

1932 Present : Macdonell C.J., Garvin S.P.J., and Dalton J.

SAHIB v. MUTHALIP.

903—P. C. Colombo 21,378.

Trade mark—Similarity of device—Calculated to deceive—Use in course of trade—Intent—Merchandise Marks Ordinance, No. 13 of 1888, s. 3 (d) (a), (b), (d), (3) (2).

A trade mark is calculated to deceive, by its resemblance to another on the register, if in the probable course of its legitimate use in the trade it is likely to do so.

To establish the offence of forging a trade mark under section 3 (1) (a) of the Merchandise Marks Act it is not necessary to show that there was any intent on the part of the accused to deceive anyone.

THE accused was charged with offences against the Merchandise Marks Ordinance, No. 13 of 1888, in that he contravened section 3 (1) (a), by forging registered trade mark No. 1,651 consisting of the device of two ovals and the word 'Moulana'; section 3 (1) (b), by falsely applying to certain sarongs a mark so closely resembling the mark aforesaid as to be calculated to deceive; section 3 (1) (d), by applying a false trade description to the said sarongs, which was reasonably calculated to lead persons to believe that the sarongs were the manufacture or merchandise of the proprietors of registered trade mark No. 1,651, and under section 3 (2), by selling, exposing for sale, and having in his possession for purposes of trade, the goods aforesaid to which a forged trade mark and a false trade description had been applied. He was found guilty and on appeal against the conviction, the case was heard by Jayewardene A.J., who referred it to a Bench of three Judges.

H. V. Perera (with him *Choksy, J. R. Jayawardene, and S. Alles*) for accused, appellant.— under the Merchandise Marks Act of 1888 the person charged with forging a trade mark must have the thing forged present in his mind before he can be convicted. The prosecution must prove the forgery involved and the necessary *mens rea*. They may be complete imitation without intent to defraud, *Gridley v. Swinborne*¹.

The complainant's mark is a common embellishment. Circles and such geometric designs are often used by traders: The complainant's case is that his trade mark is the design with the circles and not the word 'Moulana' within the circles. To find the accused guilty of imitating a common design such as a mere circle, the intention to defraud is necessary. Every element of the offence must be proved beyond reasonable doubt (*Singer Manufacturing Co. v. Wilson*²).

There is further no evidence that any buyer has been deceived. Such evidence is easily procured and is essential, *Cope v. Beckett*³, see also *Davis v. Cunie*⁴.

The opinion of a person that somebody else would be deceived is not evidence, *Hennessey v. Keating*⁵.

The complainant's intention has been to ruin the accused's trade and to disgrace him. This case should have been heard in a civil Court as there is a *bona fide* dispute between the parties, see *Dowlat Ram v. Rex*⁶.

Garvin (with him *Vangeyzel*), for complainant, respondent.—We rely on the finding on the facts by the Police Magistrate. The complainant has merely to prove the similarity of the marks. If the accused's mark is similar, and that is a question of fact, the dishonest intention to imitate is presumed. For the meaning of the phrase "calculated to deceive" see *Kerly on Trade Marks* (4th ed.) p. 260 and 10 R. P. C. 401, 406. The test to be applied is what impression do the two marks, when placed side by side, make on the mind. *North Cheshire Brewery Company v. The Manchester Brewery Company*⁷ gives the test that should be applied.

¹ 5 T. L. R. 71.

² L. R. (1875) 2 Ch. D. 434, at p. 447.

³ (1874) 18 Equity 138.

⁴ (1918) 1 K. B. 109.

⁵ 25 R. P. C. 125.

⁶ L. R. 32 Cal. 431.

⁷ 3 R. P. C. 54 (1899) A. C. 83.

The complainant has jealously guarded his trade mark for many years and even brought civil actions against other traders. This Ordinance is not merely for the protection of the public but also for the protection of the trader, and therefore the evidence of deception of the public is not necessary.

