

1939

Present : Soertsz A.C.J. and Wijewardene J.

KUMARAVEL NADAR *et al.*, Appellants, and SOKKALAL RAM,
Respondent.

116—D. C. Colombo, 6,138.

Trade Marks—Action for infringement by proprietor of trade mark—Prior user of similar trade mark by defendant—Honest concurrent user also—Effect of—Trade Marks Ordinance (Cap. 121), ss. 40, 19.

1*—J. N. A 60949 (4/46)

The proprietor of a registered trade mark is not entitled to prevent the user of a similar trade mark by a person who has had continuous user of it from an anterior date within the meaning of section 40 of the Trade Marks Ordinance. Nor can he oppose its registration by the other person where there has been honest concurrent user within the meaning of section 19 of the Ordinance.

A PPEAL from a judgment of the District Court of Colombo. The plaintiff filed this action against the defendants in November, 1936, alleging that the defendants had infringed two trade marks (P 1 and P 2) registered by him in 1930 and 1934 in respect of beedies and passed off beedies not of the plaintiff's manufacture as and for the plaintiff's beedies. The defendants filed answer pleading prior user and honest concurrent user, under sections 40 and 19 of the Trade Marks Ordinance (Cap. 121). According to the facts as found by the Supreme Court the plaintiff's and the defendants' marks resembled each other, but the defendants had registered their mark (D 1) in Madras in 1915 and used continuously in Ceylon the device on the trade mark D 1 from January, 1916, whereas the plaintiff had had no user of the devices on P 1 and P 2 prior to that date. It was also found that the defendants' mark had been in circulation side by side with the plaintiff's mark for a long time, when the plaintiff went and registered his mark under the Ceylon Trade Marks Ordinance.

H. V. Perera, K.C. (with him *N. K. Choksy* and *C. C. Rasa-Ratnam*) for the defendants, appellants.

R. L. Pereira, K.C. (with him *S. Aiyar* and *V. A. Kandiah*), for the plaintiff, respondent.

Cur. adv. vult.

June 19, 1939. SOERTSZ A.C.J.—

I have had the advantage of reading the judgment prepared by my brother Wijeyewardene, and I agree with the conclusions to which he has come and the order he proposes. A separate judgment seems hardly necessary, but as we are reversing the trial Judge on what are, after all, questions of fact, I thought I should state briefly my reasons for taking views different from his.

The learned Judge tried this case with great care and patience, and he has in a very full judgment given his reasons for holding as he did, but I find that he has misdirected himself on several matters of importance. For instance, if he has not overlooked entirely, he has, at least, failed to give due weight to the indisputable fact that the defendants registered their mark as far back as 1915 in the book kept by the Chamber of Commerce in Madras. That mark is identical with D1 save for the fact that the letter press on it is in the Maharatti language, while in D 1 it is partly in Maharatti and partly in Tamil. It is true that in some parts of his judgment the trial Judge refers to this registration by the defendants in 1915, but when he comes to assess the value of the Indian registrations, this is what he says: "for the purpose of a decision of the matters in dispute between the parties as regards registration in Ceylon, the existence of the registration by the defendants of their portrait label with any Chamber of Commerce in Madras or Calcutta does not, therefore,

give them any legal rights except affording evidence of user as claimed by them. As regards the registration with the Chamber of Commerce, the evidence is that the defendants registered their trade mark with the Chamber of Commerce in Calcutta in 1925, and that the plaintiff registered his label in Madras at an anterior date in 1917 ”.

This, in my view, is a serious mistake of fact. It pays no attention to the defendants' registration in Madras in 1915. It also contains a proposition of law too unqualified to be sound. I refer to the statement that the Indian registrations gave no legal rights to the parties and only afforded evidence of user. That is hardly a correct statement. It is true that those registrations gave no such legal rights as registration under a Trade Marks Statute or Ordinance gives, but in regard to the common law actions available to the parties, those registrations had an important bearing on their legal position.

So far as we are concerned, in this case too, the Indian registrations have an important bearing on the legal rights of the parties in view of the defences of prior and honest concurrent user set up by the defendants, and, in that way, it is not unconnected with the case of infringement alleged by the plaintiff.

I will first deal with the question of infringement. If I were examining this matter in the abstract, so to speak, I should say that the defendants' label so resembled the plaintiff's as to be calculated to deceive and is, therefore, an infringement of his mark. But in this case, the question of infringement cannot be disposed of in that manner. We have very cogent documentary evidence to show that several manufacturers of Beedies used marks similar to the plaintiff's and defendants' marks, the distinctive feature in each case being the particular portrait impressed upon it. Each manufacturer had his portrait or the portrait of some member of his family on his mark, but in other respects there was great similarity between the labels. The plaintiff's case is that his Beedies were known as Sokalal and Ram Sait Beedies, and also as photo mark Beedies. On the evidence, it is impossible to hold that he has established the fact that his Beedies exclusively had come to be known as Photo Beedies. It is hardly likely that they were so known in view of the number of manufacturers whose marks included a portrait.

