

National Bell Co. & Anr vs Metal Goods Mfg. Co. (P) Ltd. & Anr on 18 March, 1970

**Equivalent citations: 1971 AIR 898, 1971 SCR (1) 70, AIR 1971 SUPREME
COURT 898**

Author: J.M. Shelat

Bench: J.M. Shelat, C.A. Vaidyalingam

PETITIONER:
NATIONAL BELL CO. & ANR.

Vs.

RESPONDENT:
METAL GOODS MFG. CO. (P) LTD. & ANR.

DATE OF JUDGMENT:
18/03/1970

BENCH:
SHELAT, J.M.
BENCH:
SHELAT, J.M.
VAIDYIALINGAM, C.A.

CITATION:
1971 AIR 898 1971 SCR (1) 70
1970 SCC (1) 665
CITATOR INFO :
RF 1981 SC1786 (139)

ACT:
Trade and Merchandise Marks Act (43 of 1958), ss. 9(3),
11(a) and (e), 32(b) and (c) and 56--'Distinctive', meaning
of--Numeral as trade mark--'Aggrieved person, and 'without
sufficient cause' in s. 56Scope of--'Disentitled to
protection', meaning of--Abandonment of right in trade mark,
when inferred--Rectification of register--Discretion of
Court.

HEADNOTE:
For a number of years prior to 1952 cycle bells manufactured
by Lucas And other foreign concerns bearing the numbers '50'
and other numerals were in the Indian market. After 1952,

the import of foreign bells was prohibited, and though foreign made bells with the numerals '50' were being sold as late as 1958, the sales were from the stock remaining out of the earlier imports and were few and far between. In 1953, the respondent company got registered two trade marks in respect of cycle bells being the numeral '50' and the figure 'Fifty'. The appellant companies were manufacturers and also dealers in cycle bells and were selling their cycle bells with the numeral '50' inscribed on them. The respondent therefore, filed suits in 1959, against the appellants, alleging infringement of its trade marks. In 1961, the appellants applied for stay of trial of the suits and filed applications in the High Court for rectification of the register by cancelling the trade marks of the respondent under s. 56 of the Trade and Merchandise Marks Act, 1958. A single Judge of the High Court, refused to expunge the trade mark 'Fifty' but ordered the cancellation of the trade mark '50'. In appeals to the Division Bench of the High Court, the order cancelling the trade mark '50' was set aside.

In appeals to this Court, it was contended that : (1) the trade marks in question were common and not distinctive at the date of their registration as required by s. 9(3), and therefore, ought never to have been registered; (2) that the numeral '50' is not distinctive; (3) that the use of the trade mark was likely to deceive or cause confusion and hence the registration should be cancelled under s. 32(b) and s. II (a); (4) that the respondent had imitated the use of the marks by Lucas and other foreign concerns that therefore they would be disentitled to protection under s. 11(e) and hence the registration should be cancelled under s. 32(h); and (5) that the trade marks were not, at the commencement of the proceedings, distinctive 'and hence liable to be cancelled under s. 32(c).

HELD : (1) Under s. 32(b) and (c) the original registration of the trade mark has, after the expiration of 7 years from the date of registration to be taken to be valid in all respects including in rectification applications under s. 56 unless it is proved : (1) the trade mark was registered in contravention of the provisions of s. 11 or offends against the provisions of that section on the date of the commencement of the proceeding or (2) that the trade mark was not, at the commencement of the proceedings distinctive of the goods of the registered proprietor. Section 11(a) prohibits the registration of trade mark which would be likely to deceive or cause confusion, and s. 11(e) prohibits the registration of trade marks if they were such that they were otherwise disentitled to protection in a court. Section

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56(2) confers a right on any person aggrieved by an entry made in the register without sufficient cause or by an entry wrongly remaining in the register, to apply for expunging or

varying such an entry. Since 'an aggrieved person' includes a person who has, before registration, used the trade mark, and a person against whom an infringement action is taken, and the words 'without sufficient cause' relate to the time of original registration, the appellant could apply for cancellation on the ground that the trade mark in question was not distinctive within the meaning of s. 9(3).

But in view of the language of s. 32, no contention could be raised in the present case, that the trade mark '50' and 'Fifty' were not distinctive under s. 9(3), that is, adapted to distinguish the cycle bells of the respondent, at the date of registration, as, seven years had elapsed since the date of the Registration. [78 D-F; 79 B-H]

Paine & Co. v. Doniells & Sons" Breweries Ltd. (1893) R.P.C. 217, 232, referred to.

(2) It is not an inflexible rule that except in the case of textile goods. a mark consisting of a numeral is necessarily not distinctive and is not registerable. [80 E]

Kerly on Trade Marks, 9th Ed. p. 284, and Reuter v. Hublens, (1954) Ch. 50, referred to.

