

Supreme Court of India

Vishnudas Trading As Vishnudas vs The Vazir Sultan Tobaccoco. Ltd. ... on 9 July, 1996

Equivalent citations: JT 1996 (6), 366 1996 SCALE (5)267

Author: G Ray

Bench: Ray, G.N. (J)

PETITIONER:

VISHNUDAS TRADING AS VISHNUDAS

Vs.

RESPONDENT:

THE VAZIR SULTAN TOBACCOCO. LTD. HYDERABAD AND ANR.

DATE OF JUDGMENT: 09/07/1996

BENCH:

RAY, G.N. (J)

BENCH:

RAY, G.N. (J)

G.B. PATTANAIK (J)

CITATION:

JT 1996 (6) 366 1996 SCALE (5)267

ACT:

HEADNOTE:

JUDGMENT:

J U D G M E N T G.N. Ray, J.

Leave granted. Heard learned counsel for the parties. These appeals are directed against the common judgment dated October 11, 1990 passed by the Division Bench of Madras High Court in Trade Mark Second Appeal Nos.1 and 2 of 1981 arising out of the judgment dated September 11, 1980 passed by a Single Bench of Madras High Court in AAO Nos. 582-83 of 1978. The respondent No.1 Company, namely, the Vazir Sultan Tobacco Co. Ltd. Hyderabad, has been manufacturing cigarettes under the brand name "Charminar". The said Company in 1942 and in 1955, under the then Trade Mark legislation obtained registration of Trade Mark in respect of "manufactured tobacco" falling in Class 34 of the 4th Schedule to the rules framed under the Trade Marks Act 1940 and 1950 Act. The respondent No.1 Company, however, did not manufacture anything other than cigarettes during all these long years. The appellant, namely, Vishnu Das Trading as Vishnudas Kishendas Zarda are manufacturing quiwam and 'zarda'since 1973 and the appellant has been using the same trade mark, namely, "Charminar" on his bottles and boxes of quiwam and zarda. The

device of trade mark "charminar" in the city of Hyderabad as used by the appellant is, however, different from the device being used by the respondent No.1 Company. The appellant applied for registration of cuiwam and zarda with trade mark "Charminar" under the Trade and Merchandise Marks Act 1958 and the Trade Marks Rules, 1959 framed under the said Act. The respondent Company raised objections that the trade mark sought by the appellant would conflict with the registered Trade Nos. 9951 and 170427 which the respondent No.1 Company obtained in 1942 and 1955. The Joint Registrar of Trade Marks, however, observed inter alia in the minutes dated September 24, 1973 about the objections of the respondent to the effect that the mark would conflict with registered trade marks Nos. 9951 and 170427. It was also observed that although the applicant had contended that such registration of trade marks was in respect of cigarettes but quiwam and zarda were goods of different specifications and such goods would not cause any conflict with the goods being manufactured by the respondent No.1 Company, since the registration was of the trade mark made in favour of the respondent to respect of 'manufactured tobacco' which in its ambit would also take quiwam and zarda, the objection of the respondent No.1 Company under Section 12(1) of the Trade Marks Acts, therefore, could not be waived. It was noted in the minute that the counsel for the applicant i.e. the appellant herein, had offered to apply for rectification of the said trade mark in favour of the respondent No.1 Company.

Accordingly, on October 15, 1973, the appellant filed two applications under Section 46 read with Section 56 of the Trade and Mechandise Marks Act. 1958 before the Registrar of Trade Marks, Madras for rectifying the registration of existing trade mark held by the respondent No.1 Company mainly on the ground of non user of the same in respect of quiwam and zarda by the respondent No.1 Company. The proceedings before the Registrar of Trade Marks continued from 1973-76 but the respondent No.1 Company though contested the said applications could not dispute or refute the allegation of the appellant that the respondent No.1 Company had never manufactured any other article of tobacco except the cigarettes. The said applications made by the appellant were ultimately disposed of by the Assistant Registrar, Trade Marks, Madras on August 31, 1976 by allowing the applications for rectification. The Assistant Registrar Trade Marks ordered that the Registrar, Trade Mark, bearing Nos. 9951 and 170427 would be rectified by making the entries relating to specification of goods to read as 'cigarettes'.

Respondent No.1 Company thereafter preferred two statutory appeals under Section 109(2) of the Trade and Merchandise Marks Act before a learned Single Bench of Madras High Court. By a common judgment dated September 11, 1980, the learned Single Judge allowed the said appeals preferred by the respondent No.1 and set aside the order of the Assistant Registrar, Trade Marks, dated August 31, 1976. The learned Single Judge, in his order allowing the said appeals, had observed that the Assistant Registrar of Trade Marks had made a sub-classification of 'manufactured tobacco' occurring in Class 34 although sub-classification could not be made. It was also held by the learned Single Bench of the Madras High Court that to sustain registration for an article manufactured tobacco' in Class 34, it was not necessary to establish user of the trade mark and rectification as ordered by the Assistant Registrar would enable the appellant to pass them as the goods manufactured by the respondent No.1 Company.

Against the judgment and order passed by the learned Single Bench, the appellant preferred two statutory appeals under Section 109(5) of the said Trade and Merchandise Marks Act, 1958 (hereafter referred to as Trade Marks Act) before a Division Bench of the Madras High Court and by the impugned common judgment dated October 11, 1990, the Division Bench dismissed the said appeals thereby affirming the order passed by the learned Single Bench of Madras High Court. It was inter alia held by the Division Bench of the Madras High Court that there could be no separate registration in respect of cigarettes as Class 34 spoke only of "manufactured tobacco" and that ground alone was sufficient for setting aside the order of the Assistant Registrar. The Division Bench further held that the Joint Registrar had already passed an order under Section 12 of the Trade Marks Act, 1958 declining registration of trade marks as sought by the appellant and in the absence of rectification of the trade marks in the register in favour of the Respondent No.1 Company, the said registration was conclusive of the matter and the rectification applications were not maintainable. The Division Bench also held that manufacture of cigarettes would come under 'manufactured tobacco'. Hence, the respondent No.1 Company's trade mark could not be removed or restricted on the ground of non-use with reference to goods of different specifications such as quiwam and zarda falling under the class 'manufactured tobacco' even if quiwam and zarda had never been manufactured or were intended to be manufactured by the respondent No.1 Company. As aforesaid, the said decision of the Division Bench of Madras High Court is under challenge in these appeals.