It seems well established, however, that the plaintiff's Beedies were known after his name as Ram Sait or Sokalal Beedies, just as the defendants' were known as Kumaravel Beedies—for that was his name—and this fact, in my opinion, shows that dealers and consumers were guided in their transactions by the portrait on the mark. If they wanted Ram Sait or Sokalal beedies, they looked to see whether the plaintiff's portrait as they knew it appeared on the mark. And so in regard to the other beedies, they appear to have guided themselves by the portrait. The result is that although the plaintiff's and the defendants' marks resembled each other so much that they were likely to deceive, they did not, in fact, deceive the parties concerned. And that, I think, explains the absence of evidence of actual deception. Kerly at page 294 of the Sixth Edition of his Book on Trade Marks cites a number of authorities for the proposition that “ the absence of evidence of actual

deception is a circumstance which varies greatly in weight according to the nature of the case Where the marks have been circulating side by side in the market where deception is alleged to be probable, the fact that no one appears to be misled is very material unless the absence of such evidence is satisfactorily explained". In this case, there is an absence of such evidence without satisfactory explanation, and my view, therefore, is that if these marks had been circulating side by side for a long time without any complaint of deception, there could not have been deception. That brings me to a consideration of the question whether such collateral circulation of the two marks existed.

As I have stated, it is indisputable that in 1915 the defendants registered their mark in Madras, and there is documentary evidence to show that from 1916 onwards defendants' beedies were being imported by dealers here. The defendants' case is that those beedies bore this mark. That case is consistent with probability. The learned Judge, however, takes the view that there is nothing to show that the defendants' beedies that came to Ceylon before 1928 or so were beedies with this mark. He says that it is possible those beedies had some other mark. He overlooks the clear evidence there is to the effect that till 1925 the defendants had no other mark. The plaintiff has not led any evidence to show that they had. If then the mark the defendants registered in Madras in 1915 was their only mark till 1925, it is reasonable to suppose that that was the mark used to cover the defendants' beedies that came into Ceylon between 1915 and 1925. That the defendants used this mark on beedies they sent out from 1928 onwards is found by the learned Judge to be well-established. In my view, therefore, the defendants have made out a strong case that their mark had been in circulation side by side with the plaintiff's mark for a long time, when the plaintiff went and registered his mark under the Ceylon Trade Marks Ordinance. Quite apart from the bearing this fact has on the question of infringement, it establishes the other defence set up by the defendants that they have had honest concurrent user. Besides the evidence I have referred to already, there are many other documents that prove concurrent user by the defendants of this mark without any protest or complaint by the plaintiff. That he was well aware of this state of things is beyond question. He and the defendants had their factories in close proximity to each other and their goods were despatched from one Railway Station.

The very strong impression I have received from a careful consideration of this case is that the plaintiff, once he forestalled the defendants in the matter of local registration under the Ordinance, made up his mind that he was entitled by virtue of his registration to oust the defendants from their right to the mark they had been using. But that, of course, is not so.

Another matter on which the trial Judge has misdirected himself is this.

When the defendants sought to register their mark after the plaintiff had registered his, the Registrar refused to register it on the ground of resemblance and intimated to them that he was prepared to hear them on the point. The defendants failed to pursue the matter and the

Registrar treated the defendants' application as abandoned. The learned trial Judge has, if I may say so, rightly held that the defendants are not barred by that fact from setting up their present defence, but it is clear from his judgment that he has been greatly influenced by the defendants' failure to pursue the matter with the Registrar. Likewise the learned Judge comments upon the attitude of the defendants in regard to their application to register the Falcor Brand Mark, their undertaking to delete that portion of that mark that contains the portrait, and he appears to think that their attitude in these matters indicates a consciousness of guilt. In that view of the matter, he is inevitably led to the conclusion that such user of this mark as there was by the defendants from 1928 was not an honest concurrent user. Here again it is obvious that the Judge has overlooked or ignored the well-established fact that the defendants had this mark registered in 1915 and that, therefore, their claim to have used it from that time onwards is inherently probable. That claim is, as I have observed, based on evidence oral and documentary.

As I have come to these conclusions on the question of infringement and of honest concurrent user, I do not think it necessary to consider the plea of prior user.

For these reasons I agree that the appeal should be allowed in the manner stated by my brother in his order.

WJJEYWARDENE J.—

The plaintiff filed the present action against the defendants in the District Court of Colombo in November, 1936, alleging that the defendants had infringed his registered trade marks in respect of beedies and passed off beedies not of the plaintiff's manufacture as and for the plaintiff's beedies. Beedies it may be mentioned are small Indian cigars made of Indian tobacco and manufactured mainly in India. They are sold at about Rs. 26 per 36,000 beedies.

