in force i.e. at the date of hearing. The learned senior counsel relied on section 11 (3) of the Act. He also relied on para 19 of the notice of opposition. At

the time of hearing, it was argued before the Registrar of Trade Marks, by the learned counsel for the appellant/opponents that the applicants mark is not capable of distinguishing the goods under section 9 (2) (a) of the Act which reads as under:

(2) A mark shall not be registered as a trade mark if

(a) it is of such nature as to deceive the public or cause confusion;

7. After hearing, the Deputy Registrar of Trade Marks came to the finding that in the instant case, mere reading of the minutes between ICFA (US) and ICFA (India), proves that the arrangement between the parties is neither licence nor lease. Para 1 of the minutes says that ICFA (US) has recorded its willingness to assist and encourage in a variety of ways the development and success of ICFA (India). In the minutes it is not mentioned that ICFA (USA) are the owners of the property ICFA which is a trade mark. There is no clause which says that ICFA (USA) is permitting the Indian Company to use ICFA. There is no consideration. There is no time limit. The fact is that the USA Company is committed to encourage the Indian Company and assist the Indian Company in all possible ways. The USA company have no outlets or branches in India except that they hold periodical examination at Bombay in a very insignificant way and the question of passing off does not arise. In fact clause 4 makes it very clear that ICFA (USA) has no intention of its collaboration or other involvements with ICFA (India). In view of the above fact, the learned Registrar again came to the conclusion that it shows that the applicant is the lawful proprietor of the trade mark ICFAI and they are entitled for registration of the same and are the proprietors of the trade mark under section 18 (1) of the Act. Lastly, coming to the exercise of discretion of the Registrar under section 18 (4) of the Act, the onus to prove the claim of proprietorship of the mark is always on the applicants. The applicants have successfully discharged the onus that lay down upon them to prove that they are the proprietors of the trade marks in question and they are entitled to its registration in order to safeguard the trade and public at large and the Registrar ought to exercise the discretion vested with him in public interest to maintain the purity of the Register.

8. The matter came up before the Appellate Board on 12.08.2009. Learned Senior Counsel Shri Sanjay Jain appeared on behalf of the appellant and Ms. P. V. Rajeswari, Advocate appeared on behalf of the respondent No. 1.

9. The learned senior counsel appearing on behalf of the appellant submitted that the act of bad faith and fraudulent conduct on the part of the respondent No. 1 came to the attention of the appellant when on 29.01.1990, the respondent No. 1 filed application No. 523515 in class 16 for registration of trade mark CFA Programme with the Indian Trade Mark Office even while the 1985 License Agreement was in effect (against which opposition by the appellant was filed and order passed therein) is under challenge in the present appeal. Furthermore, the respondent No. 1 also filed for trade mark protection of ICFAI with the Indian Trade Mark Office (application No, 523516 in class 16) which was one of the applications under opposition by the appellant before the Registrar of Trade Marks (a separate order dated September 22, 2008, therein is under challenge by the appellant vide a separate appeal), which was advertised in Trade Mark Journal No. 1148 dated 01.04.1997 at page 65. He also submits that CFA and Chartered Financial Analyst designation are recognized worldwide by investment professionals, employers, educators, regulators, government bodies and agencies, and the public as symbols of high integrity and professional excellence. Individuals who have been granted the CFA charter and the right to use the CFA mark are recognized as having achieved an unparalleled level of education and knowledge in the fundamental principles of financial analysis. These marks have thus acquired a secondary meaning. They are akin to certification marks, assuring regulators, employers and the public that the individuals authorized to use the CFA designation have met and continued to meet the rigorous standards of ICFA and indicating that the CFA designation is distinctive of and exclusively associated with ICFA. The ICFA and AIMR has received a number of enquiries from charterholders and candidates of applicants CFA designation, asking when they would receive their charter from ICFA and AIMR. True and correct copies of a few representative enquires from such charterholders and candidates are attached and collectively marked as Annexure I. These clearly demonstrate the confusion that is caused by the ICFAIs (hereinafter referred to as India Organisation) programme and its improper use of the CFA mark. The past relationship between

ICFA and the applicants are borne out by the documents filed as Annexure J viz., (a) The License Agreement between AIMR and ICFA dated 01.01.1990; (b) The text of the 21.10.1986 Board Resolution passed by the applicants pursuant to the strong bonds of collaboration established with the Institute of Chartered Financial Analysts, U.S.A. and (c) Copies of the correspondence exchanged by ICFA and AIMR with the applicants.