H. V. Perera, in reply.

November 16, 1932. MACDONELL C.J.—

In this case the accused was charged with offences against the Merchandise Marks Ordinance, No. 13 of 1888, in that he contravened section 3 (1) (a), by forging registered trade mark No. 1,651 consisting of the device of two ovals and the word 'Moulana', section 3 (1) (b), by falsely applying to certain Palayakat sarongs a mark so nearly resembling the mark aforesaid as to be calculated to deceive, section 3 (1) (d), by applying a false trade description to the said sarongs by applying thereto a mark consisting *inter alia* of a device of two ovals which was reasonably calculated to lead persons to believe that the sarongs were the manufacture or merchandise of the proprietors of registered trade mark No. 1,651 when, in fact, the said sarongs were not the manufacture or merchandise of the said proprietors, and section 3 (2) of the same Ordinance, by selling, exposing for sale, and having in his possession, for the purposes of trade, the goods aforesaid to which a forged trade mark and a false trade description had been applied and to which a mark so nearly resembling registered trade mark No. 1,651 as to be calculated to deceive had been falsely applied. He was found guilty and from this conviction he brings the present appeal. The case came first before Jayawardene J. who referred it to a bench of three Judges. There was a second charge against the accused under the same Ordinance and preferred by the same complainant, but on this he was acquitted.)

The trade mark No. 1,651 was registered under the Trade Marks Ordinance on December 29, 1915, for a period of 14 years and this registration was renewed on December 29, 1929, for a further period of 14 years. The trade mark so registered consisted of two ovals, one inside the other, the outer one slightly thicker than the one inside, there being a very small space between the two, and it consisted also of the word 'Moulana' printed in capitals across the interior space of the two ovals nearly filling that space. Whenever used by its registered owner, the complainant, it was printed so as to show in capitals the words 'Trade Mark' above the top rim of the oval and the word 'Registered' below the lower rim of the same, but these words were, of course, no part of the registered trade mark.

This trade mark was of the most ordinary and commonplace character and one is doubtful whether it ought ever to have been registered, but it has been, and the registration has been renewed for 14 years from December, 1929. It is therefore a piece of valuable property which the law must protect.

The accused's mark which is said to infringe No. 1,651 that of the complainant, also consisted of two concentric ovals of practically the same size as those of No. 1,651, and printed within these ovals were the words 'Md Masthan' below their upper segment and the word

'Madras' above their lower segment; these words were not set out across the middle as was the word 'Moulana' in No. 1,651, but followed the curves, upper and lower, of the ovals, the middle of which was left blank. The accused's mark as used by him seems always to have had the word 'Trade Mark' printed above the top of the ovals and the word 'Palayakat' printed below them.

The evidence was that complainant had been in the habit of putting his trade mark No. 1,651 on all sarongs sold by him for many years past and that the sarongs so sold had come to be known as the 'egg shape' or oval mark sarongs. The complainant said that he himself did not know enough English to read the words on the different marks produced, and there was evidence tending to show that many of the people likely to purchase complainant's sarongs with mark No. 1,651 on them would not know Roman characters at all, and so would be unable to read the word 'Moulana'; they would go by the ovals, the egg shape, and also by the appearance of the mark generally. The accused gave evidence and said that he had used his oval mark for 30 years but on this point he was expressly disbelieved by the learned Magistrate trying the case and nothing was adduced to show that the Magistrate was wrong in so disbelieving him. It must be taken then as a fact that the accused had not been using his own oval mark for 30 years or at all, until quite recently. Certain portions of accused's evidence are of sufficient importance to be set out in full—"Our Manager . . . thought of the idea of putting 'Trade Mark' on the top and 'Palayakat' underneath. Everyone knows it as my mark. People say, put the seal 'Trade Mark, Md Masthan'. They sometimes say 'Round or Egg Mark'. I consider it my mark. If anyone else used it, I would take proceedings against him. I knew the mark on P1 (i.e., No. 1,651) before this case. It is the best known mark in Ceylon. Moulana—the ovals are the same shape as in mine. The words 'Trade Mark' are smaller than mine and the word 'Registered' is in about the same place and the same size. Two men could not have devised trade marks so much alike by accident. They must have copied mine. I never heard that complainant applied for registration in 1915 until now. I first heard about this Moulana mark about 15 years ago". This evidence given by the accused is a pretty clear admission that complainant's mark No. 1,651 and the accused's oval mark so closely resemble each other that one is liable to be taken for the other, and read in connection with the finding on fact that accused has only recently been using his own oval mark, while complainant has certainly been using No. 1,651 since 1915 and long before, it goes a long way to show that the accused has "applied" to the sarongs sold by him "a mark so nearly resembling a trade mark as to be calculated to deceive."