In the plaint the plaintiff stated—

- (a) that he was the proprietor of the two trade marks No. 4,919 (*vide* P1) and No. 5,929 (*vide* P2) registered by him in Ceylon on June 15, 1930, and September 26, 1934, respectively under the "Trade Marks Ordinance, No. 15 of 1925" (Legislative Enactments, Vol. 3, Chapter 121);
- (b) that he had extensively used these trade marks on packets of beedies manufactured and sold by him since the years 1926 and 1934 and as a result his beedies bearing the marks in question had become known in the market as Photo Mark Beedies, Ram Sait Beedies and Sockalal Beedies;
- (c) that he was "accustomed to paste upon the beedies manufactured and sold by him a number of small square labels and coloured alternatively rose, green, yellow and gilt" and the beedies bearing the square labels so coloured were known in the market as the plaintiff's beedies;
- (d) that the defendants were selling beedies not of the plaintiff's manufacture with wrappers bearing a mark consisting of a

device resembling the device on his trade marks and that they had pasted upon their beedies small square labels coloured similar to his labels ;

- (e) that the defendants had advertised, invoiced and sold at Colombo beedies not of his manufacture as Photo Mark Beedies.

Immediately after the institution of the action the plaintiff asked for and obtained an interim injunction from the District Judge of Colombo restraining the defendants, their agents and servants from infringing his trade marks and from passing off beedies not of the plaintiff's manufacture as and for the plaintiff's beedies. In December, 1936, the defendants applied for the dissolution of the interim injunction, and on this application the District Judge held an inquiry. After the inquiry had proceeded for some days, the plaintiff agreed at the suggestion of the Judge to the suspension of the interim injunction "without prejudice to the rights of the parties". The Judge accordingly suspended the interim injunction on February 8, 1937.

The first four defendants filed answer on February 15, 1937, stating that they were carrying on business in partnership and that the fifth defendant was merely an employee under them. They denied that they had infringed the plaintiff's trade marks, imitated the get up of the plaintiff's beedies or passed off their beedies as plaintiff's beedies. They further pleaded—

- (a) that the plaintiff was not entitled to the exclusive use of the portrait as a trade mark ;
- (b) that the device and matter surrounding the portrait on plaintiff's trade marks were common to the beedie trade and were non-distinctive and that therefore the plaintiff was not entitled to prevent the use of such matter and devices by the defendants ;
- (c) that they have been continuously using their trade mark from a date anterior to the user or registration of the plaintiff's trade marks in terms of section 42 of the Trade Marks Ordinance (*vide* Legislative Enactments, Vol. 3, Chapter 121, section 40) ;
- (d) that they have had honest concurrent user of their trade mark and were therefore entitled to claim the benefit of section 21 of the Trade Marks Ordinance (Leg. En., Vol. 3, Cap. 121, sec. 19).

The fifth defendant filed a separate answer supporting the other defendants. The plaintiff filed a replication on June 25, 1937, and an amended replication on July 19, 1937.

The trial before the District Judge commenced on June 30, 1937. The Judge permitted quite a large number of issues to be framed, some issues overlapping the others. The hearing of evidence concluded on December 17, 1937, and the counsel addressed the Judge in February and early March, 1938. The learned District Judge delivered judgment on June 17, 1938, granting the plaintiff the relief claimed in the plaint against all defendants.

The first four defendants have preferred the present appeal against that judgment. The plaintiff is the main respondent to this appeal.

The fifth defendant has been made a respondent presumably to ensure the proper constitution of the appeal as required by the provisions of the Civil Procedure Code, 1889 (Leg. En., Vol. 2, Cap. 86).

The trade mark No. 4,919 appearing on P1 which is the connected application for registration contains in the centre a portrait of the plaintiff who is a man of South India wearing a North Indian turban and an open coat without a tie. There is a halo serving as a background. On either side of the figure is a pillar above which is draped a curtain. At each of the four corners of the coloured design surrounding the portrait, the pillars and the curtain is a plane, and between each set of planes is a figure like an elongated dumb-bell. The outstanding colours used to complete the picture are black and yellow. On all sides of the portrait there are legends in Marathi and Tamil.

The trade mark 5,929 appearing in P2 which is the relative Certificate of Registration for use in Legal Proceedings consists of the device of a circle containing a portrait as depicted in trade mark 4,919.

The trade mark No. 5,903 of the defendants (*vide* P1) contains in the centre a portrait of the first defendant, who is himself a man of South India, wearing a North Indian turban and an open coat without a tie. There are also the halo serving as a background, the pillars, the drapery, the planes and the elongated dumb-bells placed in the same position as in the plaintiff's trade mark 4,919. There are also some legends on all sides of the portrait in Marathi and Tamil. The predominating colours are black and yellow.

There are, no doubt, some differences in detail between the competing trade marks and the portraits of course differ as they are portraits of different persons. It is most probable that a person of ordinary intelligence having the plaintiff's and defendants' trade marks side by side and observing them with some care will note these points of difference. But the true test to be applied in cases of this kind is to be found in the following extract (*vide The Law of Trade Marks* by Kerly, 5th edition, page 274) from the report of Lord Herschell's Committee appointed by the Board of Trade to inquire into the duties, organisation and arrangements of the Patent Office under the English Act of 1883.