1) the respondent Company is and always has been solely manufacturing cigarettes under the brand name of 'charminar' ever since 1942 and 1955. The said Company obtained registration of Trade Marks for manufacturing tobacco in relation to the cigarettes bearing the said brand name falling under Class 34 of the 4th Schedule of the Trade Mark Rules framed under the Trade Marks Act 1940. The Schedule in Trade Marks Rules 1942 continues verbatim as the 4th Schedule of Trade Mark Rules framed under the Trade Marks Act. The Trade Mark 'charminar' is not defensive registration. The word 'charminar' is not an invented word which is the condition precedent for a defensive registration under Section 38 of the 1940 Act corresponding to Section 48 of the subsequent Trade Marks Act.

ii) the respondent Company never intended to nor evinced any intention to nor even intends to manufacture anything other than cigarettes.

iii) Class 34 reads thus "34 tobacco raw or manufactured, smokers' articles, matches."

"manufactured tobacco" covers a large range and variety of goods and articles which in terms of their different descriptions as well as different modes of consumption, may be broadly categorised as:

a) tobacco consumed by smoking, cigarettes, cigars cheroot, bidis, pipe tobacco

b) tobacco consumed by chewing and ingestion quiwam which is the paste form and applied as an ingredient to pan, zarda which is in the form of fine flakes (usually aromatic) also applied to pan as another ingredient; gutka-it is again in fine flakes which is chewed sometimes with the addition of

lime (chuna).

c) tobacco consumed by inhalation-

snuff which is in powder form and taken in or inhaled through the nose.

iv) the word 'charminar' is distinct and specific in connotation. It is the name of a well known 18th century monument standing as a landmark in the city of Hyderabad. Its name and depiction in any form was not susceptible to any proprietary or pre-emptive claim by any one.

v) Since 1973 the appellant has been manufacturing quiwam and zarda in respect of which the appellant sought trade marks under the brand name and device of 'charminar' on the bottle and boxes of the product of the appellant with an entirely different depiction as compared to that used by the respondent Company on its cigarette packets and cartoons. The appellant also holds a duly registered copyright under the Copyright Act, 1957 on the brand name and device of 'charminar' as depicted by the appellant.

vi) When the appellant had applied for registration of the said trade mark under Class 34 in respect of quiwam and zarda, the trade mark Registry declined to grant the same on account of the respondent Company's said registered trade mark in relation to the cigarettes for which the appellant was constrained to get the register rectified in relation to the respondent Company's trade mark.

Hence, the proceedings under Section 46 read with Section 56 of the Trade Marks Act had to be initiated by the appellant.

Mr. Ganesh has contended that "manufactured tobacco" is a genus of which those consumed variously i.e. by chewing, inhaling or by smoking are species. Each of these species constitutes articles of different description from the others and each is distinct in character and use, though all of them fall within the same broad Class i.e. "manufactured tobacco".

Mr. Ganesh has contended that the trade mark is or can be granted in respect of a Class of goods which is nebulous and lacks in any specificity and precise identification such as "manufactured tobacco", without any reference to the particular goods or articles or thing falling in the class which is traded in or manufactured and in respect of which the applicant trader or manufacturer seeks a trade mark. Hence, the registration of Trade Mark in favour of Respondent No.1 in 1942 and 1955 as "manufactured tobacco" was fundamentally erroneous and consequential erroneous entry in the Trade Mark Register is liable to be appropriately rectified. By such rectification, limiting the respondent Company's trade marks to cigarettes, no prejudice will be caused to the respondent Company, whereas if such rectification is not carried out, the appellant is irreparably prejudiced and is precluded for all time from getting the trade marks for his goods, quiwam and zarda registered. Such prejudice is equally occasioned to the rest of the trading and manufacturing community in relation to any species of "manufactured tobacco" other than cigarettes. Mr. Ganesh has submitted that such prejudice, preemption and exclusion in rem can not be permitted by a trade mark

registration.

Mr. Ganesh has also submitted that on a true interpretation and proper construction of Trade Marks Act and Trade Marks Rules 1959, where (as in this case) a trader or manufacturer actually trades in or manufactures solely one article namely cigarettes and evinces no bonafide whatever to trade in or manufacture any other goods or articles belonging to the genus "manufactured tobacco", such trader or manufacturer cannot by obtaining a trade mark for its product in respect of the class in which it falls (in this case, "manufactured Tabasco") preclude the public at large or in any event, the trading and manufacturing community e.g. traders and manufacturers of quiwam and zarda or traders and manufacturers of snuff etc. from obtaining any trade mark in respect of their products simply because they fall under a broad class or a genus i.e. "manufactured tobacco" although the goods belong to different species and are essentially different in description as also in the mode of consumption.

Mr. Ganesh has further submitted that exclusion of different species which may come under the heading of a genus comprising various specifics even when a trader or manufacturer having obtained registration under the heading of genus, in fact, is manufacturing only one of the species thereby pre-empting or excluding others to get registration in respect of different species other than the species which is being manufactured by the trader or manufacturer, will be unjust and unfair and against the principles by which registration of trade mark is made. This proposition would be particularly valid where (a) the registration of the registered trade mark is not a defensive registration and the brand name of the goods under registration is not an "invented word" and the device, logo or symbol associated with that name and depicting the product is not an invented one and (b) even though the registered trade mark holder obtained the registration for the entire class in which his product falls, but he has neither any bonafide intention to use nor made any bonafide use of the registered trade mark in relation to any other goods falling within that class, whether within the stipulated statutory periods or beyond them, governing rectification of the Register and imposition of limitations on the ground of non-use concerning registered trade marks.