The learned Magistrate in his judgment finds as follows: "There is plenty of evidence given by witnesses to show that an illiterate man who is clearly by far the most common class of purchaser would look at the ovals and be unable to read the English lettering". There is not much direct evidence to this effect, but perhaps it is possible to infer from the evidence the conclusion that the learned Magistrate has come to. The judgment proceeds—"It is clear therefore that the use of the ovals

would be calculated to deceive the majority of purchasers into believing that the goods were those of 'Moulana', whose sarongs are admittedly the best known in Ceylon. Unless the mark on P. 19 was purposely designed to imitate registered trade mark 1,651 we have to explain some extraordinary coincidence, *i.e.*, that accused chose the ovals accidentally, that it was another accident that he drew the double ovals, and yet another accident that he drew the outer oval of thicker line than the inner oval, and yet another that the lettering above and below the ovals is identical at the top, and practically indistinguishable below, to an illiterate person".

Perhaps the chief question in this case is, whether the mark proved to have been used by the accused so nearly resembled trade mark No. 1,651 as to be calculated to deceive, section 3 (1) (b).

First of all as to the word "calculated". To establish that a mark is calculated to deceive it is not necessary to show that there was any intent on the part of the person using the mark to deceive anyone, though this may be an element in the question. What is meant is that there is something in the mark itself, something objective, which is apt to deceive. You look to the mark itself, to what it is, to what it looks like, to what it contains, and to how it compares with the other trade mark put forward, and if there is in the mark itself something that is likely to deceive buyers or users of the article on which it is placed, then the mark is calculated to deceive whatever may have been the intent or absence of one on the part of the person using it. "It seems to me that a trade mark is calculated, by its resemblance to another already on the register, to deceive if in the probable course of its legitimate use in the trade it is likely to do so; and in considering whether this result is probable to occur in the course of its use in the trade, it seems to me you have a right to look at the circumstances of the case", per Bowen L.J. in *Re Lyndon's Trade Mark*.¹

Since then the trade mark must be looked at to see if it is calculated to deceive, the next thing is to ascertain what is meant by the term, trade mark. Per Brett M.R. in *Re Christiansen's Trade Mark*, "Are you to look at the marks as printed or are you to look at the marks as they will probably be used in the course of trade? In my opinion, you are to look at them as they will probably be used in the course of trade". And again per Bowen L.J. in *Re Lyndon's Trade Mark (supra)*, "What is the proper standard of comparison? You will have to take the trade mark which it is desired to register, and the proper standard with which you ought to compare it is the trade mark already on the register as registered, although, as we have explained, you are not confined simply to the paper registration, but you may look further afield to see how it will probably, in the legitimate user, show itself upon the article upon which it is to be impressed".

Having got a notion of what the phrase, calculated to deceive, means, and of how we are to ascertain what is meant by the term, trade mark, the next thing is to determine what sort of evidence is necessary on the issue, is the trade mark calculated to deceive, and how that evidence should be approached. From the cases cited to us, I quote two passages

¹ 3 Pat. Ca. at 106.

² 3 Pat. Ca. at 59.

which seem useful on this question. In *Slazenger & Sons v. Feltham & Co.*¹ Kekewich J. says, "My duty, it seemed to me, is to form my own conclusion, as a jury would from their own experience of the world, assisted by such evidence of facts as are brought before me, not so much evidence of opinion as to whether a person would be deceived or not, but evidence respecting the way in which these things are bought and sold—the class of people, how it is done, and the number sold—any facts of that kind from which, as a jury, I could form a conclusion". As to how evidence should be considered by the Judge trying the case, there is the dictum of Lord Macnaghten in *Payton & Co., Ltd. v. Snelling, Lampard & Co., Ltd.*² "I think . . . that a good deal of the evidence is absolutely irrelevant and I do not myself altogether approve of the way in which the questions were put to the witnesses. They were put in the form of leading questions and the witnesses were asked whether a person going into a shop as a customer would be likely to be deceived and they said they thought they would. But that is not a matter for the witnesses; that is for the Judge. The Judge looking at the exhibits before him, and also paying due attention to the evidence adduced, must not surrender his own independent judgment to any witnesses whatever."