“Two marks, when placed side by side may exhibit many and various differences yet the main idea left on the mind by both may be the same; so that a person acquainted with the mark first registered and not having the two side by side for comparison might well be deceived, if the goods were allowed to be impressed with the second mark, into a belief that he was dealing with goods which bore the same mark as that with which he was acquainted.

“Take for example a mark representing a game of football; another mark may show players in different dress and in very different positions and yet the idea conveyed by each might be simply a game of football. It would be too much to expect that persons dealing with trade marked goods and relying, as they frequently do, upon marks should be able to remember the exact details of the marks upon the goods with which they are in the habit of dealing”.

Reported cases on the subject of the infringement of trade marks cannot possibly be of much assistance on the question of the quantum

of resemblance which a court may regard as necessary for holding in a particular case that a mark is calculated to deceive. It is purely a question of fact whether any particular mark, whatever the variations may be between it and the registered mark of the rival trader, is calculated to induce the belief that the goods to which the offending mark has been applied are the goods of the rival trader. Slight variations or differences in detail which are not likely to affect the general impression created on the minds of the purchasers should be disregarded and if, in fact, considered should be considered as so many "badges of fraud".

The evidence in this case establishes beyond doubt that the purchasers of beedies are mostly ignorant people and these people may be considered in certain circumstances as likely to associate with the plaintiff's goods an impression of the portrait of a man surrounded by rays of light.

The question that arises in the present case is, however, not free from difficulty in view of the fact that the competing trade marks have been in use in India and Ceylon for a considerable time and the plaintiff has failed to adduce evidence of any probative value to prove actual deception. It was not practically impossible for the plaintiff to have led evidence to prove that purchasers have been actually deceived if there was, in fact, such deception. This failure on the part of the plaintiff raises, therefore, a strong presumption against the probability of deception.

The plaintiff has sought to support his claim for the exclusive use of his trade marks on the ground that his beedies have become known in the market as Photo Beedies. It should, however, be noted that in the plaint itself the plaintiff alleged that his beedies were known not only as Photo Beedies but also as Ram Sait Beedies and Sockalal Beedies. It is more likely that the plaintiff's beedies would be known by the last two names as the words Ram Sait and Sockalal appear on the device in order that they may be distinguished from other beedies containing the portraits of their respective manufacturers. The defendants themselves have registered their trade mark containing the first defendant's portrait in Madras in 1915 and in Calcutta in 1925. The defendants have further produced labels D7, D8, D9, D10, D11 and D12 as evidence of the fact that labels containing portraits of other beedie manufacturers have been used on packets of beedies sold by those manufacturers. The document P60 throws considerable doubt on the plaintiff's case that his beedies have gained a reputation in the market as Photo Beedies. Some few years ago small dealers attempted to import beedi tobacco from India and manufacture the cigars locally in order to avoid the payment of high Customs duty on beedi cigars. These local manufacturers tried to pass off their beedies as manufactured in India by some Indian manufacturers. The plaintiff learnt that some Ceylon manufacturers were wrongly using his label on local manufactured beedies and sent the circular P60 warning "all Printers, Beedi sellers and Beedi smoking patrons". In this circular he referred to his own beedies as Sockalal Ram Sait Beedies and not as Photo Beedies. I am unable to accept the plaintiff's case that his beedies have become known as Photo Beedies or that the defendants' trade mark containing the portrait of the first

defendant would be likely to suggest the use of the name Photo Beedies for the defendants' beedies. I think the evidence establishes the fact that the various portrait beedies were known in the market by the names of the manufacturers whose portraits appeared in the labels.

If I had to reach a decision in this case solely on the question whether the defendants' trade mark so clearly resembled the plaintiff's trade mark as to be calculated to deceive, I would not, in any event, have granted to the plaintiff the relief asked for in the plaint without some substantial modifications.

I think it desirable at this stage to refer to the steps taken by the defendants to register in Ceylon certain marks including the mark in question before the institution of this action.

The first defendant applied under section 12 of the Trade Marks Ordinance (*vide* Leg. En., Vol. 3; Cap. 121, sec. 10) to the Registrar by P10 of February 6, 1934, for the registration of his portrait label constituting the trade mark 5,903. This label has on it the words "Ithuwa Asal Sait" which means "This is the true Sait". I do not think the learned District Judge is justified in drawing the inference that the defendants intended thereby to create the impression dishonestly that the portrait was the plaintiff's portrait. It is more likely that the words were intended to convey the meaning that the Sait on their label was a true Sait and not a spurious Sait as appearing on the plaintiff's label or other portrait labels.