Mr. Ganesh has further submitted that a contrary approach to the interpretation and construction of the Trade Marks Act and the rules framed thereunder will go against the very object and spirit of and principles underlying the trade mark law. According to Mr. Ganesh, the aforesaid propositions and the principles they adumbrate apply a fortiori to a case such as the present one. Mr. Ganesh has contended that a registered trade mark holder cannot, in law, claim exclusive monopoly rights over its trade mark as extending to goods of all descriptions falling within the same class in which its sole and solitary product falls. The registration in favour of the respondent Company cannot be held to interpose or sustain objection to the rectification of its registered trade mark or imposition of limitations thereon with reference to the goods or articles of entirely different description, character and mode of consumption in relation to which it had, at the time of obtaining the registration, no bonafide intention to use its trade mark and which goods and articles, it has never manufactured or intends to manufacture in fact. Mr. Ganesh has contended that the registration of trade mark can appertain only to specific goods and not to a generic class. Referring to Sections 46 and 56 of the Trade Marks Act. Mr. Ganesh has submitted that the statute contains the following postulates:

1) the existing trade mark was registered without any bonafide intention on the part of the applicant that it should be used in relation to those goods by him and there has in fact been no bonafide use of the trade mark in relation to those goods by him upto a date one month before the date of the application under Section 46 by the person aggrieved. Mr. Ganesh has submitted that this requirement is fully satisfied in the present case.

ii) upto a date one month before the date of the application by the person aggrieved, a continuous period of five years or longer had elapsed during which the trade mark was registered and during which there was no bonafide use thereof in relation to those goods by the registered trade mark holder. In such a case, the concerned Tribunal, (High Court or the Registrar), may impose on the registration of the existing trade mark such limitations as it thinks proper for securing that the existing registration shall cease to extend to such use. Mr. Ganesh has submitted that this requirement is also fully satisfied and the Assistant Registrar of trade marks has specifically ordered so.

In this connection, Mr. Ganesh has submitted that the statutory burden lies on the registered trade mark holder to show that his said non-use was due to special circumstances in the trade and not to any intention to abandon or not to use the trade mark in relation to the goods to which the application of the aggrieved person relates. It has been contended by Mr. Ganesh that the respondent Company has not pleaded that under any special circumstance the Company did not use other items of the goods falling under the class in which the respondent Company got registration. The respondent Company has not discharged the burden arising from non-use of different items coming under the broad classification 'manufactured tobacco'. Mr. Ganesh has also submitted that if either of the above mentioned ingredients is satisfied, then allowing of an application by the person aggrieved for the rectification will be matter of course and refusal of such application for any valid reason will be an exception. Mr. Ganesh has submitted that when the concerned authorities satisfy that rectification of the registered trade mark is warranted on the facts and circumstances of the case, such authority may make such order for making, expunging or varying entries in the register as it may think fit for one or more of the following reasons:

a) the entry made in the Register without sufficient cause

b) the absence or omission from the Register of any entry

c) any error or defect in an entry in the Register It has also been contended by Mr. Ganesh that it is consistent with the scheme and provisions of the Trade Marks Act and the framed thereunder that no registration of trade mark is absolute, perpetual and invariable. Thus, under Section 12 which deals with prohibition of registration of identical or deceptively similar trade marks, in case of honest concurrent use or of other special circumstances which in the opinion of the Registrar make it proper so to do, he may permit the registration by more than one proprietor of trade marks which are identical or nearly resemble each other whether or not any such trade mark is already registered in respect of the same goods or description of goods subject to such conditions and limitations as the Registrar may think fit to impose. Mr. Ganesh

has submitted that this statutory scheme pervades other provisions of the Act as well including in particular those that relate to the institution of applications/proceedings for any purposes governed by the Act. In this connection, Mr. Ganesh has drawn attention of the Court to Sections 16,17,18,21,46,47,56,69, and 112 of the Trade Marks Act.

Mr. Ganesh has also submitted that intrinsic evidence in the Trade Marks Act and the 1959 rules leads inexorably and ineluctably to the following conclusions:-

a) Trade mark means 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 persons having the right to use the mark. "Goods" means anything which is the subject of trade or manufacture. A trade mark posits an integral connection between a specific article or thing forming the subject matter of trade/manufacture and its attribute as that of a particular trader/manufacturer. Obviously, anything which is the subject of trade or manufacture, must be an article or thing that is distinctly complete, identifiable and vendible but not something nebulous and lacking in specificity or precise identification. In this connection, the attention of this Court is drawn by Mr. Ganesh to the definition of "Goods and the definition of "Trade Mark" in Sections 2(1) (g) and (v).

b) the focus of trade marks and registration thereof is on concrete, specific, identifiable and vendible goods and not on a concept or appellation of a class or a genus of goods. In this connection, the Court's attention was drawn by Mr. Ganesh to the definitions relating to "certification trade mark," false trade description", "trade marks" appearing in Section 2, sub-section (1) Clauses (c),

(f),(g),(i),(m),(u) & (v) and Section 2, sub-section (2) Clause

(b).

Mr. Ganesh has contended that a trade mark can appertain only to specific goods and not to a generic class. No trade mark is or can granted in respect of a class of goods, such as "manufactured tobacco" without any reference to particular goods or articles or thing falling in that class which is traded in or manufactured and in respect of which the applicant trader or manufacturer seeks the trade mark. Mr. Ganesh has contended that the classification of goods and names of the classes as set out in the fourth Schedule to the 1959 Rules framed under the Trade Marks Act under Section 133 read with Section 22 of the General Clauses Act, 1897 is purely for the purposes of enabling the Trade Marks Registry to ascertain in which class, specified goods or a particular article or thing falls before granting and registering any trade mark in respect thereof.

Mr. Ganesh has further submitted that Section 112 of the Trade Marks Act gives express recognition and weight to the practice of the Trade Marks Registry. According to Mr. Ganesh, appreciable significance and interpretative value are attached to the index maintained and used by time

honoured practice by the Trade Marks Registry. The index is an amplification in alphabetical order of the classification of goods, names of the classes set out in the fourth Schedule of the 1959 Rules framed under the Trade Marks Act. The said Index is based on and derived from "The International Classification of Goods and Services to which Trade Marks Act Applied," published by the World Intellectual Property Organisation (WIPO) which was established by a Convention at Stockholm on July 14, 1967. Mr. Ganesh has stated that India is a member country of that Organisation and a signatory to that convention. The amplification and refinement of a statutory classification for practical utility and efficacy based on an internationally accepted and time honoured classification and practice, deserves to be given due weight especially when such practice is given express statutory recognition and sanctity even to the extent of mandatorily constituting evidence in the proceeding.

