

Ruston & Hornsby Ltd vs The Zamindara Engineering Co on 8 September, 1969

Equivalent citations: 1970 AIR 1649, 1970 SCR (2) 222, AIR 1970 SUPREME COURT 1649

Author: V. Ramaswami

Bench: V. Ramaswami, J.C. Shah

PETITIONER:
RUSTON & HORNSBY LTD.

Vs.

RESPONDENT:
THE ZAMINDARA ENGINEERING CO.

DATE OF JUDGMENT:
08/09/1969

BENCH:
RAMASWAMI, V.
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RAMASWAMI, V.
SHAH, J.C.

CITATION:
1970 AIR 1649 1970 SCR (2) 222
1969 SCC (2) 725

ACT:
Trade Marks Act, 1940, s. 21--Trade mark deceptively similar-Whether addition of word 'India' distinguishes.

HEADNOTE:
For the infringement of its registered trade mark "RUSTON" by the respondent's trade mark "RUSTAM", the appellant filed a suit for permanent injunction. The respondent pleaded that "RUSTAM" was not an infringement of "RUSTON" and stated that the words "RUSTAM INDIA" were used. The trial court dismissed the suit holding that there was no visual or phonetic similarity between "RUSTON" and "RUSTAM". The High Court in appeal, held that there was deceptive resemblance between the words "RUSTON" and "RUSTAM", but held that the use of "RUSTAM INDIA" did not constitute an infringement

because the appellant's engines were. manufactured in England and the respondent's in India, and the suffix 'INDIA' was sufficient warning that the engine sold was not the engine manufactured in England. Allowing the appeal this Court,

HELD: In an action for infringement when the defendant's trade mark is identical with the plaintiff's mark, the court will not enquire whether the infringement is such as is likely to deceive or cause confusion. But where the alleged infringement consists of using not the exact mark on the Register but something similar to it, the test of infringement is the same as in an action for passing off. In other words, the test as to the likelihood of confusion or deception arising from similarity of marks is the same both in infringement and, passing off actions. [225 H]

In the present case the High Court found that there was deceptive resemblance between the word "RUSTON" and the word "RUSTAM" and therefore the use of the bare word "RUSTAM" constituted infringement of the appellant's trade mark "RUSTON". The respondent did not prefer an appeal against the judgment of the High Court on this point and it was, therefore, not open to him to challenge that finding. If the respondent's trade mark was deceptively similar to that of the appellant the fact that the word "INDIA" was added to the respondent's trade mark was of no consequence and the appellant was entitled to succeed in its action for infringement of its trade mark. [226 B]

Millington v. Fox, 3 MV & Cr. 338 and Savillo Perfumery June Perfect Ltd., 58 R.P.C. 147 at 161, referred to.

JUDGMENT:

CIVIL APPELLATE JURISDICTION: 1966. Civil Appeal No. 1274 of 1966.

Appeal by special leave from the judgment and decree dated November 23, 1965 of the Allahabad High Court in First Appeal No. 208 of 1958.

K.S. Shavaksha, R.A. Shah, 1. B. Dadachanji and Bhuvanesh Kumari, for the appellant.

S.K. Mehta, K.L. Mehta and Sona Bhatiani for respondent. The Judgment of the Court was delivered by Ramaswami, J.--This appeal is brought by special leave from'; the judgment of the Allahabad High Court dated November 23, 1965 in First Appeal No. 208 of 1958. The appellant is a limited liability company incorporated under the English Companies Act with its registered office at Lincoln, England. It carries on business in the manufacture and sale of diesel internal combustion engines and their parts and accessories. Ruston Hornsby (India) Ltd., a company registered in India under the Companies Act, 1956 is a subsidiary of the appellant. The respondent is a firm carrying on business in the manufacture and sale of diesel internal combustion engines and their parts. The appellant was a registered proprietor of the registered trade mark Ruston being registration No.

5120 in Class 7 in respect of internal combustion engines. Ruston and' Hornsby (India) Ltd., is the registered user of the said trade mark and manufactures in India and sells in India internal combustion. engines under the trade mark "RUSTON". Sometime in June, 1955 the appellant came to. learn that the respondent was manufacturing- and selling diesel internal combustion engines under the trade mark "RUSTAM". On July 8, 1955 the appellant wrote.. through its attorneys a letter to the respondent and called upon it to desist from using the trade mark "RUSTAM" on its. engines as it was an infringement of the registered trade mark "RUSTON". The defendant replied that "RUSTAM" was not an infringement of "RUSTON" as the words "RUSTAM INDIA" was used. On February 17, 1956 the appellant instituted a suit praying for a permanent injunction restraining the. respondent and its agents' from infringing the trade mark "RUSTON". On January 3, 1958 the Additional District Judge, Meerut, dismissed the suit holding that there was no visual or phonetic similarity between "RUSTON" and "RUSTAM". The appellant took the matter in appeal in the Allahabad High Court. By its judgment dated November 23, 1965 the High Court held that the use of the word RUSTAM by the respondent constituted infringement of the appellant's trade mark "RUSTON" and the respondent should be. prohibited from using the trade mark "RUSTAM". But the High Court proceeded to. hold that the use of the words "RUSTAM' INDIA" was not an infringement because the plaintiff's engines were manufactured in England and the defendant's engines were manufactured in India. The suffix "India" would be a sufficient warning that the engine sold was not a "RUSTON" engine manufactured in England and the respondent may be permitted' to use the combination "RUSTAM INDIA".