Finding on his register the plaintiff's trade mark No. 4,919 which he thought resembled the mark in question the Registrar informed the first defendant that he was prepared to hear him before making an order on his application (*vide* P14). After some proceedings before the Registrar in which the plaintiff took no part (*vide* D42) the first defendant, by his letter D43 of August 11, 1936, moved to withdraw his application for registration "without prejudice to his rights". When this letter was received at the Office of the Registrar the following endorsement was made on P10 by a clerk of the Registrar:—"treated as abandoned". There is no specific evidence on the point whether the clerk who made the endorsement was an officer in the Registrar-General's Department authorised by general or special order of the Governor to perform such a duty under the Trade Marks Ordinance (*vide* Leg. En., Vol. 3, Cap. 121, sec. 69). It may be added that the defendants' application P10 was not advertised and that no notice of opposition was given by the plaintiff. The defendants made another application No. 6,391 (P13 of January 11, 1936) for the registration of the Falcon Brand Trade Mark which consisted of three separate devices. The device at the top is said to be that of falcons and the one below it was a circular device containing a portrait of the first defendant. The plaintiff opposed this application on the ground that the circular device resembled his trade mark 5,929. The defendants, thereupon, moved to delete the circular device from this application No. 6,391 "without prejudice to their rights under the regulation of the relative Trade Marks Ordinance in the proceedings of our trade mark applications Nos. 5,915 and 6,392 along with the substituted steps" and the plaintiff agreed to it (*vide* P15, P15A, P15 B, D21, D22, D23). The defendants made a further application No. 6,392

(P16 of January 11, 1936) for the registration of their "Gilt" label which consisted of three devices the first two of which contained a portrait of the first defendant. The Registrar wrote P17A of January 29, 1936, stating that he would not take action on this application pending his decision on the plaintiff's application No. 5,915 for the registration of his Palai Sait Trade Mark. After some correspondence the defendants moved to amend the trade mark. The Registrar informed them that no action would be taken by him pending the decision in the present action. (*Vide* D68 of July 6, 1937).

During the course of this case the defendants made applications Nos. 6,778, 6,779, 6,780 (*vide* D69, D70, D71) on July 1, 1937, for the registration of three marks containing a portrait of the first defendant. The Registrar wrote P71, P72, P73 stating that he considered the marks to be registered resembled the marks already on his register and offering to hear the defendants before making an order. The defendants, thereupon, wrote P71A of August 6, 1937, pointing out that they had applied to Court in the present case for the registration of these marks and asking the Registrar to defer taking action pending the decision of the Court.

It was not sought to be argued before this court that the proceedings before the Registrar operated as a bar against the defence in the present case. It was, however, suggested that the proceedings showed dishonest conduct on the part of the defendants though it was not stated specifically what this dishonest conduct was. I fail to see how the withdrawal of some of the applications by the defendants would justify a court in drawing any inference prejudicial to the defendants in view of their long user of the trade mark. It is not unlikely that the defendants thought it prudent not to proceed with their applications before the Registrar but to resist any claim by the plaintiff in a court of law relying on their long user without running the risk of an adverse finding by the Registrar.

In adjudicating on the remaining pleas of the defendants it is necessary to consider the relevant evidence in detail.

The evidence given for the defence by the fourth defendant and other witnesses may be summarised as follows :—

The first defendant, a brother of the fourth defendant, began to manufacture beedies in Mukudal in India about 1907 and nearly 10 years later admitted his brother into the business. The business has been carried on in Mukudal continuously ever since 1907. There are several factories for the manufacture of beedies in the neighbourhood of Mukudal belonging to various traders. Most of the beedies including the beedies of the plaintiff and the defendant are despatched from one common Railway Station. The agents in Ceylon of all the Indian Beedi merchants occupied a room in Adamally Buildings, Colombo. The Agents of the various firms met there and got an opportunity of knowing the various brands of beedies sold in the market. In 1915 the defendants registered their trade mark in the Madras Chamber of Commerce. This mark clearly resembles P10 in all particulars except the letter press. The letter press on the Madras mark is entirely in Marathi while that on P10 is partly in Marathi and partly in Tamil.

