

Tak Chand Fillumal vs Western India Match Co. Ltd. on 6 January, 1955

Equivalent citations: AIR1955ALL404, AIR 1955 ALLAHABAD 404

Author: Raghubar Dayal

Bench: Raghubar Dayal

JUDGMENT

Raghubar Dayal, J.

1. The plaintiff-respondent No. 1 Instituted a suit, suit No. 50 of 1954, in the court of the Civil Judge, Bareilly, against the appellant and several other persons for the issue of a permanent injunction restraining the defendants, their servants and others on their behalf from manufacturing, selling or offering for sale or from passing off or attempting to pass off match boxes not of the plaintiff's manufacture as those of the plaintiff's manufacture by the use of the offending labels, Annexures B-1 and B-2, or any other label of a similar design and appearance as that of the plaintiff- It was further prayed in the suit that the defendants be ordered to deliver up to the plaintiff the entire stock of the offending labels and boxes of matches bearing the offending label under their control & also all loose labels, blocks, wrappers, etc., in their possession. It was further prayed that the defendants be ordered to render an account of the profits made by them by sale of their match boxes by passing them off as the plaintiff's goods under the aforesaid offending label and a decree of the amount of profits so found be passed against them by way of damages.

2. The plaintiff-company carries on business of manufacturing & selling match boxes. The match boxes manufactured by the plaintiff are packed in boxes & cases each of which bears a label known as "TEKKA" & a specimen of which attached to the plaint is marked Annexure A. This label is said to be commonly and popularly known by the purchasing community as 'Tash', 'Cards' 'Ekka' brand marks. It is alleged that the people in general consider the goods bearing that label to be goods manufactured by the plaintiff and that the plaintiff has thus acquired an exclusive right and title to their trade marks which are also registered. In this connection it is also mentioned in the plaint that the aforesaid label stands as a symbol for the goods manufactured by the plaintiff.

3. The defendant. No. 3, the appellant, is said to be the owner of another label attached to the plaint and marked as Annexures B-1 and B-2. The other defendants 4 to 13 are dealers in match boxes in various places in India. Defendants 1 and 2 manufacture match boxes and matches on behalf of defendant 3. They manufacture their matches under labels marked Annexures B-1 and B-2. It is alleged by the plaintiff in the plaint that they do so with a view to pass off such goods as the goods manufactured by the plaintiff and that they were actually passing their own manufactured goods, as

the goods manufactured by the plaintiff. Annexures B-1 and B-2 are said to be colourable imitation of the plaintiff's Annexure A and are calculated to mislead purchasers into the belief that in purchasing the defendants' match boxes they were purchasing the match boxes manufactured by the plaintiff.

The further allegations in the plaint are that the defendants adopted this label, Annexures B-1 and B-2, with fraudulent intention and that the similarity between the two labels namely those mentioned in Annexure A and Annexures B-1 and B-2 and the name 'cards' adopted by the defendants were calculated to deceive persons, whether illiterate villagers or literate persons into the belief that while purchasing the defendant's match boxes they were really purchasing those manufactured by the plaintiff and sold as 'TEKKA' of "EKKA" marks and that owing to the introduction of the offending labels considerable confusion had already been created in the market.

4. After the institution of the suit an application was presented for the issue of a temporary injunction restraining the defendants from manufacturing or selling match boxes bearing the labels which are Annexures B-1 and B-2 or any other similar label which may be a colourable imitation of plaintiff's label Annexure A till the disposal of the suit. Orders were also sought with respect to the disposal of the property attached. The court on hearing the parties passed the required interim injunction order and orders about the attached property. It is against this order that defendant 3 has appealed.

5. The first and the only point urged in appeal is that the Court of the Civil Judge, Bareilly, had no jurisdiction to entertain this suit in view of Section 73, Trade Marks Act, 1940, which is:

"No suit for the infringement of a trade mark or otherwise relating to any right in a trade mark shall be instituted in any court inferior to a District Court having jurisdiction to try the suit."