Mr. Ganesh has also submitted that the Trade Marks Act maintains a clear distinction between goods of the same description (occurring in Section 46 with grammatical variations in Sections 12 and 34) and "class of goods" with its grammatical variations in Section 18 and Rules 22 and 26 read with the fourth Schedule to the 1959 Rules. A given class occurring in the said Schedule may comprise a number of goods or articles or things each of which is separately identical and vendible and all of which are not goods of the same description as contradistinguished from goods falling within the same class. 'Manufactured tobacco is a class which covers widely varying goods of different description, character and mode of consumption. Mr. Ganesh has contended that Section 2 (1) (m) of the Trade Marks Act defines 'permitted use' in relation to a registered trade mark to mean inter alia the use of a trade mark by a registered user thereof "in relation to goods with which the user is connected in the course of trade". Similarly, a mark i.e. a device, brand, heading, label, ticket, name, signature, word, letter or numeral or any combination thereof can be placed or used upon specific goods only and not upon something that is a concept or appellation, for example, manufactured tobacco. Mr. Ganesh has submitted that Section 2 (2) (b) of the Trade Marks Act provides that in the Trade Marks Act any reference to the use of a mark in relation to goods shall be construed as a reference to the use of the mark upon or in any physical or in any other relation whatsoever to such goods.

Referring to Section 8 of the Trade Marks Act, Mr. Ganesh has submitted that Section 8 contemplates that registration can only be in respect of particular goods and that there is a distinction between "goods" and "a prescribed class of goods" in which they may be comprised. It also postulates that the attribution of particular goods to their proper class for purposes of registration of trade mark is to be determined by the Registrar whose decision in the matter shall be final. Mr. Ganesh has also submitted that Section 9 of the Trade Marks Act deals with requisites for registration in the Trade Marks Register. Sub-section (4) highlights the point that if it not distinctive, a trade mark shall not be registered in part B of the Register unless such trade mark is capable of distinguishing goods with which the proprietor of a trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, generally.

Mr. Ganesh has submitted that Section 12(3) of the Trade Marks Act provides that in case of honest concurrent use or of other special circumstances which in the opinion of the Registrar, make it proper so to do, the Registrar of trade marks which are identical or nearly resemble each other in



respect of the same goods or description of goods subject to such conditions and limitations, if any, as the Registrar may think fit to impose. Section 45(2) also provides that the High Court or the Registrar may impose on the registration of an existing trade mark such limitations as the Tribunal thinks proper for securing that registration shall cease to extend to use of the registered trade mark to the extent of its actual non- use.

Mr. Ganesh has submitted that at the very stage of application for registration of a trade mark, the Trade Marks Act recognises the distinction between specific goods and the class of goods in which they may fall. Section 18(2) provides that an application for registration "shall not be more in respect of goods comprised in more than one prescribed class of goods." Similarly, Section 24 which deals with jointly owned trade marks adverts to an article with which both or all of them are connected in the course of trade.

Mr. Ganesh has further submitted that extrinsic aids to the interpretation and construction of the Trade Marks Act and the 1959 Rules framed thereunder also serve to sustain the submissions made by him. The extrinsic aid includes corresponding legislation in the United Kingdom, the legislative history of the Trade Marks Act of 1958 and 1959 Rules framed thereunder, the Report of the Trade Marks Enquiry Committee, 1954, the Report of Mr. Justice Rajagopala Ayyangar on Trade Marks Law Revision in 1955 and the statement of Objects and Reasons for the Bill which culminated in the Trade Marks Act. Mr. Ganesh has submitted that the decisions of Courts in India and also the authorities of persuasive value from foreign jurisdiction support the contentions made by him. Mr. Ganesh has submitted that the rationale of trade mark law with reference to the rectification of the Registrar is aptly and succinctly articulated in a locus classicus in *Edwards Vs. Dennis* (1885) 30 Ch. Div. 454 at 474). Lord Justice Cotton (Lindley and Fry, L.J.J. concurring) has observed to the following effect:-

".... The registration in the present case has been for the entirety of that class. In my opinion that is wrong. Even if a trade mark can be registered which is not in actual use, it ought to be restricted to those goods in connection with which it is going to be used. In my opinion, it is not the intention of the Act that a man registering a trade mark for the entire class and yet only using it for one article in that class, can claim for himself the exclusive right to use it for every article in the class..... can a man claim registration for all the article specified in the class when the business he is engaged in, comprises only one specific portion of the article named in the class? I am of the opinion he cannot..... Consequently, I am of the opinion that the Register ought to be rectified....."

"..... In my opinion, if a man wishes to extend his business to a new description of goods and to use his trade mark in connection with the goods, he ought to register it in respect of those goods. All we have now to do is to construe this Act of Parliament; and it appears to me that it would be a wrong interpretation of the Act, to hold that, when registration is general for an entire class, it can be maintained for that class by a man who is assignee of a business in only one particular description of goods in the class".

Mr. Ganesh has submitted that both the learned Single Judge and the Division Bench of the Madras High Court in the impugned Judgment erred in interfering in appeal with the properly exercised discretion of the Registrar to limit the respondent Company's registered trade mark to cigarettes and to rectify the Register accordingly. In this connection, Mr. Ganesh has referred to the decision of this Court in *National Bell Co. Vs. Metal Goods Co.* (1971 (1) SCR 70 at page 86 E-F). This Court has observed that under Section 56, the power to rectify is undoubtedly discretionary. Where such discretion has been properly exercised, a Court of Appeal would refuse to interfere. Mr. Ganesh has also referred to the decision in *American Home Products Corporation Vs. Mac Laboratories Pvt. Ltd.* (1985 Supp. (3) SCR 264). It has been held by this Court in the said decision that:

"From what we have said above, we must not be understood to mean that a person who does not intend to use a trade mark himself, can get it registered and when faced with an application under Clause (a) of Section 46 (1) to have that trade mark removed turn round and say that he intended to use it through some person who was proposed to be registered as registered user. This would clearly amount to trafficking in a trade mark."

Mr. Ganesh has submitted that the registration in 1945 and 1993 made in favour of the respondent company under the broad classification "manufactured tobacco" although the Respondent Company is admittedly only manufacturing cigarettes and does not intend to manufacture any other goods and articles falling under the genus manufactured tobacco; has created a monopoly of trade mark over varieties of goods coming under the said broad classification thereby preventing the other traders and manufacturers like the appellant to get their distinctive articles which also fall under the general classification 'manufactured tobacco' to get registered in respect of such distinctive articles. In such circumstance, the rectification allowed by the Assistant Registrar was only just and proper and no interference was called for by the High Court against such order of rectification. Mr. Ganesh, therefore, submits that the appeal should be allowed by setting aside the impugned decision of the High Court and by restoring the order of rectification passed by the Assistant Registrar of Trade Marks in favour of the appellant.