In 1925 the defendants registered in the Calcutta Chamber of Commerce three trade marks (*vide* D1). One trade mark is identical with P10 except for the fact that P10 contains a number 1,201. This is the number given by the Calcutta Chamber of Commerce to the trade marks of the defendants. This particular device which resembles P10 and has been registered in Madras and Calcutta has been known as Kumaravel brand as it contains the portrait of E. P. Kumaravel, the first defendant. The two remaining brands registered in Calcutta are the Steamship Brand and the Railway Engine Brand. The brand which the defendants sold extensively in Ceylon from the commencement of the business was the Kumaravel brand though they exported from about 1929 smaller quantities of the other brands known as the Falcon Brand, Palai Sait Brand and Burma Sait Brand. They never exported the Steamship Brand or the Railway Engine Brand to Ceylon. The defendants' books of account in respect of the business from 1915 contain references to various quantities of beedies exported to Ceylon. The document D2 is based on the Day Book D26 and the ledger D27. This shows that as early as January 3, 1916, the defendants despatched beedies to Ceylon on the orders of T. M. K. Mohamed Cassim Rawther who has given evidence for the defence and that the various consignments sent to this witness in 1916 totalled 1,278,000 beedies. The documents D102, D104 show transactions in 1917, D108 and D111 transactions in 1928, D114 and D117 transactions in 1929, D120 and D126 transactions in 1930. The defendants' press copy books produced at the trial contain copies of letters dating from 1919 and written by the defendants in respect of the beedies despatched by them. The press copy book D181 contains D182 of January 28, 1920, and D209 of February 4, 1920, being copies of letters written to the witness T. M. K. Mohamed Cassim Rawther regarding certain beedi transactions. The press copy book D183 contains D184 a copy of a letter written to another customer in Colombo on November 5, 1924. The press copy book D185 contains D186 of October 1, 1926, written to one S. A. Manicampillay a purchaser of beedies in Kandy. There are several other press copy books D210 containing letter D211 of December 27, 1929, D190 containing letter D191 of March 22, 1930, D194 containing letter D195 of November 27, 1930. The fourth defendant has been in Ceylon from 1930 in connection with the business and has canvassed orders for the defendants. He has produced orders personally canvassed by him from 1930 for Kumaravel beedies (*vide* D176 and D178 of October 2, 1930; D174 of January 10, 1931; D172 of July 20, 1931, and D168 of October 24, 1934). The document D61 of January 12, 1931, is a bill form issued by the firm of S. S. Subbiah & Co., a firm of beedi dealers of whom K. S. Suppiah Nadar the plaintiff's attorney was a partner. This form shows that in 1931 the firm of S. S. Subbiah & Co., were dealing in Sockalai beedies as well as the Kumaravel beedies in question. It is admitted that the documents anterior to 1925 do not contain any specific reference to Kumaravel beedies but merely to beedies. The defence explains that up to 1925 the defendants traded in one brand of beedies, viz., the Kumaravel brand of different sizes which alone was registered in

Madras in 1915. When they registered a number of brands in Calcutta in 1925 it became necessary to refer in the defendants' books and letters to the various brands specifically and the original brand which contained the portrait of Kumaravel was then called the Kumaravel brand to distinguish it from other brands as Burma Sait Brand, Falcon Brand, &c. The witnesses have also stated that for various periods of time commencing from 1915 and subsequent years they have been ordering Kumaravel beedies from the defendants and selling them in Ceylon. The Customs Tare Register D218 kept by the Collector of Customs has been produced to show that as early as 1928 Kumaravel beedies have been imported into Ceylon and that besides the plaintiff and the defendant several other Indian manufacturers have despatched beedies to Ceylon bearing labels containing their respective portraits for some years prior to 1937. Vyramanathan Nadar, one of the plaintiff's witnesses, has admitted that about 1928 or 1929 the defendants objected to the firm of D. S. & Co., of which the witness was manager, using a portrait label containing the word Kumaran as it resembled the Kumaravel portrait label of the defendants and that the firm of D. S. & Co., gave a written undertaking to the defendants that the Kumaran label would be discontinued. In January, 1933, the defendants registered their Kumaravel portrait label in Madura.

The plaintiff himself has not given evidence but has sought to establish by the evidence of witnesses that his beedies bearing the trade marks in question have been in use in India since 1909. This evidence, it may be stated is in conflict with the evidence given by the plaintiff himself in an earlier case (*vide* D63) that he began to use trade marks about 1913. A trade mark has been registered by him in Madras in 1917 and is said to have been registered in Calcutta in 1927. The letter press on the Madras trade mark is entirely in Marathi while the Calcutta trade mark is said to have a letter press partly in Marathi and partly in Tamil, thus bearing a close resemblance to P1. Books of account have also been produced. These books disclose the fact that the earliest item on which the plaintiff can rely to prove the despatch of his beedies to Ceylon is in July, 1916.

The books of account produced in support of the plaintiff's case to show that his beedies have been on sale from 1912 or even earlier are, however, subject to the infirmity that there is no satisfactory evidence to establish the fact that the references in these books to transactions prior to 1917 are in respect of plaintiff's beedies. I hesitate to accept the statement that these books contain entries with regard to plaintiff's transactions before 1917 especially in view of the evidence given by the plaintiff himself in an earlier case in the Tinnevely Courts in 1930. A copy of that portion of the plaintiff's evidence given in that case and relied on by the present appellant has been produced and marked D63. According to D63, the plaintiff began to use a trade mark in 1913 and began to keep accounts only in 1917 or later. Even if these books of account are accepted they do not show that the plaintiff had despatched beedies to Ceylon earlier than the defendants. The earliest entry in this book is under date July, 1916, while the defendants' books show that they had despatched beedies to Ceylon on January 3, 1916. In this connection

it may be noted that some of the dates in the plaintiff's account books have not been given correctly in the English translations with reference to the Christian era..