It is contended that this suit is in reality a suit with respect to the infringement of the trade mark or otherwise relating to any right in the trade mark. The plaintiff-respondent, on the other hand, contends that the suit is a suit for the passing off of the goods manufactured by defendants 1 and 2 as the goods of the plaintiff and that therefore this Act does not affect his right of action in this connection in view of Section 20, Sub-section (2) of the Act. We have heard the learned counsel for the parties and are inclined to agree with the contention for the appellant and to hold that this suit was not maintainable in the court of the Civil Judge, Bareilly.

6. It is no doubt true that an action for the infringement of a trade mark is not identical with an action for the passing off of goods by one person as the goods of another. It is also true that the reliefs claimable in either action are practically similar. As the suits for the infringement of the trade mark are not to be instituted in a court subordinate to the district Court in view of Section 73, Trade Marks Act and the suit for the passing off of goods, being not covered by the provisions of the Act, can be instituted in Courts other than the District Court, the question before us assumes importance as it affects the jurisdiction.

7. All actions in connection with the passing off of goods need not include matters which would amount to the infringement of a trade mark. It is, however, possible as appears to us to be in the present case that in some types of action for the passing off of goods the Court cannot decide the main dispute without deciding matters which would determine the questions which are essential and necessary to be determined in connection with the infringement of a trade mark. It is only in such cases that the importance of the question before us arises. In cases where no question about the infringement of a trade mark or no question of determining facts which would amount to the infringement of trade mark is raised, it does not matter that the suit be in the court other than a District Court.

But in cases where the decision of such points is essential for granting the complete relief, in fact "tap main relief in connection with the passing off action, it looks to us illogical that those points should be determinable by a court inferior to a District Court even though Section 73, Trade Marks Act provides that a suit for the infringement of a trade mark or otherwise relating to any right in a trade mark should not be instituted in a court other than a District Court. We, have, therefore, to interpret the two provisions referred to on behalf of the parties in such a manner as to make the whole scheme of the Act consistent and logical if that be possible. (S) Section 20 is:

"20(1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark unless such trade mark has been continuously in use since before the 25th day of February, 1937, by such person or by a predecessor in title of his and unless an application for its registration, made within five years from the commencement of this Act, has been refused; and the Registrar shall, on application in the prescribed manner, grant a certificate that such application -has been refused.

2. Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof." It appears to us that the object of Sub-section (1) of Section 20 clearly is that no action be instituted for the infringement of an unregistered trade mark unless it be that an application for the registration of a trade mark, which had been continuously in use since before the 25th day of February, 1937, had been made in the prescribed manner and refused by the Registrar, and that the object of Sub-section (2) really is that in such cases when no suit for the infringement of an unregistered trade mark is possible, suits for passing off action could be instituted in spite of the provisions of this Act. That would retain the right which the person coming to own any right in a trade name had acquired by its long user. The rights of such a person were not completely negatived by the Trade Marks Act. His remedy was restricted merely to an action with respect to the passing off of goods and was not enforceable with respect to the particular mark or trade name.

In this view no difficulty is expected to arise. Whenever a trade mark is registered and anybody passes off goods using that trade mark or its resemblance for the purpose of deception, the person aggrieved can institute a suit complaining that the other person

had infringed his trade mark or had adversely affected his right in that trade mark. If the passing off of goods had been independently of the use of the aggrieved person's trade mark, such passing off could be a subject of a suit which is in no way contemplated by the Trade Marks Act and would, therefore, be not affected by the provisions of that Act. Suits by persons who had not registered their trade marks would also be outside the provisions of the Trade Marks Act if they be for the passing off action and not for the infringement of their trade mark.