(3) Section 32(b) relates to facts existing both at the time of and after registration. If the mark at the time of registration was likely to deceive or cause confusion or would otherwise be disentitled to- protection of a court, and therefore, was, under s. 11 (a) and (e) prohibited from being registered, the rule as to conclusiveness of the validity of the registration in s. 32 cannot be invoked and that would also be so, if the trade mark at the date of commencement of rectification proceedings was such as to offend against the provisions of s. 11. [80F-H]

The sales of foreign bells with numeral '50' after 1953 were 'so few that they could hardly be considered as evidence for showing a likelihood of confusion or deception. In fact the purchasers used to call those bells, not by the numerals, but by the manufacturers' names. As regards bells said to have been manufactured by one of the appellant companies since 1947 and bearing the numeral '50', no evidence was led to show either the extent of manufacture or sale between 1947-1953 or thereafter from which the High Court could be asked to draw any inference as to the likelihood of deception or confusion. As against the voluminous sales of the respondent for the years 1949-1962, there was no corresponding evidence on behalf of the appellants indicating sales of their bells with number '50' from which any likelihood of confusion or deception could be deduced. Therefore, s. 11(a) was not attracted.[816-C, G-H; 82 D-F]

(4) The true construction of s. 11(e) is that even assuming that the trade marks in question were not distinctive and for that reason not registerable as not falling within s. 9, that fact, by itself, would not mean that they became disentitled to protection in a court. That is, although a mark cannot be registered because it is not distinctive as provided by s. 9, such a mark is not for that reason only

one, the registration of which is prohibited by s. 11, because, the section lays down positive objection to registration, and not mere lack of qualification, by using the words disentitled to protection. Therefore, unless the trade 'mark offends the provisions of s. II, that is, offends any of the matters in cls. (a) to (d) of s. 11, or is disentitled to protection in a court under s. 11(e), the rule

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as to conclusiveness of the validity of registration embodied in s. 32 -applies.

In the present case, in fact, there was no evidence of any, - fraud having been committed by the respondent at the time of the registration. There was neither averment by the appellants nor evidence, that Lucas or any ,other foreign concern had obtained registration of trade marks of '50' or 'Fifty'. 'nose concerns merely used various numerals for distinguishing one type of bell from another manufactured by them and there was no question of any piracy by the respondent. The trade mark had also be,come distinctive with respective to the respondent. [82 F-H; 84 D-F]

Imperial Tobacco Co. Ltd. v. De Pasquali & Co. 35 R.P.C. 186, referred to.

(5) The principle underlying s. 32(c) is that property in a trade mark exists so long as it continues to be distinctive of the goods of the registered proprietor in the eyes of the public or a section of the public. If the proprietor is not in a position to use the mark to distinguish his goods from those of others or has abandoned it or the mark has become so common in the market that it has ceased to connect him with his goods then there would be no justification for retaining the mark on the register. Under s. 32(c) the marks have to be distinctive at the 'commencement of the proceedings', that is the proceedings in which the conclusive character of the' Registration arises. Therefore, it may be the date when a suit for infringement is filed by the proprietor of the trade mark or the date on which the rectification proceedings ;ire filed as a result of the suit. Rights in a trade mark could be abandoned by the owner, but when such abandonment is sought to be inferred from the proprietors neglect to challenge infringement the character and extent of the trade of the infringers and their position would have to be reckoned in considering .whether the registered proprietor was barred by such neglect [84 F-H; 85 A-C, D-E]

In the present case, the progressive increase of the sales of the respondent's bells from 1949 together with the evidence of witnesses of the respondent shows that the said trade marks distinguished the goods of the respondent from those of other manufacturers. Also, whether the crucial date is taken as 1959 or 1961, the date of suit or the date of rectification proceedings, the evidence on record indicates that the trade marks were distinctive. The

respondent has all along been zealously trying to maintain its right, against all infringements. There were no repeated breaches which went unchallenged by the respondent when known to the respondent. Mere neglect in a few cases to proceed did not necessarily constitute abandonment, because, it was in respect of infringements which were not sufficient to affect the distinctiveness of the mark. There was no evidence to show that the use by others of the word 'Fifty' or the numeral '50' was substantial and the plea that there was common use of the trade marks must fail. Therefore, it is impossible to sustain the contention founded on s. 32(c). [86 A-E]

Re. Farina, (1879) 27 W.R. 456 and Rowland v. Mitchell, (1897) 14 R.P.C. 37, applied.

(6) The power to rectify under s. 56 is discretionary and when such discretion was properly exercised, a court of appeal would refuse to interfere. But, in the present case, the single Judge did not appreciate the principles of ss., 11 and 32, and hence, the Division Bench was justified in setting aside his order. [86 F]

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JUDGMENT:

CIVIL APPELLATE JURISDICTION: Civil Appeal Nos. 1952 and 1953 of 1966.

Appeals from the judgment and order dated February 25, 1965 of the Punjab High Court, Circuit Bench at Delhi in Letters Patent Appeals Nos. 38-D and 42-D, and 39-D and 43-D of 1963.

S. T. Desai and Naunit Lal, for the appellants (in both the appeals).

C. B. Agarwala, K. P. Gupta and R. C. Chadha, for respondent No. 1 (in both the appeals).

The Judgment of the Court was delivered by Shelat, J. These two appeals, under certificate, are directed against the common judgment and order of the High Court of Punjab, dated February 25, 1965, passed in four Letters Patent appeals filed by the two appellant-companies and the respondent company against the judgment and order of a learned Single Judge of the High Court.

