

Supreme Court of India

Kaviraj Pandit Durga Dutt Sharma vs Navaratna Pharmaceutical ... on 20 October, 1964

Equivalent citations: 1965 AIR 980, 1965 SCR (1) 737

Author: N R Ayyangar

Bench: Ayyangar, N. Rajagopala

PETITIONER:

KAVIRAJ PANDIT DURGA DUTT SHARMA

Vs.

RESPONDENT:

NAVARATNA PHARMACEUTICAL LABORATORIES

DATE OF JUDGMENT:

20/10/1964

BENCH:

AYYANGAR, N. RAJAGOPALA

BENCH:

AYYANGAR, N. RAJAGOPALA

GAJENDRAGADKAR, P.B. (CJ)

SHAH, J.C.

CITATION:

1965 AIR 980

1965 SCR (1) 737

CITATOR INFO :

R 1972 SC1359 (7)

ACT:

Trade Marks Act (5 of 1940), s. 6-Proviso-Scope of-Action for infringement of trademarks and action for passing off of goods-Difference in factors to be considered.

HEADNOTE:

The respondent, a firm manufacturing medicinal products, was the proprietor of two registered trade marks "Navaratna" and "Navaratna pharmaceutical Laboratories " from a, period prior to 25th February 1937. When the appellant, who was also a manufacturer of medicinal preparations, sought the registration of the words "Navaratna Pharmacy" as his trade mark the respondent objected successfully. The appellant then moved the Registrar of Trade Marks for removing from the register, the trade mark "Navaratna" and for deleting the word "Navaratna" from the other trade mark of the respondent. The Registrar directed him to move the High Court for the rectification, as the respondent had by that time filed a suit in the District Court for a permanent injunction restraining the appellant from selling any preparation under a mark containing the word "Navaratna".

'Me appellant accordingly filed an original petition in the High Court. The suit in the District Court was decreed in favour of the respondent with respect to the trade mark "Navaratna Pharmaceutical Laboratories." An appeal against the decree filed by the appellant, and his Original Petition were heard together by the High Court and the decree of the District Court in favour of the respondent was confirmed. It was held that : (i) having regard to the method of packing adopted by the appellant, he was not guilty of passing off, (ii) the respondent was not entitled to any relief on the ground of the infringement of the mark "Navaratna" as it was a common word in Ayurvedik phraseology and used in connection with several medicinal preparations and (iii) the trade name "Navaratna Pharmaceutical Laboratories" had been use as a trade mark, by the respondent, for a very long time and had come to denote exclusively his goods; and that the trade mark having been in use from before the specified date February 25, 1937 and having acquired factual distinctiveness, was registerable under the proviso to s. 6(3) of the Trade Marks Act, 1940. In appeal to the Supreme Court it was contended that : (i) the decision of the High Court that the trade mark "Navaratna Pharmaceutical Laboratories" was validly registerable was inconsistent with the finding that "Navaratna" which was the crucial word in the trade mark was only a descriptive word in regard to which the respondent could obtain no exclusive right, and (ii) the finding that the marks of the appellant and respondent were deceptively similar was inconsistent with the finding that the packing in which the appellant's goods were marketed was not likely to cause confusion or deceive purchasers.

HELD : (i) A mark which is not "adapted to distinguish" by the application of the tests laid down in s. 6(1) of the Act, could still qualify for registration by virtue of the proviso to s. 6(3), by proof of acquired distinctiveness. Under the proviso, with respect to marks in use from a date prior to 25th February 1937, "the Registrar shall not refuse registra-

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tion by reason only of the fact that the trade mark is not adapted to distinguish as aforesaid, and may accept evidence of acquired distinctiveness as entitling the trade mark to registration". The word "distinctiveness" cannot mean "adapted to distinguish" for then, the proviso would add nothing to the section and would make no variation in the law as between new marks and old marks which had been in use continuously from before the specified date. A construction which would lead to old marks and new marks being placed on the same footing and being subjected to the same tests for registration cannot be accepted. However, a mark might have been used prior to the specified date, but it might not qualify for registration under the proviso by not having acquired that degree of factual distinctiveness which the

Registrar considers sufficient to enable it to qualify for registration. Therefore, when the Registrar records a finding that the mark submitted for registration was "not adapted to distinguish as aforesaid", he was authorised to permit evidence being led as to "acquired distinctiveness". Since both the trial court and the High Court found that through long user from 1926 onwards, the mark of the respondent had become associated exclusively in the market with the pharmaceutical products manufactured by him, it would follow that his mark was rightly registered and that he was entitled to protect an invasion of his rights, by seeking a perpetual injunction against those who invaded them. [744 G; 750 A-C, E-F; 751 B, D; 752 A-B G-H; 753 A]