10. It is further submitted that the CFA designation awarded by the applicants during the subsistence of collaboration with ICFA was subject to rigorous quality control and supervision by ICFA, pursuant to a license granted by ICFA to the Institute of Certified Financial Analysts of India, which later changed its name to the Institute of Chartered Financial Analysts of India. The quality control exercised by ICFA and AIMR is amply borne out by the following facts.

(a) The license agreement recorded in the minutes of August 14, 1985 specifically stipulates in para 3 (a) that use of the ICFA and CFA initials by ICFA (India) [Institute of Certified Financial Analysts of India] would be permitted after it has been determined by the ICFA (US) that the admissions standards, study programme, and materials and examination process are and continue to be of the highest caliber related to conditions and circumstances in India.

(b) Pursuant to the aforesaid license agreement, the applicants passed a Board Resolution dated October 21, 1986 in the following words: After discussions it was suggested that in the light of the strong bonds of collaboration established with the Institute [Institute of Certified Financial Analysts of India] be named as The Institute of Chartered Financial Analysts of India

(c) To assist the applicant to develop internationally compatible standards of professional efficiency and moral conduct, the ICFA and AIMR provided the applicants extensive help, including assistance with the study material development and evaluation and critique of applicants study programme material, and examination on an ongoing basis.

(d) In may 1987, Dr. A.Besant Raj, Mr. Prasanna Chandra and Mr. N.J. Yasawy (all members of the applicants Board of Governors) were invited by ICA as special

guests to attend the Annual Conference of ICFA's sister organization held in Philadelphia, USA. They were also invited to the ICFA Board of Trustees Meeting in Charlottesville, Virginia, USA. The minutes from that meeting reflect the ICFA Boards admiration for the activities of the applicant.

The aforesaid show that ICFA exercised quality control over the applicants with regards to the CFA certification programme in India. The additional steps taken by ICFA to control the applicants CFA programme included monitoring the applicants programme, allowing applicants the right to publish the CFA Digest in India for a small royalty, and sending letters in 1992 and 1994 regarding AIMR's concerns over the emerging differences in the respective programmes.

11. The senior counsel for the appellant also submits that the applicants have themselves acknowledged the global reputation and enormous goodwill enjoyed by ICFA in running the CFA programme worldwide, as indicated in the book titled *Let There Be Light (The Genesis of ICFAI)*. According to the publisher and as depicted in the India Organisations 1998/99 Educational Programmes catalogue, this book was prepared by and is authorised and sponsored by the India Organisation. In it, the applicants recognized that, even prior to the licensing arrangement with ICFA, the reputation and goodwill enjoyed by ICFA had spilled over into India.

12. He also submits that the applicants have applied for registration of the impugned trade mark dishonestly, in bad faith and with a malafide intention to misappropriate the exclusive proprietary rights enjoyed by ICFA in the designation CFA, Chartered Financial Analyst, ICFA, and other marks. Under the circumstances, the attempted registration and use by the applicants of the impugned trademark ICFAI is tainted by dishonest adoption and the malafide intention to pass off its certification programme as that run by ICFA. The impugned trade mark is, therefore, a mark disentitled to protection in a court of law and prohibited within the meaning of section 11 (e) of the Act. He also submitted that in the *Institute of Chartered Financial Analysts and Association for Investment Management and Research v. Institute of Chartered Financial Analysts of India*, Civil Action Number 3:98 CV 417 (E.D. Va. Oct. 9, 1998) a Federal Court in the