The said appeals were the outcome of two applications filed in the High Court under s. 111 of the Trade and Merchandise Marks Act; XLIII of 1958 (referred to hereinafter as the Act) for rectification of the register in respect of two registered Trade Marks, Nos. 161543 and 161544, registered on November 20, 1953 in respect of cycle bells manufactured by the respondent company. Registered Trade Mark No. 161543 was the numeral '50' and Trade Mark No. 161544 was the figure 'Fifty'.

The two appellant companies carry on business in Kapurthala in Punjab, one of them the National Bell Co. Ltd. claimed to be manufacturing bells with numerals '33', '50', '51' and '40' inscribed on

them since 1957, and the other M/s Gupta Industrial Corporation since 1947 with numerals, '20', '50' and '60' inscribed on cycle bells manufactured by it. The two applications for rectification arose out of suits filed in the District Court, Lucknow by the respondent-company against the two appellant companies on the ground of infringement of its said registered trade marks, the numeral '50' and the figure 'Fifty'. On April 24, 1961 the District Court stayed the said suits at the instance of the appellant companies giving them time for filing the said rectification applications in the High Court.

The grounds alleged in the applications were (1) that the numeral '50' and the word 'Fifty' were common to the trade at the time of the original registration and were therefore not distinctive of the bells manufactured by the respondent-company, Sup. CI- 6 (2) that many other manufacturers in the market were using the numeral '50' and the word 'Fifty' on or in relation to cycle bells, and therefore, the distinctiveness of the said marks in relation to the bells manufactured by the respondent-company, if any, had been lost, (3) that the respondent-company did not get the registration of these marks with any bona fide intention of using them in relation to their cycle bells and that in fact there had been no bona fide use of the said trade marks in relation to their goods before the date of the applications. They also alleged that the respondent-company had fraudulently declared at the time of registration that they were the originators or proprietors of the said two marks '50' and 'Fifty'. Both sides led evidence, oral and documentary, the latter including several price-lists from the possession of some of the dealers in cycle spare parts.

The learned Single Judge, who in the first instance tried the applications, found on a consideration of the evidence that cycle bells with different numerals and in particular the numeral '50' were being sold in the market before the respondent-company put its cycle bells with the numeral '50' and the figure 'Fifty' inscribed on them in the market and continued to be sold right upto 1952 when import of foreign manufactured cycle bells was prohibited, and that despite such prohibition those cycle bells were being sold in the market as late as 1958, presumably from old stocks still lingering in the market, though not from any new imported stock. The learned Single Judge also found that there was no evidence of the original registration having been fraudulently obtained by the respondent-company, that there was no averment by the appellant companies that Lucas or any other concern had obtained registration of any mark either of the numeral '50' or the figure 'Fifty', and that therefore, cl. (a) of S. 32 did not apply. He further found that cl. (b) of S. 32 also did not apply. He held, however, that the trade mark, namely, the numeral '50' was not at the commencement of the proceedings distinctive of the goods of the respondent company as (a) numerals are prima facie not distinctive except in the case of textile goods as recognised by Part II of the Trade and Merchandise Marks Rules, 1959, and (b) that the numeral '50' was being commonly used by several dealers and manufacturers subsequent to the registration thereof by the respondent-company, and that therefore, the registered trade mark, the numeral '50', was hit by cl. (c) of S. 32. So far as the trade mark of the figure 'Fifty' was concerned, he held that there was no evidence that it was used by other parties either prior to or after the registration thereof by the respondent-company and in that view declined to rectify or expunge the trade mark 'Fifty' as seven years had already elapsed by the time the rectification proceedings were launched and could not, therefore, be challenged on the ground of absence of distinctiveness as laid down in s. 32.

The learned Single Judge, on the basis of his aforesaid conclusions, cancelled the trade mark- No. 161543, i.e., of the numeral '50'.