Mr. C.S. Vaidyanatha, learned counsel appearing for the respondent No.1, however, disputes the contentions made by Mr. Ganesh. Mr. Vaidyanatha has submitted that the question involved in these appeals are not confined only to the ambit of Sections 46 and 56 of the Trade Marks Act and Rules 94 to 97 of the Rules framed thereunder. According to Mr. Vaidyanatha in the proceedings concerning the appeals, question of infringement of trade mark by the appellant is also involved. He has submitted that the appellant has been using trade mark- 'charminar' since 1973, despite being aware of the respondent Company's objection to the use of such trade mark, as amounting to infringement of the trade mark of the respondent Company. The Madras High Court has categorically held that the respondent Company got registration in Class 34 and such registration is for 'manufactured tobacco'. The respondent Company, therefore, has exclusive right to use the trade mark 'charminar' for all goods falling under 'manufactured tobacco'. As the Assistant Registrar of Trade Marks had erroneously restricted the respondent Company's registration only to cigarettes, both the Single Bench and Division Bench of the Madras High Court have rightly set aside such erroneous order.

Mr. Vaidyanatha has also submitted that the respondent Company had not filed the appeal before the Madras High Court solely for the purpose of deciding the questions of law and procedure regarding the power of the Registrar of Trade Marks to solit classes in terms of Sections 46 and 56. The respondent Company preferred the appeals before the High Court to restore registration made in its favour and to ensure removal of the restrictions which had been improperly and unjustly imposed by the Assistant Registrar of Trade Mark by confining the registration only in respect of cigarettes.

Mr. Vaidyanatha has also submitted that the Madras High Court has rightly indicated that a conjoint reading of Section 8(1) and Rules 22 the 26 framed under the Trade Marks Act together with Schedule 4, support the contention of the respondent Company that apart from classification made in Schedule 4, no other classification is possible for the purpose of registration of trade mark. Mr. Vaidyanatha has submitted that there is no separate or independent item in the classification contained in the 4th Schedule for cigarettes. Cigarettes can only be brought under the entry 'manufactured tobacco under Clause 34 of Schedule 4, Mr. Vaidyanatha has submitted that in view of such legal position, the High Court has rightly held that the order of Registrar was liable to be set aside on that ground only.

Mr. Vaidyanatha has also submitted that Section 8 of the Trade Marks Act is different from Section 5 of the previous Trade Marks Act of 1940. The legal incidence of the expression in Section 8 of the present Act, "comprised in prescribed class of goods" which does not find place in Section 5 of the previous Act or 1940 requires proper consideration. Mr. Vaidyanatha has submitted that legislative change by the aforesaid expression introduced in the present Act has been consciously made by the legislature for a purpose. Mr. Vaidyanatha has submitted that the Statement of Object and Reasons as contained in the Trade Marks Act, 1958 clearly indicates that the new Act was introduced to enlarge the field of registrability and to avoid the difficulties which were being exercised by the Indian merchants in securing registration of trade marks in foreign countries where the production of certificate of home registration was a condition precedent for obtaining foreign registration. Mr. Vaidyanatha has submitted that the present Trade Marks Act was enacted not any to prevent confusion and deception but also to provide effective protection to Trade marks. To buttress this argument, Mr. Vaidyanatha has also drawn the attention of the Court to the debates in the floor of the Parliament (Lok Sabha) when the Bill to amend the Trade and Mechandise Marks Act, 1940 was introduced.

Mr. Vaidyanatha has further submitted that a reference to Trade Marks Act 1940, and similar Sections of the English Trade Marks Act of 1938, 1905 and 1875 will show that under the 1940 Act and also under the said English Trade Mark Acts, it could be registered only in respect of particular goods or Classes of goods. The omission of the expression "particular goods" and inclusion of "prescribed class of goods" in the 1958 Trade Act is significant and such change has bearing on the true construction of Section 8 of the Trade Marks Act. Mr. Vaidyanatha has submitted that under the present Trade Marks Act, registration can be only in the nomenclature, phraseology and terminolgoy used in the classification, prescribed under the rules.

Mr. Vaidyanatha has also submitted that the decision of the English Court *Edwards Vs. Dennis* (supra) is not applicable for considering the effect registration of trade mark in respect of specified class of goods under the present Act in view of the express language used in Section 8 of the present Act. the Madras High Court has also indicated the import of such expression in Section 8 of the Trade Marks Act.

Mr. Vaidyanatha has referred to another decision of English Court in *Lever Brothers, Port Sunlight, Ltd. Vs. Sunniwite Products Ltd.* (LXVI RPC 84). In the said decision, the plaintiffs were proprietors of the mark "sunlight" registered in 1884 in Class 3 in respect of soap, substances for laundry use, detergents, and certain cosmetic goods. At the beginning of 1946, the defendants commenced to use the mark "sunniwite" on a spapless detergent powder. The plaintiffs sued for infringement and the defendants counter claimed to rectify the Register by striking out goods other than soap, on the ground of non-user. The plaintiff's mark had been used on a large scale but on soap only. It has been held in the said deision that:

a) the mark had been infringed, b) the specification of goods ought not to be amended to exclude detergents or supstances for laundry use, c) the cosmetic goods within the specification were not of the same description as soap and that subject to the general discretion of the Court, they might be liable to exclusion but that- d) the defendants were not persons aggrieved by the registration in respect of those goods and were not therefore entitled to claim their exclusion from the plaintiff's registration.

Mr. Vaidyanatha has further submitted that the Madras High Court has rightly held with reference to Section 46 of the Trade Marks Act. in particular the proviso to the said Section that it was quite apparent that the applications for rectificaton were not maintainable. The concerned authorities had already come to a finding that cigarettes, Quiwam and zarda- all would come under the same description of goods, namely, 'manufactured tobacco'. Accordingly, the cigarettes having already been registered under the head of 'manufactured tobacco' at the instance of the respondent Company, the rectification applications for restricting the said trade mark only for cigarettes were not maintainable so as to enable the appellant to register the same trade mark for manufacture of quiwam and zarda even though the said articles fall under the same description of goods. Mr. Vaidyanatha has also submitted that the respondent company alone is entitled to use "charminar" trade mark with respect to the 'manufactured tobacco' products in Class 34. Therefore, there was no question of proving that the respondent Company and utilised or had intended to utilise its trade mark for quiwam and zarda.