(ii) In an action for infringement of a trade mark the onus would be on the plaintiff to establish that the trade mark used by the defendant is deceptively similar. This has necessarily to be done by a comparison of the two marks-the degree of resemblance necessary being incapable of definition by objective standards. Where the similarity between the plaintiff's and defendant's marks is so close either visually, phonetically or otherwise, and the Court reaches the conclusion that there is an invitation, no further evidence is required to establish that the plaintiff's rights are violated. The fact that the get up, packing etc., showed marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial. A finding regarding the packing is relevant with respect to the relief on the ground of passing off, but plays a limited role in an action for infringement of a registered trade mark by the registered proprietor who has a statutory right to that mark and a statutory remedy, under s. 21, for vindication of his exclusive right to use it. The question of deceptive similarity is one of fact, unless the test employed suffers from error this court would not interfere. In the instant case there being no such error, the conclusion reached by both the lower courts that the appellant's mark was deceptively similar to that of the respondent, cannot be interfered with. [754 D-F; 755 A-C, F-G; 756 F-H]

JUDGMENT:

CIVIL APPELLATE JURISDICTION: Civil Appeals No. 522 and 523 of 1962.

Appeals by special leave from the judgment and order dated November 30, 1960 of the Kerala High Court in A. S. No. 233 of 1959 and O.P. No. 19 of 1952.

C.B. Agarwala, N. K. Anand and J. B. Dadachanji, for the appellant (in both the appeals).

G.S. Pathak and Sardar Bahadur, for the respondent (in both the appeals).

The Judgment of the Court was delivered by Ayyangar J. These two appeals, by special leave, are concerned with the validity of the respondent-firm's claim as the registered proprietor of a Trade Mark 'Navaratna Pharmaceutical Laboratories' used by it on its medicinal preparations.

The two appeals arise out of different proceedings but before narrating their history it would be convenient to briefly set out the facts upon which the claim of the respondent to the exclusive use of this Trade Mark is based. The respondent, as stated already, is a firm and it carries on business at Ernakulam in the same name and style as the Trade Mark now in controversy--"Navaratna Pharmaceutical Laboratories". As its name indicates, the firm manufactures medicinal products. The business of the firm was founded sometime in 1926 by one Dr. Sarvothama Rao who is now no more. When started, the business was called 'Navaratna Pharmacy' but from January, 1945 the name of the business was changed to the present one Navaratna Pharmaceutical Laboratories. From the very beginning the proprietors used the Trade, Mark "Navaratna" on the products which they manufactured and sold. In December, 1928 the word 'Navaratna' and the name 'Navaratna Pharmacy' as connoting the products of the respondent firm were registered by a declaration of ownership before the Registrar of Assurances, Calcutta. When a legislation substantially similar to the Indian Trade Marks Act, 1940 was enacted in the State of Cochin [Vide the Cochin Trade Marks Act 19 of 1199 (1944)] the respondent-firm registered the word 'Navarama' as a Trade Mark in respect of its medicinal preparations, on January 31, 1947 and another mark consisting of the words 'Navaratna Pharmaceutical Laboratories' to denote the same products on February 17, 1948. There is evidence that the respondent-firm has been having an expanding business in the products which it manufactures and has been selling the same under the above and other cognate names, and this has continued ever since.

The Trade Marks (Amendment) Act, 1946 (Act 12 of 1946) inserted s. 82-A in the Trade Marks Act of 1940 and under this. provision the Central Government was empowered to enter into reciprocal arrangements with Indian States for mutual recognition of Trade. Marks registered in the other territory. There was a similar provision in s. 78-A of the Cochin Act and availing itself of this provision the respondent-firm applied for the registration of the words 'Navaratna Pharmaceutical Laboratories' in the Trade spp./65-4 Marks Registry at Bombay. The application was advertised and no opposition having been entered, the Trade Mark was registered.

Pausing here, certain facts have to be set out in relation to the :appellant, since they are material for understanding the Origin Of the proceedings which have given rise to these appeals. The appellant has, for some Years Past, been carrying on business in the preparation of Ayurvedic Pharmaceutical Products at Jullundur City in East punjab under the name of the 'Navaratna Kalpa Pharmacy " and had been vending the medicines Prepared by him under the name 'Navaratna Kalpa"- while so, in October, 1946, The applied for the registration of the Words "NaVaratna Kalpa" as a Trade Mark for his medicinal preparations. This application was advertised in April, 1950, and the, respondent-firm opposed the application for registration on the ground that the word -Navaratna" was descriptive and, having no distinctiveness, could not be registered. This objection prevailed and the registration was refused. This led to the proceedings which have culminated in these appeals. In the first

instance, the appellant moved the Registrar Of Trade Marks for removing from the register the trade mark "Navaratna" and the word "Navarama" in the Other mark of the respondent. By this date, however, the respondent had filed wit No. 233 of 1951 (from which C.A. No. 522 of 1962 arises) before the District Judge, Anjikaimal, for a permanent injunction restraining the appellant from advertising, selling or offering for sale any preparations under a trade mark combining the word 'Navaratne or any similar word etc. By reason of the pendency of this proceeding in which the validity of the registration of the respondent's mark was directly involved the Registrar refused his application, and directed the appellant to move the High Court within whose jurisdiction the District Court was situated for the rectification of the register by deleting the respondent's mark. The appellant accordingly Mod O.P. No. 19 of 1952 in the High Court of Travancore-Cochin praying that the registration of the word "'Navaratna:" by itself or as part of other marks as a trade mark for goods belonging to the respondent be removed from the register. Civil Appeal 523 of 1962 arises out of the order of the High Court on this petition. This original petition No. 19 of 1952 was kept pending in the High Court after it was ready for hearing and was heard along with the appeal against the decree of the District Judge in Original Suit No. 233 of 1951.