In the appeals filed against the said judgment the Division Bench of the High Court held (1) that though the use of the numeral '50' in relation to cycle bells dated back at least 30 years as in the case of Lucas and certain other foreign concerns, the imports of such goods stopped from ;about 1952, though some bells were being sold till 1958 presumably from the remaining previous stock, (2) that the numeral '50' in connection with those foreign made bells was never intended as a trade mark but was used only as an indication of the type or quality, and (3) that statements Exs. R-2, R-3 and R-4 produced by the respondent-company showed that sales of its bells with the trade marks '50' and 'Fifty' inscribed on them had risen from the value of Rs. 19,644 in 1949-50 to Rs. 14.83 lacs in 1961-62. The Division Bench agreed with the Trial Judge that cl. (a) of s. 32 did not apply as there was no question of the original registration having been fraudulently procured in 1953. It also held that the trade marks in question could not be cancelled merely on the ground that if their registration had been opposed they would not have been registered, and that therefore, the question for determination was whether it was liable to cancellation in view of s. 32(c), which lays down that the section would not apply in cases where the trade mark in question was not distinctive at the commencement of the proceedings. According to the Division Bench, the word "commencement of proceedings" in cl. (c) of s. 32 meant the commencement of the infringement suits filed by the respondent-company as the proceedings for cancellation were the off shoots arising from those suits, that therefore, the situation in respect of s. 32(c) had to be assessed in the light of the state of affairs existing in 1959. According to the Division Bench, the earliest use of the-mark '50' by any concern other than Lucas and other foreign manufacturers was in 1953 by M/s Indian Union Manufacturers Ltd. The respondent-company, however, had filed a suit against that company in 1954 which resulted in a compromise dated February 5, 1955 whereunder the said company recognised the exclusive right of the respondent-company to the use of the word% 'Fifty', 'Thirty' and the numerals '50' and '30', while the respondent-company recognised the right of the said company to the exclusive use of the words and numerals 'Thirty one', 'Forty one' and 'Fifty one' and '31', '41' and '51', that the respondent-company had also in 1956 similarly taken action against K. R. Berry & Co. of Jullundur for use by that company of the mark 'Five 50'. The suit, however, had to be withdrawn in 1958 on account of lack of jurisdiction of the Banaras court where it was filed that though no fresh suit was filed against that company, the respondent-company had opposed an application by that company for registration of the mark 'Five Fifty' before the Registrar and that application was then pending in 1962, and lastly, that the respondent-company had filed in 1959 the two suits against the appellant companies out of which these rectification proceedings arose. The Division Bench held that though there was some evidence of the use of the numeral '50' by certain other concerns after 1953, no importance could be attached to such breaches as there, was hardly any evidence as to when the infringers started manufacturing and the extent of their manufacture and sales, and that the correct principle applicable in such cases was that a few unchallenged, scattered infringements by a number of traders did not render a registered trade mark common. As regards the earlier use of the word 'Fifty' and the numeral '50' by Lucas and other foreign concerns, the Division Bench held that they were not the registered trade marks of those companies and that those concerns had used those marks as merely type marks. Though the idea of using '50' and 'Fifty' was not the original idea of the respondent-company when it obtained registration in 1953, the

foreign concerns had ceased importing the goods and though sales of those bells continued until 1958, such sales were from the stock still remaining unsold. Such sales could not be in any appreciable bulk. Even if the idea of using the two marks might have been conceived by the respondent-company from the marks used by Lucas and other foreign concerns, there was no question of any piracy or infringement of those marks as the respondent-company was the first to convert what were originally type marks into registered trade marks. Lastly, it held that the statements of sales produced by the respondent-company demonstrated that its sales had been steadily increasing and that some concerns, finding the use by the respondent-company of its marks '50' and 'Fifty' highly successful, had sought in recent years to take advantage of the popularity of the cycle bells of respondent-company by imitating its marks. This fact, however, could not mean that either in 1959 when the respondent-company filed the suits or in 1961 when rectification proceedings commenced, the marks had ceased to be distinctive in relation to the goods of the respondent-company or were, therefore, liable to cancellation under s. 56 by reason of cl. (c) of s. 32. Accordingly, the Division Bench allowed the respondent-company's appeals and set aside the order of the learned Single Judge cancelling the registration of its trade mark No. 161543 in respect of the numeral '50' and dismissed the appeals of the appellant companies. Mr. S. T. Desai for the appellant companies contended that the two trade marks in question were liable to cancellation on the grounds that (1) they were common and not distinctive at the date of their registration, and therefore, ought never to have been registered, (2) that in any event, the numeral '50' is prima facie not distinctive unless shown to be of such extensive use as to make it distinctive, (3) that there was clear evidence that the respondent-company had imitated the use of these marks by Lucas and other manufacturers, and that therefore, these marks would be disentitled to protection in a court of law, and (4) that the said marks were not, at the commencement of the proceedings distinctive, that is, adapted to distinguish the goods of the respondent-company. Mr. Agarwala, on the other hand, argued that, (1) the two marks having been registered in 1953 and seven years since then having elapsed at the commencement of these proceedings, the question whether they were distinctive at the time of registration was not open to dispute, (2) that that being so, there was no question of any alleged piracy by the respondent-company of the marks of Lucas and other concerns, and therefore, the marks could not be said to be disentitled to protection by a court, (3) that the marks had not lost their distinctiveness at the date of these proceedings under s. 56, and (4) that the Letter Patent Bench was, therefore, justified in dismissing these proceedings by the appellant-companies.