If we apply the above principles to the question before us, namely, is there evidence from which it can be concluded that the appellant's mark so nearly resembled the respondent's registered trade mark No. 1,651 as to be calculated to deceive, I would say that there is, and that the learned Magistrate directed himself properly and came to a right conclusion.

There was one point argued to us for the appellant that needs mention and it was this, that before anyone can be convicted under section 3 (1) (a) of forging the trade mark of another person, it must be proved that the trade mark of that other person was present to his mind when he made and used, or procured to be made and used, the mark claimed to be a forgery. I doubt this argument which seems founded on the analogy of the word, forgery, in criminal law. The definition of forgery given in section 5 (a) is "without the assent of the proprietor of the trade mark to make that trade mark or a mark so nearly resembling that mark as to be calculated to deceive". It is an objective test again which has to be applied; is the trade mark in itself so like the other that normally it, by reason of its resemblance to that other, would be likely to deceive people? If it is, then the making of it is a forgery quite independently of the knowledge or intent of the person making it. In support of the argument that the mark of the other person must be present to the mind of the person using the mark that is challenged, a case *Gridley v. Swinborne*³ was cited to us. Unfortunately no report of that case is available, but the summary of the case given in 43 *Eng. & Emp. Dig.* 240, shows it to have been the case of a patentee whose patent had expired and who was charged with selling his goods under a false description, that is, he called them isinglass whereas really they were only gelatine, and the summary adds that on a charge of "false trade

¹ 6 *Pat. Ca.* at 534.

² 17 *Pat. Ca.* at 635 and (1901) *A. C.* at 311.

³ 5 *T. L. R.* 71.

description"—Ordinance No. 13 of 1888, section 3 (1) (d)—"*semble*, to constitute the offence there must be an intention to mislead". The accused in *Gridley v. Swinborne* (*supra*) does not seem to have been charged with falsely applying a trade mark so nearly resembling another as to be calculated to deceive and, if so, the facts were different from those of the present case, where the evidence accepted shows that the applicant knew of the respondent's trade mark, and trade description, and copied them deliberately.

*Hollandia, &c., Milk Co. v. Nestle, &c., Milk Co.*¹ was cited to us in argument but is easily distinguishable. There it was held on the facts that the mark objected to was not calculated to deceive. Here the facts show that the mark objected to was, and each case must be decided on its own facts.

The case before us seems a tolerably plain one and I think this appeal should be dismissed.

DALTON J.—

Of the two questions reserved for the opinion of this Court, the first seems to me to be answered by the fact that the "common embellishment", referred to in the reference, is registered as a trade mark. No question arises in these proceedings as to whether it can have been said to have become distinctive by mere user.

The second question is as to the necessity of proof of *mens rea*. I infer from the judgment of the Magistrate that he is satisfied that *mens rea* existed in the appellant. Although not expressly so stated, I think that is the reasonable conclusion from his findings on the evidence. The learned Judge who referred the appeal to this Court is doubtful whether such proof was necessary under the Merchandise Marks Ordinance, 1888. On this question I have nothing to add to what his Lordship the Chief Justice states on this question. I have had the benefit of reading his judgment, and respectfully agree with his view of the law on this point.

I would only add in conclusion that, in my opinion, the proceedings taken by the complainant respondent in a criminal court in this case, commenced as they were against a rival trader by the issue of a search warrant, are under the circumstances hardly justified. The poverty of the evidence he had is amply shown in his asking for a warrant, and it is surprising to me that a search warrant was allowed to issue. The extraordinary extent of respondent's claim is shown in his evidence. He objects to anyone but himself having any trade mark including either an oval or circle of any description. But for the evidence of the accused himself as to the similarity of the marks, I doubt if there is sufficient evidence on the record to justify a conviction, but taking that into consideration, I am unable to say that the Magistrate was not entitled to find that the mark he used so closely resembled the respondent's registered mark as to be calculated to deceive. For these reasons I would therefore dismiss the appeal.

GARVIN S.P.J.—I agree.

Affirmed.

¹ 24 N. L. R. 396.