The original suit was, as stated earlier, for a perpetual injunction against the appellant for using the word "Navaratna" and the cause of action for that suit was stated to be that the plaintiff (respondent before us) being proprietor of the two registered trade marks "Navaratna" and "Navaratna Pharmaceutical Laboratories" had an exclusive right to the use of those marks for his medicinal preparations and that the said right was infringed by the defendant (appellant before us) advertising his goods under the name "Navaratna Kalpa" with the trade origin of the goods being described as "Navaratna Kalpa Pharmacy". There was also an allegation that by use of these marks the defendant was passing off his goods as those of the plaintiff.

By his written statement the defendant raised principally three points:

1.(a)..... That the word "Navaratna" in its etymo- logical sense meant Ayurvedic preparations of a particular composition and that the word had been generally adopted by several firms and organisations for designating their preparations which they vended with that description. It was therefore submitted that the plaintiff could claim no exclusive title to the use of that word which was a common word for the description of the product as a trade mark to designate its pharmaceutical preparations.

1.(b) As regards the trade mark "Navaratna Pharmaceutical Laboratories" which was in fact the name in which the plain- tiff carried on its business, the defence was that the crucial integer in that mark was the expression "Navaratna" and that if the plaintiff was not entitled to the exclusive use of the word "Navaratna" to designate its products, the combination of the word with the two other words "Pharmaceutical" and Laboratories" which were ordinary English words descriptive of the place where medicines were prepared could not render the trade mark a registerable one. For them two reasons the defence was that no claim could be made to relief under s. 21 of the Trade Marks Act, 1940. (2)Next it was submitted that even on the basis that the plaintiff was entitled to the use of the word "Navaratna' either alone or in the combination "Navaratna Pharmaceutical Laboratories", still the use, of the trade mark by the defendant of the words "Navaratna Kalpa" and "Navaratna

"Kalpa Pharmacy" were not either identical with nor deceptively similar to the plaintiffs marks and therefore he was not guilty of any infringement.

(3) As regards the claim for relief on the basis of passing off, the defendant laid stress upon the packing, get-up and the manner in which the trade origin of the goods was clearly brought out in the packages in which his preparations were marketed and it was submitted that they clearly negated any possibility of passing off. Appropriate issues were raised based on the pleadings and the contentions just now indicated and the learned District Judge found: (1) that having regard to the method of packing adopted and the other features of the get-up etc., on which the defence had relied, the defendant was not guilty of passing off; (2) that the word "Navaratna" was a common word in Ayurvedic phraseology and consequently the plaintiff could not claim any exclusive title to the use of that word by reason of his having used it for his products even though this had been for a number of years. To reach this finding the learned District Judge pointed out that it was brought to his notice that there were several concerns manufacturing and vending Ayurvedic preparations which had for a very long time past either used marks which included that word and had described their products by calling them "Navaratna" either alone or in combination with other words. The right of the plaintiff to relief on the ground of the infringement of the mark 'Navaratna' was therefore disallowed. (3) Dealing next with the question as to whether the mark "Navaratna Pharmaceutical Laboratories" could be validly registered and rights claimed for such a registration, the learned Judge answered it in the affirmative pointing out that no evidence was placed before the Court of the use by any other person, firm or concern of that name and that there was evidence which was uncontradicted that trade name "Navaratna Pharmaceutical Laboratories" or some variant of the same had been used as a trade mark by the plaintiff for a very long time and had come in the market to denote exclusively the goods of the plaintiff. The learned District Judge further held the mark "Navaratna Pharmaceutical Laboratories" or its permissible variants had been used long before February 25, 1937 and having acquired factual distinctiveness, was registerable under the proviso to S. 6(3) of the Act. The plaintiff was, therefore, granted a decree for an injunction confined to the trade mark "Navaratna Pharmaceutical Laboratories".