A mark under s. 2(j) includes a word, letter or numeral or any combination thereof. A trade mark, as defined in S. 2(v) means in relation to Chapter X (i.e. for offences and penalties provided in that chapter) a registered trade mark or a mark used in relation to the goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark, and in relation to the other provisions of the Act a mark used or proposed to be used in relation to the goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right, either as proprietor or as registered user, to use the mark and includes a certification trade mark registered as such under the provisions of Chapter VIII. Under s. 9, a trade mark is not registrable in Part A of the register unless it contains or consists of at least one of the essential particulars mentioned therein. One of these particulars is "any other distinctive mark". Cl. (3) of S. 9 defines the expression "distinctive" in relation to the goods in respect of which a trade mark is proposed to

be registered, as meaning "adapted to distinguish goods with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists either generally or, where the trade mark is proposed to be registered subject to limitations, in relation to use within the "tent of the registration." In determining whether a trade mark is distinctive, regard is to be had whether it is inherently distinctive or is inherently capable of distinguishing and by reason of its use or any other circumstances it is in fact adapted to distinguish or is capable of distinguishing the goods. S. 11 prohibits certain trade marks from being registered. These are marks the use of which would be likely to deceive or cause confusion, or the use of which would be contrary to any law or which comprises or contains scandalous or obscene matters or any matter likely to hurt the religious susceptibilities of any class or section of the citizens, or "(e) which would otherwise be disentitled to protection in a court". On registration of a trade mark, the registered proprietor gets under s. 28 the exclusive right to the use of such trade marks in relation to the goods in respect of which the trade mark is registered and to obtain relief in respect of any infringement of such trade mark. Under s. 31, registration is prima facie evidence of its validity. The object of the section is obviously to facilitate proof of title by a plaintiff suing for infringement of his trade mark. He has only to produce the certificate of registration of his trade mark and that would be prima facie evidence of his title. Such registration is prima facie evidence also in rectification applications under s. 56, which means that the onus of proof is on the person making such application. Being prima facie evidence, the evidence afforded by the registration may be rebutted, but in view of s. 32 that can be done if seven years have not elapsed since the original registration. Even where such rebuttal is possible, i.e., where seven years have not elapsed, and it is shown that the mark in question was not registrable under s. 9 as no evidence of distinctiveness was submitted to the Registrar, the registration would not be invalid if it is proved that the trade mark had been so used by the registered proprietor or his predecessor-in-interest as to have become distinctive at the date of registration. Sec. 32, with which we are immediately concerned, reads as follows :

"Subject to the provisions of section 35 and section 46, in all legal proceedings relating to a trade mark registered in Part A of the register (including applications under section

56), the original registration of the trade mark shall, after the expiration of seven years from the date of such registration, be taken to be valid in all respects unless it is proved-

(a) that the original registration was obtained by fraud; or

(b) that the trade mark was registered in contravention of the provisions of section 11 or offends against the provisions of that section on the date of commencement of the proceedings; or

(c) that the trade mark was not, at the commencement of the proceedings, distinctive of the goods of the registered proprietor."

We are not concerned with cl. (a) as no such case was even averred in the applications as pointed out both by the Trial Judge and the Division Bench. As regards cl. (b), it will be at once noticed that the clause relates to facts existing both at the time of and after registration. If a mark at the time of registration was such that it was likely to deceive or cause confusion or its use would be contrary to any law or contained or consisted of scandalous or obscene matters or matter likely to hurt religious susceptibilities or which would otherwise be disentitled to protection of a court, and therefore, was under s. 11 prohibited from being registered, cl. (b) would apply, and the rule as to conclusiveness of the validity of the registration cannot be invoked. That would also be so, if the trade mark at the date of the rectification proceedings was such as to offend against the provisions of s. 11. But, unlike cl. (b), cl.

(c) relates to facts which are post-registration facts, existing at the date of the commencement of the proceedings. If the trade mark at such date is not distinctive in relation to the goods of the registered proprietor, the rule as to conclusiveness enunciated in s. 32 again would not apply. It would seem that the word 'distinctive' in cl. (c) is presumably used in the same sense in which it is defined in s. 9(3), as the definition of that expression therein commences with the words "for the purposes of this Act" and not the words "for the purposes of this section," the intention of the legislature, thus, being to give uniform meaning to that expression all throughout the Act. S. 56 deals with the power to cancel or vary registration and to rectify the register. Sub-s. 2 thereof confers a right to any person "aggrieved" by an entry made in the register without sufficient cause or by an entry wrongly remaining in the register to apply to the tribunal for expunging or varying such an entry. The expression "aggrieved person"

has received liberal construction from the courts and includes a person who has, before registration, used the trade mark in question as also a person against whom an infringement action is taken or threatened by the registered proprietor of such a trade mark. The words "without sufficient cause" in the section have clearly relation to the time of the original registration. Therefore, a person can apply for cancellation on the ground that the trade mark in question was not at the date of the commencement of the proceedings distinctive in the sense of s. 9(3). The burden of proof, however, in such a case is, as aforesaid, on the applicant applying under s. 56.