I am unable to resist the conclusion that the judgment of the learned District Judge has been seriously affected by a mistake made by him with regard to the registrations in Indian Chambers of Commerce. Though very early in the judgment he refers in general terms to these registrations yet when he proceeds to deal with the evidence of user, he seems to approach the consideration of that evidence in the belief that the earliest registration by the defendants is in Calcutta in 1925 eight years later than the plaintiff's registration in Madras in 1917, thus losing sight of the important fact that the defendants had effected their registration in Madras in 1915 two years before the plaintiff. There are some other wrong inferences which must have affected his judgment. He reads the document D102 as showing that the defendants exported to Ceylon in 1916 their beedies bearing the Steamship brand. If this inference of the learned Judge is correct it destroys the case for the defence that only Kumaravel portrait beedies were exported to Ceylon at least up to 1925 or 1926 that no Steamship Brand beedies were ever exported to Ceylon and that reference to beedies in the defendants' document prior to 1925 should be taken as a reference to Kumaravel portrait beedies. An examination of the document D102 discloses the fact that the learned Judge has misread a statement in the document that beedies have been sent by a steamer and concluded that the defendants have exported beedies bearing the Steamship Brand. Such a mistake was bound to affect his judgment materially as he would not in the circumstances attach any importance to the numerous documents produced by the defendant and relating to transactions prior to 1925.

This is essentially a case in which the oral evidence should be carefully tested in the light of the documentary evidence. Purchasers of beedies—most of whom are petty dealers and are ignorant and illiterate men—cannot be expected to state with accuracy the particular year in which they began dealing in beedies a long time ago or the periods during which they were engaged in such transactions unless they have some contemporaneous documents to help them. The dealers in beedies are mostly petty tradesmen and it is extremely doubtful whether they have even the capital which they have claimed to possess. I do not think I am doing these witnesses an injustice when I express the opinion that it will be highly unsatisfactory to base a finding of fact on the oral testimony of witnesses of this class in a case of this nature, unless where such testimony receives some support from the documents produced in the action.

In considering the evidence for the plaintiff it is also necessary to bear in mind the fact that the pleadings of the plaintiff throw some doubt on the truth of the plaintiff's case as ultimately presented by the Counsel—that he had used the trade marks P1, P2 from 1912. The plaint was filed in November, 1936. Paragraph 6 of the plaint reads :—

“The plaintiff has extensively used the said trade marks and also the said figures and also the device of a circle containing the said

portrait of the plaintiff as a Trade Mark on the packets of Beedi manufactured and sold by him since the year 1926 and 1934’

In support of the prayer for an interim injunction an affidavit was filed along with the plaint. In this affidavit too a statement was made to the effect that P1 and P2 have been used from 1926 and 1934. On December 18, 1936, counsel appearing for the defendants showed cause against the issue of the injunction and stated in open Court that the defendants had registered their marks in Madras in 1915. In the course of this inquiry with regard to the issue of injunction, the plaintiff's counsel moved on February 8, 1937, to amend the plaint by altering the figure “1926” in paragraph 5 of the plaint to “1915”. Even with this amendment it would have meant that the plaintiff's case was that he had used the labels P1 and P2 “since the years 1915 and 1934” respectively. On June 25, 1937, the plaintiff filed his replication and then he seized the opportunity to make a further amendment by stating vaguely with regard to dates—“the features in the said trade marks are distinctive and are and have been adopted *even prior to* and since 1915 to distinguish the plaintiff's goods”.

The actual trial began on June 30, 1937. After the framing of the issues the plaintiff's Counsel moved again to amend the amended paragraph 5 of the plaint by inserting “1912” for 1915 in that paragraph.

It will thus be seen that the plaintiff came into Court with the statement that he used P1 from 1926, and it was long after the defendants mentioned the fact that their mark had been registered in 1915 that the plaintiff pleaded first that he had used the trade mark from 1915 and finally fixed the commencement of the user in 1912.

The defendants registered the portrait trade mark in Madras in 1915. Their account books show that they exported beedies to Ceylon on January 3, 1916, and continued to transact business to Ceylon from that date. The press copy books furnish documentary proof of the beedi transactions from 1919, and the orders, proof of the defendants' business from 1931. The Customs Tare Register furnishes proof from an independent source of the import of beedies to Ceylon in 1928.

It is admitted that the defendants as beedi traders entered into an agreement D201 in 1917 and joined an association of beedi traders in 1923 (*vide* D200). The defendants further registered their trade marks in Calcutta in 1925 two years before the plaintiff's registration in Calcutta. All these documents and circumstances afford very strong corroborative proof of the oral testimony given for the defence that the defendants were doing their beedi business actively and continuously in Ceylon from at least January 3, 1916. I am not prepared to accept the contention of the plaintiff that there is no satisfactory proof of the fact that the beedies dealt with by the defendants were beedies bearing the device containing a portrait of Kumaravel. The mark registered by the defendants in Madras in 1915 was the device containing a portrait of Kumaravel and it was only in 1925 that the defendants registered in Calcutta this mark together with some other marks. I see no reason for holding that the defendants desisted from using the only mark which