Mr. Vaidyanatha has also contended that the trade mark "charminar" had been registered in favour of the respondent Company under the general heading 'manufactured tabacco' referred to in Class 34 of the 4th Schedule. Accordingly, the respondent Company, namely, the registered proprietor cannot be compelled to produce or trade in all the goods falling under that category on the pain of losing his trade mark for non-use. So long, a separate classification has not been made in respect of different classes of goods falling under the general heading 'manufactured tobacco', the registration of the respondent Company' s trade mark in respect of 'manufactured tobacco cannot be held to be

bad or invalid. Mr. Vaidyanatha has also submitted that the appellant has been manufacturing quiwam and zarda only after it had filed application for registration which was initially objected to by the Registrar. It is, therefore, quite evident that on the date of making the application for registration by the appellant, the mark was only proposed to be must but the appellant went ahead and started using the marks in relation to quiwam even though the respondent Company had objected to such use as being an infringement of its registered trade mark in Class 34.

According to Mr. Vaidyanatha, the respondent Company by virtue of its extensive use and prior registration since 1942, is entitled to use the said trade mark 'charminar' in relation to the tobacco manufactured products and such right cannot be restricted only to cigarettes which is only one of the articles under the said heading 'manufactured tobacco'. Mr. Vaidyanatha has disputed the contention of Mr. Ganesh that cigarettes, quiwam and zarda are neither "the same goods" nor "the same description of goods". Mr. Vaidyanatha has submitted that the Madras High Court has rightly observed that all the goods are of the same description, namely, 'manufactured tobacco'. Mr. Vaidyanatha has also submitted that common trade channels through which the product of a trader or manufacturer is marketed is an important consideration in deciding whether the goods are of the same or different description. Mr. Vaidyanatha has further submitted that it is not denied by the appellant that cigarettes, quiwam and zarda are all marketed through the same trade channel.

In support of such contention, Mr. Vaidyanatha has referred to a decision of this Court in Corn Products Refining Co. Vs. Shargrila Food Products Ltd. (AIR 1960 SC

142). It has been observed in the said decision that:

"an average purchaser would, therefore, be likely to think that the respondent's 'Glucovita biscuits' were made with the appellants 'Glucovita' glucose.

This was the king of trade connection between different goods which in the "Black Magic" case (In re: as application by Edward Hact) 1940-58 RPC 91 was taken into consideration in arriving at the conclusion that there was a likelihood of confusion or deception. The goods in this case were chocolates and laxatives and it was proved that laxatives were often made with chocolate coatings...."

Similarly, in the case reported in AIR 1983 Punjab and Haryana 418, the High Court of Punjab and Haryana has held that the goods are being marketed through the common trade channel by observing that:

....the respondent have never manufactured watches or clocks but they have been manufacturing clock- work-timers used in photography and the radio clocks. The watches and clocks are being sold on the same counter along with radio, transistor and other electrical appliances even by the defendants...."

Mr. Vaidyanatha has submitted that similar view has also been taken by the Delhi High Court in the case reported in AIR 1986 Delhi 329. It has been observed in the said decision that:

".... there is little doubt that the trade mark Goodmans has been used by the plaintiffs from long, for their medicines. They being the prior user, have the right to seek its protection. The defendant manufactured disinfectants under the same mark i.e. 'Goodmans', considering the nature of the goods manufactured by the parties, the trade channels through which they are marketed and the file of activity that they have, they can be termed as cognate goods. The likelihood of deception or confusion that the goods of the defendant are as well being manufactured by the plaintiffs, cannot be ruled out."

Mr. Vaidyanatha has also submitted that the Bombay High Court has also taken a similar view by nothing that the goods though of different descriptions, were being marketed through a common trade channel. In a decision in the case reported in 1988 PTC 133, the Bombay High Court has held that the registered trade mark Proprietor of Bajaj in respect of electrical goods and appliances falling in Class 7,8 and 11 can prevent the use of the mark 'Bajaj' which falls in Class 21 in respect of domestic utensils on the grounds of common trade channel.

Mr. Vaidyanatha has further submitted that when there is registration of trade mark for 'manufactured tobacco in Class 34 but its use is confined to cigarettes, another manufacturer of smoking tobacco, cigars, snuff, or chewing tobacco or any form of manufactured tobacco which are all made of tobacco, cannot use the registered trade mark so as to create confusion or deception in the mind of the purchaser that the goods sold under the trade mark had been produced by the cigarette manufacturer. In support of this contention, Mr. Vaidyanatha has referred to a decision of the Privy Council in *Somerville Vs. Seembri* (1887 (2) AC

453). He has submitted that the view taken in the said decision was followed in the decision of various High Courts, namely Calcutta High Court in *Rustom Ali Vs. Bata Shoe Company* (AIR 1957 Cal. 120), Bombay High Court in *Sunder Vs. Caltex* (AIR 1969 Bombay 24), Delhi High Court in *Nestle Products Vs. Milkmaid Corporation* (AIR 1974 Delhi

40). Mr. Vaidyanatha has submitted that the learned Single Judge of the Madras High Court has referred to the decisions mentioned above and has rightly held that having obtained registration in respect of the tobacco products under the heading 'manufactured tobacco' in Class 34, the respondent Company is entitled to prevent any other trader or manufacturer to claim registration of the same trade mark in respect of his products which also is manufactured tobacco.

Mr. Vaidyanatha has also submitted that the proviso to Section 46(1) of the Trade Marks Act imports into the proceedings for rectification "the concept of goods of the same description" prohibited for registration under Section 12(1). In this connection, Mr. Vaidyanatha has referred to the decision of the English Court reported in (26 RPC 428). Buckley L.J. has held that the alternative of the expression "classes of goods" which occurred in the U.K. Act of 1883 was made designedly. It was observed by Buckley, L.J. that:

"The purpose of it was this: that where the goods are not of the same class, but are of the same description, taking as an instance, goods made of India-Rubber, then the

intention of the Act of 1883 and that of 1905 is that there shall be a veto in respect of registering an identical trade mark, or a similar trade mark in respect of goods falling within the description, as distinguished from the class. Section 19 is perfectly capable of being read, as is, I think, to be read, as if it ran thus: No trade mark shall be registered in respect of any class of goods falling within a particular description of goods, when an identical or similar mark is already on the Register in respect of any goods falling within the description. It is true that a man cannot register for a description of goods, but he can register for a class of goods which fall within a particular description, and that is, I think, what Section 19 was aimed at".