The contention was that numerals, such as '50', are prima facie not considered distinctive and to be, registerable there must be evidence of extensive use. The contention was sought to be fortified by showing that contrary to the practice in England, rules 139 and 140 of the Rules of 1959 permit numerals to be registered as trade marks only in the case of textile goods. But that is permitted on account of a long standing practice in that particular trade of using numerals with a view to distinguish goods of a particular manufacturer or a particular type or quality. It will, however, be noticed that although in the 8th edition of Kerly on Trade Marks, page 135, it was stated that numerals are considered to be prima facie not distinctive and registerable only upon proof of their extensive use, the 9th edition of the same work does not reproduce that passage. On the contrary, at p. 284, the learned editor states that numerals are capable of registration and that such marks exist. For this change

the learned editor relies, on the registered trade mark, "4711" for eau-de-Cologne, which was the subject-matter of dispute in *Reuter v. Mutblens*(1). In that case, however, no contention was raised as to whether the trade mark consisting of a numeral could be distinctive or not and the court, therefore, was not called upon to decide such a point. But the parties appear to have proceeded on the assumption that the numeral "471 1 " was validly registered as a trade mark for that particular brand of eau-de-Cologne by reason of its having gained distinctiveness by extensive use. It is, therefore, not an inflexible rule and that was also conceded by Mr. Desai, that a mark consisting of a numeral is necessarily not distinctive and is not registerable, except only in the case of textile goods, in spite of proof of extensive use. S. 32 in clear terms provides that the original registration of a trade mark, after expiry of seven years from the date of its registration shall be taken to be valid in all respects in all legal proceedings including those under s. 56, except in the three categories of cases mentioned therein. It follows, therefore, that no objection that the trade mark in question was not distinctive and therefore was not registerable under s. 9 can be entertained if such an objection is raised after seven years have lapsed since the date of its registration as in the present case, nor can an objection be entertained that no proof of distinctiveness was adduced or insisted upon at the time of the original registration. This is clear also from the fact that the three exceptions set out in s. 32 against conclusiveness as to the validity of the registration relate to, (1) fraud, (2) contravention of s. 11, and (3) absence of distinctiveness at the commencement of the proceedings in question and not at the time of registration. No contention, therefore, (1) [1954] Ch. 50.

can be raised that the trade marks, '50' and 'Fifty', were not distinctive, i.e., adapted to distinguish the cycle bells of the respondent-company at the date of the registration, and therefore, were not registerable as provided by s. 9 (cf. *Paine & Co. v. Daniells & Sons' Breweries Ltd.*(1).

But the argument was that the appellant companies were entitled to show under cls. (b) and (c) in s. 32, (1) that these marks were registered in contravention of S. 11, or that they offended against the provisions of that section on the date of the commencement of these proceedings, and (2) that they were not distinctive at the date of the commencement of these proceedings.

S.11, as already noticed,, does not, as s. 9 does, lay down the requisites for registration, but lays down prohibition against certain marks from being registered. Cls. (b), (c) and (d) of s. 11 obviously do not apply in the present case but reliance was placed on cls. (a) and (e), i.e., that the use of these trade marks would be likely to deceive or cause confusion and that they were such that they were otherwise disentitled to protection in a court. The burden of proof being on the appellant companies, the question is : has that burden been satisfactorily discharged ? The evidence relied on by them was that of dealers in cycle spare parts including bells, certain price-lists produced through them and the two representatives of the two appellant companies. That evidence, no doubt, shows, (1) that for a number of years prior to 1952 bells manufactured by Lucas and certain other foreign concerns with various numerals such as '30', '50' and '61' inscribed either on the bells or on their cartons were in the market, (2) that even after 1952 bells with inscriptions thereon, such as "Berry

50", "National 50", manufactured by one of the appellant companies, "Five 50", "Padam 50", "Balco 50" etc. were sold in the market, (3) that Gupta Industrial Corporation, one of the appellant companies, claimed to have started the manufacture of bells since 1947, calling them "Gupta 50" and the National Bell Company likewise began to produce bells, calling them "National 50" since 1957. But both the learned Single Judge and the Division Bench clearly found, (1) that there was no evidence of any fraud having been committed by the respondent-company at the time of the registration; (2) that there was no averment by the appellant companies, much less any evidence, that Lucas or any other foreign concerns had obtained registration of trade, marks either of the numeral '50' or the word 'Fifty', that the indication, on the contrary, was that those concerns used the different numerals, '30', '61', '50' etc. for distinguishing one type of bell from the other manufactured by them; and (3) that about a year prior (1) [1893] R.P.C. 217, 232.

to the registration of the trade marks in question in 1953 foreign bells were prohibited from being imported. Obviously, therefore, the evidence as to purchases and sales by the dealers examined by the appellant companies related to bells which had remained unsold from out of the stock earlier imported. As regards the bells called "Gupta 50"

said to have been manufactured by one of the appellant companies since 1947, no evidence was led to show either the extent of manufacture or sale between 1947 and 1953 or thereafter from which the High Court could be asked to draw any inference as to the likelihood of deception or confusion. Though there was some evidence that foreign made bells such as Lucas "30", "50" and "61" were being sold as late as 1958, such sales must have been few and far between as they could only be from the remaining stock out of the earlier imports. Such sales could hardly be considered as evidence showing a likelihood of confusion or deception as contemplated by s. 11 (a). In fact, the evidence was that purchasers used to call those bells not by their numerals but simply as Lucas' bells and those manufactured by the respondent company, as "Asia bells", and in some cases "Asia 50". As against the voluminous sales by the respondent-company shown by the statements filed by it for the years 1949-50 to 1961-62, there was no such corresponding evidence, indicating the sales of other bells with numerals, such as "50" inscribed on them from which any likelihood of confusion or deception could be deduced. Regarding deception, there was indeed no evidence whatsoever in that regard. There was no question of piracy also on the part of the respondent company as argued by counsel as there was nothing to show that Lucas or any other foreign concerns used this numeral except for distinguishing one type of bell from another manufactured by them. In our view, cl. (a) of s. 11, therefore, is clearly not attracted. The next question is whether the trade mark "50" or "Fifty"