From this judgment the appellant filed an appeal to the High Court and the learned Judges heard the appeal along with the Original Petition under s. 46 of the Act filed by the appellant. By a common judgment the learned Judges confirmed all the findings and the decree of the learned District Judge and made an order in the Original Petition conformably to this decision. These two appeals have been preferred by the appellant after obtaining special leave from this Court in these two matters respectively. The first submission of Mr. Agarwala, learned Counsel for the appellant was that the judgment of the High Court holding the respondent's claim to the trade mark "Navaratna Pharmaceutical Laboratories" as a validly registered mark was really inconsistent with their finding that "Navaratna" which was the crucial and important word in that trade mark was a descriptive word in regard to which the respondent could obtain no exclusive right by any amount of user. His further submission was that if he was right in this, the addition of the words "Pharmaceutical" and "Laboratories" which were common English words of ordinary use to designate the place where pharmaceutical products are manufactured, were, on the terms of s. 6 of the Trade Marks Act and even otherwise, incapable of acquiring distinctness by mere user. He, therefore submitted that the plaintiff had no exclusive right to the use of the mark as a registered

trade mark and that consequently his claim for the relief of perpetual injunction Under s. 21 of the Trade Marks Act was not sustainable. For this purpose learned Counsel relied on the provisions of s. 6 of the Trade Marks Act, 1940 which provided the positive qualifications for registrability of trade mark on the relevant date That section runs:

"6.(1) A trade mark shall not be registered unless it contains or consists of at least one of the following essential particulars namely:-

(a) the name of a company, individual or firm, represented in a special or particular manner;

(b) the signature of the applicant for registration or some predecessor in his business;

(c) one or more invented words;

(d) one or more words having no direct reference to the character or quality of the goods, and not being, according to its ordinary signifi-

cation, a geographical name or surname or the name of a sect, caste or tribe in India;

(e) any other distinctive mark, provided that a name, signature, or any word, other than such as fall within the description in the above clauses, shall not be registerable except upon evidence of its distinctiveness. (2) For the purposes of this section, the expression 'distinctive' means adapted, in relation to the goods in respect of which a trade mark is proposed to be registered, 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 extent of the registration.

(3) in determining whether a trade mark is adapted to distinguish as aforesaid, the tribunal may have regard to the extent to which-

(a) the trade mark is inherently so adapted to distinguish, and

(b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact so adapted to distinguish : Provided that in the case of a trade mark which has been continuously used (either by the applicant for the registration or by some predecessor in his business, and either in its original form or with additions or alterations not substantially affecting its identity) in relation to which registration is applied for, during a period from a date prior to the 25th day of February, 1937, to the date of application for registration, the Registrar shall not refuse registration by reason only of the fact that the trade mark is not adapted to distinguish as aforesaid, and may accept evidence of acquired distinctiveness as entitling the trade mark to

registration."

The learned Counsel particularly stressed clause (d) of sub- s. (1) which excluded words "having direct reference to the character or quality of the goods" from being treated as distinctive, and thus qualifying for registrability. 'Me word 'Navaratna' having been held to be not distinctive and indeed incapable of becoming distinctive by reason of its being merely the Sanskrit word for describing Ayurvedic preparations of a particular composition, he submitted that the words "Pharmaceutical' and 'Laboratories' could neither by themselves nor in combination with it confer upon that word the quality of distinctiveness having regard to their ordinary descriptive signification. If the matter had to be decided in terms of s. 6(1) alone without reference to the terms of the proviso to sub-s. (3) to which we shall advert presently we see great force in the submission of the learned Counsel. As Pry L. J. said in : Dunn(1) with reference to the cor- responding law in U.K. which has been reproduced by s. 6 of the Indian Act:

"It is said that the words 'Fruit-Salt' have never been used in collocation except by Mr. Eno. Be it so I cannot help regarding the attempt on Mr. Eno's part as an instance of that perpetual struggle which it seems to me is going on to enclose and to appropriate as private property certain little strips of the great open common of the English language. 'Mat is a kind of trespass against which I think the courts ought to set their faces."

There can be no dispute either that the words 'pharmaceutical Laboratories" used in relation to medicinal preparations have "a direct reference to the character of the goods". Speaking of the mark "Torq-set" in respect of screws bolts, rivets and studs and fastening devices, Lloyd-Jacob 1. observed :(2) "Direct reference corresponds in effect to aptness for normal description".

Judged by this test it could not be seriously contended that the prohibition in s. 6 (1) (d) would be attracted to this mark. In the present case, the words 'Pharmaceutical' and 'Laboratories' would have a direct reference to the character of the goods since the trade marks to which it is claimed to attach them are medicinal or pharmaceutical products. In this connection reference may also be made to a decision of the House of Lords to which Mr. Agarwala drew our attention. Yorkshire Copper Works Limited's Application for a Trade Mark.(8)-Yorkshire Copper Works Ltd. v. Registrar of Trade Marks(4) was an appeal from (1) 6 R.P.C. 379 at 386.

(2) In the matter of American Screw Co.'s appln. [1959] R.P.C. 344 at 346.

(3) (1954) 71 R.P.C. 150.