Sub-section (2) of Section 20 seems to be something like a corollary or a saving provision enacted for purposes of clarification of the effect of the provisions of Sub-section (1) as in its absence it could have been possibly debated that the passing off actions based on the use of similar unregistered trade marks were barred as that would have amounted to the determination of the question whether there had been any infringement of the unregistered trade mark or not just as in the present suit we are confronted with the question whether the plaintiff's trade mark had been infringed and whether that infringement had led to the passing off of the defendants' goods as the goods of the plaintiff. Such an interpretation of Sub-section (2) Section 20 finds support from the fact that in Trade Marks Act of 1938 (1 and 2 Geo. 6, c. 22) Section 2 is:

"No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark, but nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof."

The provisions of this section are practically the same in essence as those of Sub-sections (1) and (2) of Section 20. The only difference is that they are not enacted in two different sub-sections but form part of one section the word "but" occurring between the two types of provisions made in this section, namely barring the right of instituting a certain proceeding for the infringement of an unregistered trade mark and protecting the right in connection with the passing off of goods by another as the goods of the person instituting the suit. In the Trade Marks Act of 1905 (5 Edw. 7, c. 15) Sections 42 and 45 corresponded to Sub-sections (1) and (2) of Section 20 of our Trade Marks Act, 1940. Section 42 is:

"No person shall be entitled to institute any proceeding to prevent or to recover damages for the infringement of an unregistered trade mark unless such trade mark was in use before the thirteenth of August one thousand eight hundred and seventyfive, and has been refused registration under this Act. The Registrar may, on request, grant a certificate that such registration has been refused".

Section 45 is:

"Nothing in this Act contained shall be deemed to affect rights of action against any person for passing off goods as those of another person or the remedies in respect

thereof".

It would appear that our Section 20 is really based on these two Sections 42 and 45, Trade Marks Act of 1905 and that the Legislature omitted to note the fact that the provisions of both these sections had been consolidated in Section 2 in the Trade Marks Act of 1938 and which consolidation makes it clear what the rule contained in Section 2 is.

9. We are, therefore, of opinion that the passing off actions which are not affected by the provisions of the Trade Marks Act of 1940 are those actions which are unrelated to the use of the aggrieved person's trade mark. If they are related to it those suits will necessarily require the determination of the question whether there had been an infringement of the trade mark and therefore would be affected by the provisions of Section 73, Trade Marks Act.

10. Reference in this connection may now be made to the provisions of Section 21 of the Trade Marks Act. It is:

"21 (1) Subject to the provisions of Sections 22, 25 and 26, the registration of a person in the register as proprietor of a trade mark in respect of any goods shall give to that person the exclusive right to the use of the trade mark in relation to those goods and, without prejudice to the generality of the foregoing provision, that right shall be deemed to be infringed by any person who, not being the proprietor of the trade mark of a registered user thereof using by way of the permitted use, use a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered, and in such manner as to render the use of the mark likely to be taken either--

(a) as being used as a trade mark; or

(b) to import a reference to some person having the right either as a proprietor or as registered user to use the trade mark or goods with which such a person as aforesaid is connected in course of trade.

2.,".

What would be deemed to be an infringement of a registered trade mark is provided in this section. The right shall be deemed to be infringed when any person uses a mark identical with the trade mark, or so nearly resembling it as to be likely to deceive or cause confusion in the course of trade in relation to any goods in respect of which it is registered and when such use is in such a manner, as to render the use of the mark likely to be taken either as being used as a trade mark or to import a reference to some person having the right either as a proprietor or as registered user to use the trade mark or goods with which such a person as aforesaid is connected in the course of trade.

No passing off action is likely to succeed when it is based on the use of the plaintiff's trade mark, unless it is shown that the mark used by the defendant is identical or similar to the plaintiff's trade

mark and that it had been used in such a manner as to lead persons to consider that that mark was being used as a trade mark, meaning thereby that the goods were the goods of the persons who had a right in the trade mark or in a manner as to indicate that the goods were of the other person. These are the necessary ingredients to be established for a claim with respect to the alleged passing off by another of his goods as the goods of the plaintiff. To our mind, it makes no difference how the suit is framed and whether the relief claimed is alleged to be in connection with the passing off of goods or be claimed in connection with the infringement of the trade mark.