is one which would otherwise be disentitled to protection in a court as laid down in cl. (e) of s. 11 so as to attract cl. (b) of s. 32. While construing cl. (e) of S. II, it is necessary to repeat that it deals with prohibition and not with requisites of registration. Therefore, although a mark cannot be registered, for instance, because it is not distinctive, as provided by S. 9, such a mark is not for that reason only one the registration of which is prohibited by s. 11. The section lays down positive objection to

registration and not to mere lack of qualification. This is clear from cl. (e) of s. 11, which uses the expression "disentitled to protection", and not the expression "not entitled to protection". The former contemplates some illegal or other disentanglement inherent in the mark itself. (see Kerly, 9th ed. 344).

In *Imperial Tobacco Co. Ltd. v. De Pasqualil & Co.*⁽¹⁾ the appellant company was the proprietor of two trade marks consisting of "Regimental Cigarettes" and "Regimental Tobacco". The company brought an action for infringement of its trade marks and for passing off against the respondent who sold cigarettes under the name of "Pasquali's the Regiment" in packets and boxes decorated with regimental crests. The respondent moved to have the trade marks expunged contending that the word "Regimental" was only a laudatory adjective in use. It was proved that for many years it had been the practice of regiments to have their crests stamped on their mess cigarettes which were known as "Regimental Cigarettes". The appellant company, on the other hand, contended that under s. 41 of the Trade Marks Act, 1905 (equivalent to s. 32 of our Act) their trade mark could not be expunged and that s. 11 (equivalent also to our s. 11) read in conjunction with s. 41 was not relevant to the question whether or not a trade mark was registerable. The Trial Court held against the appellant company stating that if the appellant company's contention was correct, the combined effect of ss. 11 and 41 would be to perpetuate as distinctive a trade mark that was incapable of being distinctive and that such a contention was erroneous. On appeal, the Court of Appeal reversed the judgment and held that s. 11 was a qualification of s. 9, that ss. 11 and 41 must be construed together, that the mere fact that a mark did not comply with the requisites of s. 9 (i.e. not being distinctive and therefore not registerable) did not bring it within s. 11, that the marks did not offend against s. 11 and that under s. 41 their registration was valid. At page 203 of the Report, Swinfen Eady, M.R. observed that s. 11 contained a prohibition as to what it shall not be lawful to register and it followed upon s. 9 which provided for the essentials of a trade mark. S. 9 laid down what a registerable trade mark must contain and unless it contained one or the other requisites there set out, it was not registerable and it was only registerable trade marks which were entitled to registration. But even if a mark were to fall within, S. 9, that alone was not necessarily sufficient to entitle it to registration because it might offend against s. 11. S. 11, being a qualification of s. 9 and being a provision laying down a prohibition, it did not contemplate any enquiry on the question whether the trade mark complied with one or the other requisites enumerated in s. 9, e.g., whether it had the quality of being distinctive or not. Dealing with s. 41, he observed that it formed a new departure in dealing with trade marks and differed widely from the earlier Acts. The present section expressly enacted that the original registration shall, after a lapse of seven years, be taken to 'be valid in all respects, that is to say, whether the mark originally consisted of or (1) 35 R.P.C. 185.

contained one or the other essential particulars or not, that cannot be enquired into after the lapse of seven years. It had to be taken to be valid in all respects and what had to be taken to be valid in all respects was the registration of the trade mark unless it offended against the provisions of s. 11. That section was a prohibitive section as to a matter which was disentitled to protection in a court, that is, it was intended to exclude from registration what would, otherwise be included or covered under s. 9. It did not extend to a mark disentitled to protection because originally not containing one of the essential particulars. It applied to a different set of circumstances such as that its use was likely to deceive or confuse etc. The words "disentitled to protection", he further observed, were not

equivalent to "not entitled to protection", which was the expression used in the earlier Acts. In other words, they did not mean that a trade mark was not entitled to protection because it ought not originally to have been registered as a valid trade mark falling within s. 9. The construction of cl. (e) of s. 11 contended for on behalf of the appellant companies is, therefore, not correct. The true construction of cl. (e) is that even assuming that the trade marks in question were not distinctive and for that reason not registerable as not falling within s. 9, that fact by itself would not mean that they became disentitled to the protection in a court. That being the true import of s. 11 (e), the rule as to conclusiveness of the validity of registration embodied in s. 32 applies even to those cases where if full facts had been ascertained at the time of the registration that registration would not have been allowed provided of course that it does not offend against the provisions of s. 11, i.e., by there being a likelihood of deception or confusion or its bring contrary to any law or containing obscene matter etc. or which would otherwise, i.e., in addition to the matters in cls.(a) to

(d) in s. 11 be disentitled to protection in a court. Consequently, the appellant companies cannot bring their case for cancellation of the trade marks in question under cl. (b) of s. 32.