(4) (1952) 69 R.P.C. 207; (1953) 70 R.P.C. 1.

the Court of appeal affirming the decision of the Divisional Court which rejected an appeal against an order of the Registrar refusing to register the Trade Mark "Yorkshire" for "solid drawn tubes and capillary fittings all made of copper or non-ferrous copper alloys". The refusal to register was on the

ground of the word being geographical and so being disqualified for registration under a provision of the U.K. Trade Marks Act of 1938 -identical in terms with S. 6 (1) (d) of the Act. The applicants led evidence to establish and claimed that they had established that everyone concerned in the trade in copper tubes understood "Yorkshire Tubes" as meaning the products of the applicant. It was therefore contended that the word 'Yorkshire' had lost its primary geographical significance and had become 100% distinctive of the applicant's goods. In dismissing the appeal Lord Simonds, Lord Chancellor observed "I am content to accept the statement reiterated by their learned Counsel that the mark had acquired 100 per cent distinctiveness. In spite of this fact the Registrar refused registration and has been upheld in his refusal by Lloyd-Jacob, J. and the unanimous opinion of the Court of Appeal..... Here I must express my emphatic dissent from the proposition which was strenuously urged by Counsel for the Appellants that distinctiveness in fact is conclusive-at any rate, if there is what he called 100 per cent distinctiveness. In my opinion the decisions of this House in the W. & G. case and the Glastonbury case are fatal to this proposition and I am content to accept as accurate the clear exposition of those cases given by the learned Master of the Rolls in the present case. He took the view which I share that the Court of Appeal had in the Liverpool Cable case rightly interpreted the opinion of Lord Parker in the W. & G. case and that this House, in its turn, in the Glastonbury case endorsed that interpretation. Accepting that view of the law, which indeed, if the matter were res integral I should not hesitate to commend to your Lordships, I do not see how the Registrar could have come to any other conclusion. Unless, having found distinctiveness in fact, he needed to pay no regard to the other factor of inherent adaptability, he was faced by the fact that there could not well be a geographical name less "inherently adapted" than Yorkshire to distinguish the goods of the Appellants. I do not propose to try to define this expression. But I would say that, paradoxically perhaps, the more apt a word is to describe the goods of a manufacturer, the less apt it is to dis-

tinguish them: for a word that is apt to describe the goods of A, is likely to be apt to describe the similar goods of B. It is, I think, for this very reason that a geographical name in prima facie denied registrability. For, just as a manufacturer is not entitled to a monopoly of a laudatory or descriptive epithet, so he is not to claim for his own a territory, whether country, county or town, which may be in the future, if it is not now, the seat of manufacture of goods similar to his to own.

Of course, where the geographical area is very small there is a possibility of the inherent incapability, to attain distinctiveness becoming. attenuated, but we do not go into these details as they are unnecessary for our present purpose. The learned Counsel is therefore right in his submission that if the right of the respondent to the registration of his mark had to be considered solely on the terms of s. 6(1), the appellants submissions as regards the non-registrability of the respondent's mark would have great force.

That, however, is not the position here. The learned District Judge has, on the basis of evidence recorded a finding that the mark or trade name 'Navaratna Pharmaceutical Laboratories' had by user acquired distinctiveness in the sense of indicating the respondent and the respondent alone as the manufacturer of goods bearing that mark and that finding has been affirmed by the learned Judges of the High Court. The learned District Judge has further held that the respondent has been using that mark or a permissible variant of that mark from long before the 25th February 1937, and

that in consequence, notwithstanding that the mark might not satisfy the requirements of s. 6(1) as explained by sub-ss. (2) & (3) of that section, still it was registrable as a Trade Mark by virtue of the proviso to s. 6(3) of the Act. We do not find any error in the approach of the learned District Judge to this question. In the first place, there was the intention on the part of the proprietor of the mark to indicate by its use the origin of the goods on which it was used. There was also indubitable evidence regarding the recognition of that mark as indicating origin on the part of that section of the public who buy these goods in the course of trade or for consumption. Thus the finding was that by reputation the mark had come to denote the goods of the Besides. the words were not a merely laudatory expression in relation to the goods, but descriptive though as such they would prima facie not be distinctive. Length of user would, of course, be a material factor for the mark to become distinctive and the learned District Judge found that by such a long user the mark had become exclusively associated with the goods of the respondent in the market.

Though the learned Judges of the High Court have not discussed this question in their judgment, they have affirmed in general terms the conclusions recorded by the District Judge on this point. There being concurrent findings on the question as to whether the respondent's mark has acquired distinctiveness as a matter of fact, and there being no error of law in the criteria applied for reaching them, it would not be open to the appellant to challenge the correctness of that finding and, indeed, learned Counsel for the appellant did not attempt to do so. What he, however, submitted was that on a proper construction of the proviso to s. 6(3) of the Act marks which from their very nature were inherently incapable of acquiring distinctiveness could not qualify for registration and the Courts below therefore erred in holding the marks which because of their being descriptive of the goods were inherently incapable of registration, to be registrable.