United States expressly recognized that ICFA is the owner and has valid, protectable rights in the CFA, Chartered Financial Analyst, Institute of Chartered Financial Analysts, and other related marks. Furthermore, the court found that the ICFA granted the Institute of Certified Financial Analysts of India a license to use the CFA mark and related marks in relation to the applicants programme in India. The court held that this license agreement was terminated in January, 1997. The order rendered by the court in this matter provides that the applicants are enjoined and restrained from:

(a) using the names or marks cfa, CFA, C.F.A., ICFA, I.C.F.A., CCFA, C.C.F.A., CHARTERED FINANCIAL ANALYST, FINANCIAL ANALYSTS JOURNAL, INSTITUTE OF CHARTERED FINANCIAL ANALYSTS, and any other names or marks that are likely to cause confusion with these names and marks, in the United States or Canada;

(b) promoting or authorizing outside the United States or Canada the use inside the United States or Canada of the names or marks cfa, CFA, C.F.A., ICFA, I.C.F.A., CCFA, C.C.F.A., CHARTERED FINANCIAL ANALYST, FINANCIAL ANALYSTS JOURNAL, INSTITUTE OF CHARTERED FINANCIAL ANALYSTS, and any other names or marks that are likely to cause confusion with these names and marks;

(c) offering, advertising or promoting any educational programme in the United States or Canada that uses the names or marks cfa, CFA, C.F.A., ICFA, I.C.F.A., CCFA, C.C.F.A., CHARTERED FINANCIAL ANALYST, FINANCIAL ANALYSTS JOURNAL, INSTITUTE OF CHARTERED FINANCIAL ANALYSTS, and any other names or marks that are likely to cause confusion with these names and marks;

(d) offering, advertising or promoting in the United States or Canada any educational programme outside the United States or Canada that uses the names or marks cfa, CFA, C.F.A., ICFA, I.C.F.A., CCFA, C.C.F.A., CHARTERED FINANCIAL ANALYST, FINANCIAL ANALYSTS JOURNAL, INSTITUTE OF CHARTERED FINANCIAL ANALYSTS, and any other names or marks that are likely to cause confusion with these names and marks;

(e) implementing, using, maintaining, sponsoring, authorizing or promoting outside the United States any internet web page or electronic resources accessible within the United States that uses the names or marks cfa, CFA, C.F.A., ICFA, I.C.F.A., CCFA, C.C.F.A., CHARTERED FINANCIAL ANALYST, FINANCIAL ANALYSTS JOURNAL, INSTITUTE OF CHARTERED FINANCIAL ANALYSTS, and any other names or marks that are likely to cause confusion with these names and marks;

(f) facilitating or promoting employment opportunities for its charterholders in the United States or Canada;

(g) holding itself out as affiliated with, connected with, or any way associated with AIMR or ICFA; and

(h) using the marks cfa, CFA, C.F.A., ICFA, I.C.F.A., CCFA, C.C.F.A., CHARTERED FINANCIAL ANALYST, FINANCIAL ANALYSTS JOURNAL, INSTITUTE OF CHARTERED FINANCIAL ANALYSTS, and any other names or marks that are likely to cause confusion with these names and marks that are likely to cause confusion with these names and marks, in connection with business transactions undertaken by ICFAI outside the United States or Canada with persons or entitles inside the United States or Canada.