Mr. Vaidyanatha has submitted that appellant failed in the attempts of getting its products registered under Section 12(1) of the Trade Marks Act as the respondent Company had already got an earlier registration of the same trade mark in respect of the class of goods namely, manufactured tobacco. The applications to rectify trade mark in respect of the goods of the appellant is sought under Sections 46 and 56 of the Trade Marks Act by the method of applying for rectification of the entry in the Register in favour of the respondent Company. Mr. Vaidyanatha has submitted that such applications for the reasons already indicated are not maintainable. Accordingly, no interference is called for in these appeals and the same should be dismissed.

Mr. Jayaram, the learned Additional Solicitor General appearing for the respondent No. 2, namely the Assistant Registrar of Trade Marks, has submitted that Section 8 of the Trade Marks Act provides for registration in respect of any or many or all items within a class. He has submitted that within a class there may be various goods. Mr. Jayaram has drawn the attention of the Court to sub-rule (2) of Rule 26 of the Trade Mark Rules. He has submitted that Rule 26 envisages that an application for registration would be in respect of only class of goods as mentioned in 4th Schedule. If a manufacturer or trader intends to get registration of a number of goods which appertain to different classes as mentioned in Schedule 4, separate applications are to be made relating to goods coming under each of the separate classes. Sub-rule (2) of Rule 26 indicates that in the case of application for registration in respect of goods included in a class or of a large variety of goods in a class, the Registrar may refuse to accept an application unless he is satisfied that the specification is justified by the use of the mark which the applicant has made or intends to make if and when it is registered. Mr. Jayaram has submitted that sub-Rule (2) of Rule 26 clearly indicates that a registration may be refused in respect of varieties of goods which may be comprised in a class. 'Manufactured tobacco' is a broad classification. If a trader or manufacturer gets registration of a trade mark in respect of such a broad classification namely manufactured tobacco, then such trader may claim exclusive right of the use of the trade mark in respect of all the items falling under 'manufactured tobacco'. Mr. Jayaram has submitted that for the aforesaid reason, initially when appellant made an application for registration of quiwam and zarda with the same brand name "charminar", such application for registration made by the appellant could not be accepted by indicating that registration given to the Respondent Company covered various items under the genus. But when the appellant made an application for rectification of the entries in the register, such entries have been rectified by limiting the registration to specific product coming under the said broad classification 'manufactured tobacco', namely, cigarettes by indicating reasons as to why such rectification would be justified. Mr. Jayaram has submitted that for the purpose of entertaining

the application for registration and allotting the appropriate slot to the article intended to be registered, index of various articles has been made. Such index serves as an important guideline to indicate to which class the article to be registered is to be classified. Various goods alphabetically classified in the index ensures rationality of approach in registering and removes arbitrariness. Mr. Jayaram has, in this connection, referred to a compilation by Stephen P. Ladas "Patents Trade Marks and Related Rights - National and International Protection"- Vol.. published by the Haryana University Press. Mr. Jayaram has submitted that cigarettes being a specific and identifiable article is dealt separately in the trade channel and cigarette is specifically mentioned as a distinct commodity of use in the index in 1975. He has also submitted that from tobacco various articles can be manufactured but such articles are used differently and have separate identifications and are separately vendible e.g. cigarette, snuff, quiwam and zarda. All the said articles have been manufactured from tobacco but each of the articles is distinctly different and is differently used. Initially, when the respondent Company got registration of the trade mark "charminar" not in respect of any specific article under the genus, 'manufactured tobacco', the Company by virtue of registration in a wide enjoyed the right of the use of trade mark in respect of various goods coming under the said broad heading 'manufactured tobacco'. It has however been demonstrated that ever since 1942-43, the respondent Company had manufactured only cigarettes and had not intended to manufacture or trade in other distinct articles coming under the broad heading 'manufactured tobacco'. Mr. Jayaram has submitted that there is no question of passing off quiwam or zarda for cigarette being manufactured by the respondent Company even if the same brand name "charminar" is given to quiwam and zarda produced by the appellant. Referring to Section 8 of the Trade Marks Act, Mr. Jayaram has submitted that it is permissible to register any of the goods which may fall under a prescribed class of goods. Hence, only cigarettes may be registered under the broad classification 'manufactured tobacco' by specifically indicating that the registration relates to cigarettes only falling under the broad classification. Mr. Jayaram has submitted that as registration in respect of one or some or the articles under the broad classification is permissible, there cannot be any difficulty in limiting the registration earlier given to the respondent Company in respect of a broad genus namely, 'manufactured tobacco' to one of the species under the said genus, namely, cigarettes. Mr. Jayaram has submitted that for the purpose of registration of trade mark, apart from the classification as specified in the Schedule 4, no new classification can be made. But a particular goods falling under a classification in the schedule may be registered by indicating the broad classification to which the articles in question falls. Such registration will not militate against the provisions of Section 8 of the Trade Marks Act.

Mr. Jayaram has submitted that the respondent Company is certainly entitled to all the protection under the Trade Marks Act in respect of the articles dealt or intended to be dealt by the Company namely cigarettes. It has used its trade mark "charminar" in respect of the goods manufactured by it, namely, cigarettes and the Company is also entitled to prevent any other trader or manufacturer to use the brand name in respect of the said article i.e. cigarette. But it will be not proper to allow him to enjoy monopoly over large varieties of goods which are distinct in their use and which are clearly identifiable as separate products and also separately vendible and marketed. Even when the respondent Company is concerned only in one of such products, namely, cigarettes if the rectification of trade mark is not made thereby permitting the other manufacturers and traders to deal with other distinct products made of tobacco, the respondent Company will be given an



unmerited privilege of enjoying monopoly over all goods coming under a broad class 'manufactured tobacco'. Such position is unjust and inequitable and also not consistent with the Trade Marks Act and the Rules. Mr. Jayaram has, therefore, submitted that in the facts of the case, rectification as made by the Assistant Registrar of Trade Marks is rational and justified and such rectification should be permitted.