This takes us to the consideration of the proper construction of the proviso. Closely examined, the arguments of the learned Counsel on this matter boils down to this that the proviso really did not introduce any standard of distinctiveness different from that which had been provided by the terms of S. 6(1) as explained by sub-s. (2) and the main part of sub-s. (3); in other words, the submission was that in cases where the mark fell within the prohibition of cl. (d) of sub-s. (1) it could not qualify for registration on the basis of acquired distinctiveness by long user as an "old mark" i.e., from before February 25, 1937. In support of this submission the learned Counsel relied on the view expressed by Mr. S. Venkateswaran in his comments on S. 6(3) at pages 152-154 of his Treatise on Trade Mark Act 1940 which view he submitted had found judicial acceptance in a decision, of the Calcutta High Court reported as *In the matter of India Electric Works Ltd.*(1) (1) 49 C.W.N. 425.

Before proceeding further we should, add what there is a decision of the Allahabad High Court in *Ram Rekhpal v. Amrit Dhara Pharmacy*(1) in which the question of the construction of the proviso came up for consideration. The learned Judges, however, without any discussion of the points involved, expressed their opinion that even if the mark came within the prohibition in cl. (d) of sub-s. (1) of s. 6, an old mark i.e., marks in use from before February 25, 1937 would qualify for registration if there was evidence of factual a distinctiveness. This decision has been referred to and relied on by the learned District Judge in the case before us; but as it does not contain any reasons for the decision, it may be omitted from consideration. The main part of the learned Counsel's submission as regards, the construction of the proviso was based on the comment in Mr. S.

Venkateswaraies treatise which learned Counsel adopted' as part of his argument. no primary requisite for attracting the proviso is that the trade mark must have been continuously used in relation to the same goods as those in relation to which registration is applied for from a period prior to February 25, 1937. It is true that in the present case the relevant mark as used before February 25, 1937 was "Navaratna Pharmacy" and the mark now on the register the validity of whose registration under the Trade Marks Act is in question is "Navaratna Pharmaceutical Laboratories". But it would be noticed that by the words within the brackets in the proviso marks "either in their original form or with additions or alterations not substantially affecting its identity" qualify for the special privileges accorded to old marks. It was not contended before the Courts below or before us that the mark now in question did not satisfy this test when compared with that which the respondent was using prior to February 25, 1937. This being conceded, the only question for consideration is whether the last part of the proviso that the Registrar may accept evidence of acquired distinctiveness as entitling a mark for registration notwithstanding the fact that "the trade mark is not adapted to distinguish as aforesaid", could apply to cases where the trade mark has a direct reference to the character or quality of the goods or is otherwise not qualified for registration under cl.(d) of sub-s. (1). The entire argument on this part of the case is merely based on the use of the expressions 'adapted to distinguish as aforesaid' and 'distinctiveness' in the concluding portion of the proviso. It was not disputed that on the words of the proviso when the Registrar- (1)A.I.R. 1957 All. 683.

recorded a finding that the mark submitted for registration was "not adapted to distinguish as aforesaid", that is, that the mark did not fulfill the requirements of the tests suggested by the main part of sub-s. (3), he was authorised to permit evidence being led as to "acquired distinctiveness" and to register the mark, if the evidence satisfied him on this point. It was, however, urged that the word 'distinctiveness' in the expression "acquired distinctiveness" had to be understood in the sense in which it is defined in sub-s. (2) where it is stated to mean practically "adapted to distinguish", the content and the significance of which is elaborated in sub-s. (3). The submission was that at that stage, when accepting evidence of acquired distinctiveness one is again thrown back on sub-ss. (2) and (3), with the result that unless the tests of distinctiveness and of "adaptation to distinguish" which are explained in sub-ss. (2) and (3) are satisfied, no amount of evidence led before the Registrar of factual acquired distinctiveness would suffice to permit registration. In other words, the argument was that if a mark was one which was prohibited from being registered under s. 6 (1) (d), that ban which is not lifted by proof of acquired distinctiveness in the case of new marks not falling within the proviso is not lifted either in the case of old marks which had been in use continuously as a trade mark from before February 25, 1937. It would be seen that if this argument were accepted, the proviso adds nothing to the section and makes no variation in the law as regards old marks which had been in use continuously from before the specified date. It would also make meaningless the words 'shall not refuse registration' by reason only of the fact that the trade mark is not 'adapted to distinguish' occurring in the proviso. It was said that this construction which would render the proviso otiose and a futility was necessitated by the opening words of sub-s. (2) where the definition of the expression "distinctive" was said to be "for the purposes of this section and that the proviso to the sub-section being part of the section, the words there had to be understood in the sense defined. We feel unable to accept this construction, nor do we read the opening words of sub-s. (2) as necessarily leading to this result. Briefly stated, "distinctive" is defined in sub-s. (2) as

"adapted to distinguish" and the latter phrase explained in language which might exclude what is negated by S. 6 (1) (d). But that, however, does not solve the problem created by the words of the proviso "Shall not refuse registration by reason only of the fact that the trade mark is not adapted to distinguish as aforesaid". The use of the words "as aforesaid" takes one back first to sub- s.