Section 21 of the Trade Marks Act, 1940 states "Subject to the provisions of section 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 or a registered user thereof using by way of the permitted use, uses 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 to goods with which such a person as aforesaid is connected in the course of trade."

The distinction between an infringement action and a passing off action is important. Apart from the question as to. the nature of trade mark the issue in an infringement ,action is quite different from the issue in a passing off action. In a passing off action the issue is as follows: .

"Is the defendant selling goods so marked as to be designed or calculated to lead purchasers to believe that they are the plaintiff's goods ?"

But in an infringement action the issue is as follows:

"Is the defendant using a mark which is the same as or which is a colourable imitation of the plaintiff's registered trade mark?"

It very often happens that although the defendant is not using the trade mark of the plaintiff, the get up of the defendant's goods may be so much like the plaintiff's that a clear case of passing off would be proved. It is on the contrary conceivable that although the defendant may be using the plaintiff's mark the get up of the defendant's goods may be so different from the get up. of the plaintiff's goods and the prices also may be so different that there "would be no probability of deception of the public. Nevertheless, in an action on the trade mark, that is to say, in an infringement action, an injunction would issue as soon as it is proved that the: defendant is improperly using the plaintiff's mark.

The action for infringement is a statutory right. It is dependent upon the validity of the registration and subject to. other restrictions laid down in ss. 30, 34 and 35 of the Act. On the other hand the gist of a passing off action is that A is not entitled to represent his goods as the goods of B but it is not necessary for B to prove that A did this knowingly or with any intent to deceive. It is enough that the get-up of B's goods has become distinctive of them and that there is. a probability of confusion between them and the goods of A. No. case of actual deception nor any actual damage need be proved. At' common law the action was not maintainable unless there had been fraud on As part. In equity, however, Lord Cottenham L.C. in *Millington v. Fox*(1) held that it was immaterial whether the defendant had. been fraudulent or not in using the plaintiff's trade mark and granted an injunction accordingly. The common law courts, however, adhered to their view that fraud was necessary until the Judicature Acts, by fusing law and equity, gave the equitable rule the victory over the common law rule. The two actions, however, are closely similar in some respects, As was observed by the Master of the Rolls in *Saville Perfumery Ltd. v. June Perfect Ltd.*(2).

"The Statute- law relating to infringement of trade marks is. based on the same fundamental idea as the law relating to passing-off. But it differs from that law in two particulars, namely (I) it is concerned' only with one method of passing-off, namely, the use of a trade mark, and (2) the statutory protection is absolute in the sense that once a mark is shown to offend, the user of it cannot escape by showing that by something outside the actual mark itself he has distinguished his goods from those of the registered proprietor. Accordingly, in considering the question of infringement the Courts have held, and it is now expressly provided by the Trade Marks Act, 1938, section 4, that infringement takes place not merely by exact imitation but by the use of a mark so nearly resembling the registered mark as to be likely to deceive."

In an action for infringement where the defendant's trade mark is identical with the plaintiff's mark, the COurt will not enquire whether the infringement is such as is likely to deceive or cause" confusion. But where the alleged infringement consists of using (1) 3 My & Cr. 338. (2) 58 R.P.C. 147 at 161.

not the exact mark on the Register, but something similar to. it, the test of infringement is the same as in an action for passing off in other words, the test as to likelihood of confusion or deception arising from similarity of .marks is the same both in infringement and passing off actions.

In the present case the High Court has found that there is a deceptive resemblance between the word "RUSTON" and the word "RUSTAM" and therefore the use of the bare word "RUSTAM" constituted infringement of the plaintiff's trade mark "RUSTON". The respondent has not brought an appeal against the judgment of the High Court on this point and it is, therefore, not open to him to challenge that finding. If the respondent's trade mark is deceptively similar to that of the appellant the fact that the word 'INDIA' is added to the respondent's trade mark is of no consequence and the appellant is entitled to succeed in its action for infringement of its trade mark.

We are accordingly of the opinion that this appeal should be allowed and the appellant should be granted a decree restraining the respondents by a permanent injunction from infringing the plaintiff's trade mark "RUSTON" and from using it in connection with the engines machinery and accessories manufactured and sold by it under the trade mark of "RUSTAM INDIA". The appellant is also entitled to an injunction restraining the respondent and its agents from selling or advertising for sale of engines, machinery or accessories under the name of "RUSTAM" or "RUSTAM INDIA". The appellant is also granted a decree for nominal damages to the extent of Rs. 100/-. The appellant is further entitled to an order calling upon the respondent to deliver the appellant price-lists, bills, invoices and other advertising material bearing the mark "RUSTAM"

or "RUSTAM INDIA". The appeal is allowed with costs to the above extent.

Y.P.

Appeal allowed.