After giving our careful consideration to the facts and circumstances of the case and submissions made by the learned counsel for the parties, it appears to us that the avowed object of the Trade Marks Act as indicated in the Statement of Objects and Reasons is "to enlarge the field of registrability". In these appeals, the propriety and validity of the order of rectification are only germane. It is not necessary to address on the questions relating to infringement of trade mark or passing off or defensive registration because such questions do not arise for decisions. There is no dispute that the respondent No.1 Company has been manufacturing cigarettes under the brand name "charminar" since 1943. In 1942 and 1955, the said Company got registration of the said brand name "charminar" for the goods being classified as manufactured tobacco in class 34 of 4th Schedule in the Rules framed under Trade Marks Act. It is also not disputed that the expression "charminar" is not an inventive word which is the condition precedent for defensive registration under Section 47 of the Trade Marks Act (Section 38 of the Trade Marks Act of 1940). No evidence has been led by the respondent Company that the respondent Company had really intended or even now intends to manufacture any other product of tobacco other than cigarettes. It will be appropriate to refer to Class 34 of Schedule 4 which is to the following effect:-

"34 tobacco raw or manufactured, smokers' articles matches."

Manufactured tobacco is a broad genus covering large variety of goods and articles. It has been rightly indicated by the appellant that :

- a) tobacco may be consumed by somking and articles made of tobacco which are consumed by smoking comprise of cigarettes, cigars, cheroot, bidis, pipe tobacco.
- b) tobacco may be consumed by chewing and ingestion and this category includes quiwam which is in the paste form and applied usually as an ingredient to pan; zarda in the form of fine flakes (usually aromatic) is applied to pan; gutka also in flakes which is chewed sometime with the addition of lime (chuna).
- c) tobacco consumed by inhalation. In this category snuff which is in powder form and taken in or inhaled through nose may be mentioned.

There is no manner of doubt that the varieties of articles made of tobacco are differently used and they have their distinctive quality and separate identity. These articles are also marketed as distinct articles of use in different manner. In the common trade channel such articles are not only held different and distinct articles but are marketed separately. It does not require any imagination to hold that snuff or quiwam are entirely distinct products and even though the said products and the cigarettes, bidis, cheroot are also made of tobacco and all such products may come under the broad

classification manufactured tobacco, each of the said products is always held as a distinct and separate article of use having its specific characteristics.

The respondent Company got registration of its brand name "charminar" under the broad classification manufactured tobacco. So long such registration remains operative, the respondent Company is entitled to claim exclusive use of the said brand name in respect of articles made of tobacco coming under the said broad classification manufactured tobacco. Precisely for the said reason, when the appellant made application for registration of quiwam and zarda under the same brand name "charminar", such prayer for registration was not allowed. The appellant, therefore, made application for rectification of the registration made in favour of the respondent Company so that the said registration is limited only in respect of the articles being manufactured and marketed by the respondent Company, namely, cigarettes. In our view, if a trader or manufacturer actually trades in or manufactures only one or some of the articles coming under a broad classification and such trader or manufacturer has no bonafide intention to trade in or manufacture other goods or articles which also fall under the said broad classification, such trader or manufacturer should not be permitted to enjoy monopoly in respect of all the articles which may come under such broad classification and by that process preclude the other traders or manufacturers to get registration of separate and distinct goods which may also be grouped under the broad classification. If same or similar and covered by earlier registration and

ii) trade mark claimed for such goods must be same or deceptively similar to the trade mark already registered. It may be noted that under sub-section (3) of Section 12 of Trade Act. in an appropriate case of honest concurrent use and/or of other special circumstances, same and deceptively similar trade marks may be permitted to another by the Registrar, subject to such conditions as may deem just and proper to the Registrar. It is also to be noted that the expression "goods" and "description of goods" appearing in Section 12(1) of Trade Marks Act indicate that registration may be made in respect of one or more goods or of all goods conforming a general description. The Trade Marks Act has noted distinction between description of goods forming a genus and separate and distinctly identifiable goods under the genus in various other Sections e.g. goods of same description in Section 46, Sections 12 and 34 and class of goods in Section 18, Rules 12 and 26 read with 4th Schedule to the Rules framed under the Act.

The "class" mentioned in the 4th Schedule may subsume or comprise a number of goods or articles which are separately identifiable and vendible and which are not goods of the same description as commonly understood in trade or in common parlance. Manufactured tobacco is a class mentioned in Class 34 of 4th Schedule of the Rules but within the said class, there are number of distinctly identifiable goods which are marketed separately and also used differently. In our view, it is not only permissible but it will be only just and proper to register one or more articles under a class or genus if in reality registration only in respect of such articles are intended, by specifically mentioning the names of such articles and by indicating the class under which such article or articles are to be comprised. It is, therefore, permissible to register only cigarette or some other specific products made of manufactured tobacco as mentioned in Class 34 of 4th Schedule of the Rules. In our view, the contention of Mr. Vaidyanatha that in view of change in the language of Section 8 of Trade Marks Act as compared to Section 5 of Trade Marks Act 1940, registration of trade mark is to be

made only in respect of class or genus and not in respect of articles of different under the genus is based on incorrect appreciation of Section 8 of the Trade Marks Act and 4th Schedule of the Rules.

Since such registration initially had not been done, the rectification of the registration by limiting or confining the registration of trade mark of the Respondent Company to particular goods, namely, cigarettes, in the facts and circumstances of the case, cannot be held as illegal or unjustified.

It has already been indicated that the controversy in the instant appeals, is only confined to the propriety and validity of the order of rectification of the registration of trade mark made in favour of Respondent Company and it is not necessary to address on the questions of infringement of trade marks, passing off, defensive registration etc. In that view of the matter, various decisions cited at the bar dealing with the likely prejudice to be suffered by a trader or manufacturer enjoying registration of trade mark in the event, similar or deceptively similar trade mark is allowed to other trader or manufacturer in respect of similar goods or goods marketed through common trade channel need not be taken into consideration for the disposal of these appeals. As in the facts and circumstances of the case, the rectification of the trade marks registered in favour of the respondent Company since allowed by the Assistant Registrar of Trade Marks was valid and also justified, such order in our view, should not have been interfered with in appeal. We, therefore, allow these appeals, set aside the impugned judgments of the High Court and restore the order of rectification passed by the Assistant Registrar of Trade Marks, Madras. By way of abundant caution, it is expressly made clear that we have not expressed any opinion on the claim of registration of the trade mark "charminar" in favour of the appellant for quiwam and zarda being manufactured and traded by the appellant. In the facts of the case, there will however be no order as to costs.