they had registered in 1915 and began to use from 1915 marks which they registered only in 1925. I accept also the evidence that these portrait beedies of the defendant were the beedies referred to as "beedies" in the earlier documents and they alone came to be mentioned in the defendants' documents as "Kumaravel beedies" in later years when the defendants began to use other marks. It seems to me quite likely that if any brand of the defendants was going to be called after the first defendant, it would be the brand bearing a device containing his portrait and not a device containing a steamship, a railway engine or a falcon. The oral evidence led for the defence receives strong corroboration from the documents produced by the defendants. The witnesses called by the plaintiff leave the impression in my mind that most of them were not unprepared to give such evidence as they thought would help the plaintiff's case, without regard to the truth of their statements. Most of these witnesses have stated that though they dealt in beedies for a long time they came to know about the Kumaravel beedies only during the last two or three years. This evidence no doubt is meant to support the plaintiff's case as set out in paragraph 9 of the plaint which contains the averment that "the plaintiff has recently discovered" that the defendants are selling beedies with a mark similar to P1 and P2. The District Judge himself is not prepared to act on this evidence and in fact expresses the view that the defendants must have sold these beedies from 1930 or a few years earlier.

On a careful survey of the evidence I have formed an opinion different from the learned District Judge on the facts of the case with regard to the plea of prior user and honest concurrent user. It is, no doubt, the general rule that where a question turns on the manner and demeanour of witnesses this Court will accept the findings of the Judge who had the advantage of seeing the witnesses. But in this case there are very strong circumstances which warrant this Court in differing from the District Judge. The judgment itself was delivered about six months after the evidence was recorded. The District Judge appears to me to have lost sight of some important documentary evidence with regard to the registration of the defendants' trade mark in Madras when he came to the consideration of the oral evidence and has in fact permitted himself to be misdirected with regard to certain material facts. In this connection it would not be inappropriate to cite the following passage from the judgment of Bertram C.J., in *Falalloon v. Cassim*¹:—

"While a Court of Appeal will always attach the greatest possible weight to any finding of fact of a Judge of the first instance based upon oral testimony given before that Judge it is not absolved by the existence of these findings from the duty of forming its own view of the facts more particularly in a case where the facts are of such complication that their right interpretation depends not only on any personal impression which a Judge may have formed by listening to the witnesses, but also upon the documentary evidence and upon the inferences to be drawn from the behaviour of these witnesses, both before and after the matters on which they gave evidence".

¹ (1918) 20 N. L. R. 332 at page 335.

I hold that the evidence in this case establishes the fact that the defendants have used continuously in Ceylon the device on the trade mark D1 from January, 1916, and that the plaintiffs had no user of the devices on P1 and P2 prior to that date.

Though my finding on the prior user by the defendants renders it unnecessary for me to discuss the question of honest concurrent user, I think I should deal briefly with the matter as it was fully argued before this court.

The evidence shows that the defendants registered the trade marks in 1915 earlier than the plaintiffs and that portrait trade marks are fairly common in the Beedi trade. I am satisfied on the evidence that the defendants' user of the portrait mark has been honest within the meaning of the section 21 of the Trade Marks Ordinance (Legislative Enactments, Vol. 3, Chapter 121, section 19) though, no doubt, the defendants were aware of the existence of the portrait mark of the plaintiff. As stated by me earlier I am unable to draw any inference of dishonesty against the defendants from the proceedings before the Registrar in connection with the applications made by the defendants. The defendants have had continuous user of their trade mark for a considerable period. The District Judge himself who accepts and acts on the evidence led for the plaintiff considers that the defendants must have used their trade mark from about 1928. The delay of the plaintiffs in instituting the present action raises a strong presumption that the commercial user of these trade marks side by side has not produced any confusion in the minds of the purchasers. The defendants have built up a considerable trade in beedies during these years and it would result in serious hardship to the defendants if the registration of their mark is refused to them, while the hardship that may be caused to the plaintiffs by the registration of the defendants' trade mark is proportionately small. Even if the defendant failed to prove prior user I would have considered myself bound in the circumstances of this case to extend to the defendants the benefit of section 21 of the Trade Marks Ordinance and direct the Registrar to register the trade marks without any such conditions or limitations as would materially prejudice the defendants.

With regard to the damages claimed by the defendants on account of the injunction wrongfully obtained against them, I consider a sum of Rs. 300 as adequate compensation as the defendants may have by their conduct with regard to the applications for registration created the belief in the plaintiff that his claim would not be seriously resisted and thereby induced the plaintiff to file the present action.

I set aside the judgment of the lower Court and order that decree be entered—

- (a) dismissing the plaintiff's action with costs of appeal and of the District Court payable to the appellants,
- (b) awarding Rs. 300 as damages to the appellants, and
- (c) directing the Registrar to proceed with the applications Nos. 6,778, 6,779 and 6,780 made to him regardless of the opposition of the plaintiff.

Appeal allowed.