(3) and then on to sub-s. (2). and necessarily also to the provision in s. 6(1) (d) where marks which are incapable of acquiring distinctiveness are dealt with. Hence even on the terms of the proviso, however construed, it is not possible to escape the conclusion that a mark which is not "adapted to distinguish" by the application of the tests laid down in s. 6(1) could still qualify for registration by proof of acquired distinctiveness.

For the present purpose it is unnecessary to enter into an examination of the general nature of a proviso and of its function in statutes. It is sufficient to point out that it would not be a reasonable construction of any statute to say that a proviso which in terms purports to create an exception and seeks to confer certain special rights on a particular class of cases included in it should be held to be otiose and to have achieved nothing merely because of the word 'distinctiveness' used in it which has been defined elsewhere. A construction which would lead to old marks and new marks being placed on the same footing and being subjected to the same tests for registrability cannot, in our opinion, be accepted.

In this connection, some support was sought for the construction pressed upon us by the learned Counsel for the appellants by reference to s. 20 of the Act which reads :

"(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 was urged that if every mark which had been in use prior, to February 25, 1937 qualified for registration under the proviso to s. 6(3), there could really be no cases where the Registrar could refuse registration, with the result that the contingency contemplated by s. 20 of the Act could never arise. This was stated to support the construction of the proviso which learned Counsel commended for our acceptance. Here again, we do not see any substance in this argument. A mark might have been used even prior to February 25, 1937; but it might not qualify for registration under the proviso to S. 6(3) by not having acquired that degree of factual distinctiveness which the Registrar considers is sufficient to enable it to qualify for registration. It is therefore possible to conceive of cases where even if the proviso to S. 6(3) were construed in the manner in which we have indicated, there would still be scope for the rejection by the Registrar of a trade mark in use prior to the specified date. That

in our opinion, is the true ratio of the decision of McNair, J. in *India Electric Works Ltd.*(1) on which Mr. Agarwala relied in this connection.

The Court was there concerned with an appeal from an order of the Registrar refusing registration in respect of an old mark. The mark in question was the word 'India' as applied to electric 'fans'. The learned Judge dismissed the appeal on the ground that the word 'India' was a geographical word and therefore -would not qualify for registration being prohibited by S. 6 (1) (d). The learned Judge also considered whether the mark could 'qualify for registration under the proviso. The conclusion -reached on this part of the case was that the applicant had not established factual acquired distinctiveness to qualify for registration, and that the Registrar was therefore right in the finding that he recorded on this matter. Proof of user, the learned Judge hold, was not ipso jure proof of acquired distinctiveness 'and this is obviously right and does not advance the appellant's submission in regard to this question. Though there are some observations which might be wider, it substantially proceeded on ,accepting the finding of the Registrar regarding the applicant 'having failed to establish factual acquired distinctiveness for his mark. That case therefore does not assist the learned Counsel for the construction that he seeks to put on the proviso to s. 6(3).

As we have pointed out earlier, there are concurrent findings of fact on this point that through long user from 1926 onwards, -the mark had become associated exclusively in the market with the pharmaceutical products manufactured by the respondent. The finding is not capable of being challenged before us and was not, -in fact, attempted to be challenged. From this it would follow that the respondents mark was rightly registered and that ,(1) 49 C.W.N. 42.

he was entitled to protect an invasion of his right by seeking a perpetual injunction from persons who invaded those rights.

The next part of the learned Counsel's argument related to the question whether the Trade Mark used by the appellant viz., 'Navaratna Pharmacy' "so nearly resembled the trade mark of the respondent as to be likely to deceive or cause confusion in the course of trade" within s. 21 of the Act. The mark is not identical and so the question is whether the appellant's mark is deceptively similar to the respondent's. On this matter also, there are concurrent findings of the Courts below regarding the deceptive similarity of the two marks. That the words 'Navaratna Pharmacy' and 'Navaratna Pharmaceutical Laboratories' are similar in the sense spoken of by s. 21 does not appear to us to be of much doubt. But the learned Counsel's submissions were two-fold: (1) that the Courts below had found that the word 'Navaratna' was a word in common use in the trade in Ayurvedic preparations and the courts rightly held the respondent could not claim exclusive rights to the use of that word in the mark. In these circumstances, Mr. Agarwala submitted that the Courts below should have insisted on either the respondent disclaiming exclusive rights to the word 'Navaratna' in the trade mark 'Navaratna Pharmaceutical Laboratories' or that the disclaimer should have been ordered as a condition of the trade mark remaining on the register under s. 13 of the Act., (2) The finding by the Courts below that the marks were deceptively similar was directly contrary to and inconsistent with their finding that the packing, label, get-up etc., in which the appellant's goods were marketed was not likely to cause any confusion in the market or deceive any purchasers, wary or otherwise on the basis of which the claim for passing off was rejected. As regards the first

contention regarding disclaimer and the reference to s. 13, the matter stands thus. Under the terms of s. 13 of the Act, an order directing disclaimer could have been passed only by the High Court when- dealing with the appellant's application under s. 46 (2) of the Act. The application that he filed contained no prayer to direct a disclaimer, and no submission appears to have been made to the High Court when dealing with the petition or even with the appeal that the respondent should be directed to disclaim. In these circumstances, we do not consider it proper to permit the appellant to urge this argument before us.