11. We have already mentioned the plaintiff allegations and it is clear that the entire claim of the plaintiff is based on the fact that the defendants have used a label which is similar to the plaintiff's trade mark label and is likely to deceive the potential purchaser. The whole suit, therefore, is based really on what would amount to the infringement of the plaintiff's trade mark in view of the provisions of Section 21(1), Trade Marks Act. The grievance of the plaintiff is the use of a label similar to his by the defendants and not any other conduct of the defendants which is likely to deceive a purchaser into believing that the goods were the goods of the plaintiff. In these circumstances, we are of opinion that the suit cannot be said to be outside the purview of Order 73, Trade Marks Act which bars the institution of suits for the infringement of trade mark or otherwise relating to any right in a trade mark in a Court other than the district Court.

12. We were referred to the cases -- 'Ram Krishna v. Firm Haji Jonabally and Abdul Jalil', AIR 1948 Cal 321 (A); -- 'Ranjit Lal Maria v. Vidya Parkash', AIR 1951 Simla 176 (B) and the

-- 'National Sewing Thread Co. v. James Chadwick and Bros. Ltd.', AIR 1948 Mad 481 (C).

13. In the 'Madras case' it was admitted that it was to be decided without reference to the provisions of the Trade Marks Act, 5 of 1940.

14. The other cases, are distinguishable. The observations therein may impliedly go against the present appellant. In the 'Calcutta case' Mukherjea J. observed:

"It is not disputed on behalf of the petitioners that the present action is not one for infringement of a trade mark. There is no allegation in the plaint of the trade mark being registered, or an application for its registration having been refused. It is also not alleged anywhere that the trade mark had been in use from before 25-2-1937. In our opinion, it is also not a suit where any right to a trade mark will be the subject matter of investigation".

He further observed:

"It (plaint) nowhere states that the plaintiff has got any trade mark of a particular variety, and wants any declaration of title, or relief in regard to that particular trade mark".

It was in these circumstances that it was held that the case did not come within the purview of Section 73, Trade Marks Act and that the Subordinate Judge had implied jurisdiction to entertain and dispose of the suit.

15. The same can be said about the third case. Harnam Singh J. observed in the Simla case:

"As already mentioned, there is no averment in the plaint that the conditions mentioned in Section 20 (1) of the Act are satisfied. Clearly, the suit out of which these proceedings have arisen does not fall within the exception mentioned in Section 20 (1) of the Act".

He again observed:

"Clearly, the cause of action disclosed in the plaint is not the cause of action appropriate in an infringement action. In an infringement action plaintiff brings the suit alleging that the plaintiff has registered his trade mark or that his trade mark falls within Section 20 (1) of the Act and that the defendant is using a mark which is identical with the plaintiff's mark or so nearly resembles it as to be likely to deceive or cause confusion in the course of trade. Again the relief in such an action is for an absolute injunction against the defendant from using the plaintiff's mark".

We are, therefore, of opinion that these cases do not support the appellants' contention. (16) In view of the above we hold that the court below had no jurisdiction to entertain the suit and consequently had no jurisdiction to pass the Interim injunction order which is under appeal.

We, therefore, allow the appeal and set aside the interim injunction order, dated 16-7-1954. The attachment of goods by virtue of the order dated 27-5-1954, is withdrawn. We further order that the supurdars will deliver the property to the persons from whose possession it was attached.

17. We order respondent 1 to pay costs of the appellant in this Court.

18. In view of our opinion that the trial Court had no jurisdiction over this case we further order that the office will return the plaint to plaintiff-respondent 1 or to his counsel after he has furnished a copy of the same for the purpose of the record and that the costs of the court below would abide the result of the suit.

19. The office will after the return of the plaint return the record to the Court below at a very early date.