13. In making this ruling, the court found that:

(a) ICFA, since, 1963, and AIMR, since 1990, have continuously and extensively used the CFA Marks. ICFA and AIMR have continuously used and extensively promoted the CFA marks in interstate and global commerce and have made substantial investments in building the reputation of and protecting the CFA Marks, which are among their most valuable assets. As a result of their efforts, the CFA Marks are recognized worldwide by investment professionals, employers, educators, regulators, government bodies and agencies and the public as symbols of high integrity and professional excellence. Individuals who have been granted the CFA charter and the right to use the CFA Marks are recognized as having achieved an unparalleled level of education and knowledge in the fundamental principles of financial analysis;

(b) Investment management companies, investment banking firms, brokerage houses, banks, insurance companies and other financial institutions recognize CFA charterholders as having achieved a high level of education and knowledge in the fundamental principles of financial analysis; and

(c) Employers in the United States and throughout the world regularly advertise job openings for and seek to hire CFA charterholders. Often, successful completion of the CFA Programme is a prerequisite for a job opening.

It is therefore clear that the ICFA is the rightful owner of the CFA mark and related marks, and applicants attempted registration of the ICFAI must be denied. Furthermore, as stated in the notice of opposition, ICFA and AIMR have already filed a suit for passing off and rendition of accounts against the applicants before the Honble High Court of Delhi. ICFA and AIMR seek an order of injunction (both temporary and permanent) to restrain the applicants from offering the CFA programme and awarding the CFA designation without authority or license of ICFA. The said suit is pending before the Honble Court.

14. Apart from the above submission, learned counsel also relied on following case laws:

(i) Austin Nichols and Co. and Anr., vs. Arvind Behl and Anr., 2006 (32) PTC 133 (Del.) wherein the High Court of Delhi observed as under:

40. The Supreme Court observed in paragraph 8 of the Report that now a days goods are widely advertised in newspapers, periodicals, magazines and other media available in the country resulting in a product acquiring a worldwide reputation. It was observed that if a mark were associated worldwide with a particular product, it would lead to an anomalous situation if similar goods with an identical mark were allowed to be sold in India. The Supreme Court, however, sounded a note of caution when it observed that Multinational corporations, which have no intention of coming to India or introducing their product in India should not be allowed to throttle an Indian company by not permitting it to sell a product in India, if the Indian company has genuinely adopted the mark and developed the product and is first in the marked. In paragraph 9 of the Report, the Supreme

Court gave its conclusions, which are of considerable importance in so far as the present case is concerned. It was held as follows:-

In the present case, the marks are the same. They are in respect of pharmaceutical products. The mere fact that the respondents have not been using the mark in India would be irrelevant if they were first in the world market. The Division Bench had relied upon material which *prima facie* shows that the respondents product was advertised before the appellants entered the field. On the basis of that material the Division Bench has concluded that the respondents were first to adopt the mark. If that be so, then no fault can be found with the conclusion drawn by the Division Bench. (Emphasis given).

41. Applying the law laid down by the Supreme Court to the facts of the present case, it must be held that,

Blenders Pride whisky manufactured by the Plaintiffs had a worldwide reputation, being available for sale in a large number of countries since 1973 onwards. It cannot be said that the product was unknown in India. The predecessor in interest of the Plaintiffs had an intention of directly exploiting the Indian market. In fact, they had applied for permission from the Government of India to manufacture Blenders Pride whisky, which was granted, and they have been manufacturing Blenders Pride whisky in India since 1995.

The Plaintiffs are not using their worldwide reputation to throttle an Indian company by not permitting it to sell a particular product in India. The Plaintiffs are only trying to defend their worldwide reputation in Blenders pride whisky.

On the contrary, it appears from the material on record that the Defendants manufactured Blenders Pride whisky for a couple of months in 1993-94 only so as to be the first to enter the Indian market, and thereby gain an advantage over the Plaintiffs, and perhaps prevent them from manufacturing Blenders Pride whisky in India.

The admitted position is that after March, 1994, the Defendants did not manufacture Blenders Pride whisky till some time in 2005, that is, for a period of

almost eleven years. Without commenting on this conduct of the Defendants, I have no doubt that the conduct of the Plaintiffs has been completely bona fide and that their actions are only intended to protect and prevent damage to their reputation.