The other ground of objection that the findings are inconsistent really proceeds on an error in appreciating the basic differences between the causes of action and right to relief in suits for passing off and for infringement of a registered trade mark and in equating the essentials of a passing off action with those in respect of an action complaining of an infringement of a registered trade mark. We have already pointed out that the suit by the respondent complained both of an invasion of a statutory right under s. 21 in respect of a registered trade mark and also of a passing off by the use of the same mark. The finding in favour of the appellant to which the learned Counsel drew our attention was based upon dissimilarity of the packing in which the goods of the two parties were vended, the difference in the physical appearance of the two packets by reason of the variation in their colour and other features and their general get-up together with the circumstance that the name and address of the manufacture of the appellant was prominently displayed on his packets and these features were all set out for negating the respondent's claim that the appellant had passed off his goods as those of the respondent. These matters which are of the essence of the cause of action for relief on the ground of passing off play but a limited role in an action for infringement of a registered trade mark by the registered proprietor who has a statutory right to that mark and who has a statutory remedy in the event of the use by another of that mark or a colourable imitation thereof. While an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods (Vide s. 21 of the Act). The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered. trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable imitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two ceases. In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get- up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the

plaintiff.

When once the use by the defendant of the mark which is claimed to infringe the plaintiff's mark is shown to be "in the course of trade", the question whether there has been an infringement is to be decided by comparison of the two marks. Where the two marks are identical no further questions arise; for then the infringement is made out. When the two marks are not identical, the plaintiff would have to establish that the mark used by the defendant so nearly resembles the plaintiff's registered trade mark as is likely to deceive or cause confusion and in relation to goods in respect of which it is registered (Vide s. 21). A point has sometimes been raised as to whether the words "or cause confusion" introduce any element which is not already covered by the words "likely to deceive" and it has sometimes been answered by saying that it is merely an extension of the earlier test and does not add very materially to the concept indicated by the earlier words "likely to deceive". But this apart, as the question arises in an action for infringement the onus would be on the plaintiff to establish that the trade mark used by the defendant in the course of trade in the goods in respect of which his mark is registered, is deceptively similar. This has necessarily to be ascertained by a comparison of the two marks-the degree of resemblance which is necessary to exist to cause deception not being capable of definition by laying down objective standards. The persons who would be deceived are, of course, the purchasers of the goods and it is the likelihood of their being deceived that is the subject of consideration. The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's mark. The purpose of the comparison is for determining whether the essential features of the plaintiff's trade mark are to be found in that used by the defendant. The identification of the essential features of the mark is in essence p./65-5 a question of fact and depends on the judgment of the Court based on the evidence led before it as regards the usage of the trade. It should, however, be borne in mind that the object of the enquiry in ultimate analysis is whether the mark used by the defendant as a whole is deceptively similar to that of the registered mark of the plaintiff. The mark of the respondent which he claims has been infringed by the appellant is the mark 'Navaratna Pharmaceutical Laboratories', and the mark of the appellant which the respondent claimed was a colourable imitation of that mark is 'Navaratna Pharmacy. Mr. Agarwala here again stressed the fact that the 'Navaratna' which constituted an essential part or feature of the Registered Trade Mark was a descriptive word in common use and that if the use of this word in the appellant's mark were disregarded, there would not be enough material left for holding that the appellant had used a trade mark which was deceptively similar to that of the respondent. But this proceeds, in our opinion, on ignoring that the appellant is not, as we have explained earlier, entitled to insist on a disclaimer, in regard to that word by the respondent. In these circumstances, the trade mark to be compared with that used by the appellant is the entire registered mark including the word 'Navaratna'. Even otherwise, as stated in a slightly different context:(1) "Where common marks are included in the trade marks to be compared or in one of them, the proper course is to look at the marks as wholes and not to disregard the parts which are common".

It appears to us that the conclusion reached by the Courts below that the appellants mark is deceptively similar to that of the respondents cannot be stated to be erroneous. Besides, this question of deceptive similarity is a question of fact, unless the test employed for determining it suffers from error. In the present case, it was not suggested that the Courts below had committed

any error in laying down the principles on which the comparison has to be made and deceptive similarity ascertained. (See per Lord Watson in Attorney-General for the Dominion of Canada v. Attorney- General for Ontario etc.) (2) . As there are concurrent findings of fact on this matter, we do not propose to enter into a discussion of this question de novo, since we are satisfied that the conclusion reached is not unreasonable. (1) Kerly on Trade Marks 8th Edn. 407. (2) [1897] A.C. 199.

Lastly it was submitted that this was a case of honest concurrent user within s. 10(2) of the Act. This point was, however, not raised in any of the Courts below and we do not propose to entertain it for the first time in this Court. The result is, the appeals are dismissed with costs-one set of hearing fee.

Appeals dismissed.