There then remains the question whether cl. (c) of s. 32 applies, i.e., that the trade marks were not at the commencement of the proceedings distinctive of the goods of the respondent company. The distinctiveness of the trade mark in relation to the goods of a registered proprietor of such a trade mark may be lost in a variety of ways, e.g., by the goods not being capable of being distinguished as the goods of such a proprietor or by extensive piracy so that the marks become *publici juris*. The principle underlying cl. (c) of s. 32 is that the property in a trade mark exists so long as it continues to be distinctive of the goods of the registered proprietor in the eyes of the public or a section of the public. If the proprietor is not in a position to use the mark to distinguish his goods from those of others or has abandoned it or the mark has become so common in the market that it has ceased to connect him with his goods, there would hardly be any justification in retaining it on the register. The progressive increase in the sales of 'Asia Fifty' and 'Asia 50' bells from 1949-50 and onwards together with the evidence of witnesses examined by the respondent company shows that the said trade marks distinguished the goods of the respondent company from those of other manufacturers in the field. Under s. 32 (c) the marks have to be distinctive at the commencement of the proceedings. *Prima facie*, the expression "commencement of the proceedings" would mean the commencement of proceedings in which the question as to the conclusive character of the registration, as laid down in S. 32, arises. Such a question may arise in a suit for infringement of the trade mark in which the registered proprietor may rely on s. 32 to prove his title to the registered trade mark as also in rectification proceedings filed as a result of such a suit or otherwise, and the period of seven years would have to be calculated according to the particular proceedings in which the conclusive nature of the validity of registration is relied on. In the present case, whether the crucial date for the purpose of s. 32(c) is taken to be 1959 when the suits were filed or 1961 when the appellant companies took out the rectification proceedings it makes no difference as it is not possible from the evidence on record to say that the trade marks in question were not or had ceased to be distinctive. The indication, on the contrary, is that they were distinctive. That is to be found from the zeal with which the respondent company tried to maintain its right in them. The evidence shows that when the respondent company found in 1954 that M/s Indian Union Manufacturers Ltd., Calcutta had been inscribing the word 'Fifty' on its bells, it at once filed an infringement action. The

action ended in a compromise by which the said company acknowledged the respondent company's rights in its trade marks of 'Fifty' and '50'. Again, when the attention of the respondent company was drawn to an advertisement "Five 50", it addressed a notice to the manufacturers of those bells. The case of the respondent company was that Gupta Industrial Corporation started using the word 'Fifty' on its bells in 1958 and not in 1948 as contended by Mr. Desai. In the absence of any evidence as to the extent of manufacture and sale of those bells it would not be possible to say with any certainty that the respondent company did not come to know about it till 1958, and therefore, presumed that Gupta Corporation had started using the word 'Fifty' on its bells in that year. According To the appellant National Bell Co., it went into production only in 1957 and in 1959 the respondent company commenced action against it. A similar notice of infringement followed by a suit was also given to M/s Berry & Co., but the suit became infructuous on account of lack of the jurisdiction of the Court of Banaras where it was filed. This evidence negatives any abandonment of trade marks or letting infringements go unchallenged or misleading the other manufacturers that the respondent company would not interfere if they were to use the same marks. Rights in a mark can, of course, be abandoned by its owner but so long as he remains the registered proprietor of the mark and carried on the business to which the mark is attached, a plea of abandonment is difficult to sustain. It would, however, be a different matter if it is shown that there, were repeated, undisturbed infringements. The evidence in the present case does not show that there were repeated breaches which went unchallenged though known to the proprietor. Mere neglect to proceed does not necessarily constitute abandonment if it is in respect of infringements which are not sufficient to affect the distinctiveness of the mark even if the proprietor is aware of them. (see *Re. Farina*(1) Where neglect to challenge infringements is alleged, the character and extent of the trade of the infringers and their position have to be reckoned in considering whether the registered proprietor is barred by such neglect. [see *Rowland v. Mitchell*(2)]. The plea of common use must fail, for, to establish it the use by other persons should be substantial. Though evidence was produced by the appellant companies to show that there were other bells in the market with 'Fifty' or '50' inscribed on them, no evidence was led to show that the use of the word 'Fifty' or the numeral '50' was substantial. In these circumstances, it is impossible to sustain the contention founded on cl. (c) of S. 32. Under s. 56, the power to rectify is undoubtedly discretionary. Where such discretion has been properly exercised, a court of appeal would refuse to interfere. In the present case, however, the Trial Court did not appreciate the principle embodied in ss. 32 and 11, with the result that the Division Bench was justified in interfering with the discretion exercised by the Trial Court.

In our view, the contentions urged on behalf of the appellant companies cannot be sustained and consequently the two appeals fail and are dismissed with costs. There will be one hearing fee.

V.P.S.

Appeals dismissed.

(1) (1879) 27 W.R. 456.

(2) (1897) 14 R.P.C. 37.