The Plaintiffs were the first in the world market with Blenders Pride whisky and as held by the Supreme Court, even if they were not manufacturing Blenders Pride whisky in India, it would be irrelevant, although such a situation has not arisen in the present case because the Plaintiffs are in fact manufacturing Blenders Pride whisky in India.

42. I am of the view that the decision of the Supreme Court in Milmet is fully applicable to the facts of the present case and merely being first past the post in India is not enough. The Plaintiffs were first past the post world wise and this is of crucial importance.

69. Learned counsel for the Plaintiffs has, along with his written submissions, indicated that the cost incurred by the Plaintiffs is Rs.18,85,000/- Accordingly, since the application filed by the Defendants being IA No. 1313/2005 has been dismissed and IA No. 999/2005 filed by the Plaintiffs has been allowed, the Plaintiffs will be entitled to costs, which are quantified at Rs.18,85,000/-.

(ii) In Milmet Oftho Industries and Ors., vs Allergan Inc., 2004 (28) PTC 585 (SC) wherein it was held as under:

11. However, it was submitted on behalf of the Appellants that the Respondents were not the first to use the mark. It was submitted that there was no proof that the Respondents had adopted the mark and used the mark before the appellants started using the mark in India.

12. In our view, there are matters which would require examination on evidence. Considering the fact that for all these years, because of the injunction Order, the Appellants have sold their product under some other name, the balance of convenience is that the injunction order be continued and the hearing of the Suit be expedited.

(iii) In Association for Investment Management and research and another Vs. Institute of Chartered Financial Analysts of India and another 2006 (33) PTC 352 (Del.), it was held that In view of the above, I allow the application under Order XXXIX Rules 1 and 2 CPC and restrain the defendants, during the pendency of the suit, from using any of the trademarks or service marks CFA, Chartered Financial Analyst, The Institute of Chartered Financial Analysts of India, ICFA and ICFAI or any other name or mark which may be identical or deceptively similar to these marks and from passing off their programmes or business as that of the plaintiffs. However, this order of injunction will not come into effect till the end of current academic session of the CFA programme run by the defendants. Nor will anything said herein will mean final expression of opinion of this Court.

In all the above cases injunctions were granted and they are fully applicable in the present case.

15. Learned counsel appearing for the respondent No. 1 submits that the order of the High Court in relation to the agreement is sub-judice. She further submitted that the certificate of Registration have been issued by the Trade Marks Registry. Hence this M.P. is infructuous.

16. After hearing the submissions of both the parties and going through the case laws cited before us, we are of the view that it is evident from the record that CFA and ICFA has world wide registration and it is an American Company of repute. The respondent No. 1 is permitted user. In the trade mark law, a person so authorized cannot claim proprietary rights in the trade mark to which use is permitted by the registered proprietor. Then as per the trade mark law the erstwhile owner of the trade mark can file rectification or cancellation application or opposition against the agent or of representative or persons like permitted user of the trade mark. In view of the above law, it is prima facie clear that in the present case the respondent No. 1 can not claim proprietorship in the impugned mark. The respondent No. 1 have admitted the fact that they have been working in India as their agent and they are permitted user on behalf of the owner, i.e. the American Company ICFA, AIMR, CFA, the original owner of the mark. ICFA and AIMR are the sister concerns. When this is the situation, the respondent No. 1 knowingly and

intentionally and in bad faith made application for registration and obtained the registration certificate. In view of the above proposition of law, a person who had acted as an agent or representative or authorized user of a trade mark cannot claim proprietary rights over that trade mark.

17. We are of the view that the appellant has established prima facie case for stay of operation of the impugned order dated 22.09.2008. We do not visualize any hardship will be caused to the respondent No. 1 as they can still do their business or render service under the common law right. However, the respondent No. 1 are under injunction granted by the High Court of Delhi in favour of the appellants. We accordingly stay the operation of the order dated 22.09.2008 of the respondent No. 2 till the disposal of the appeal.

SooperKanoon - India's Premier Online Legal Search - sooperkanoon.com