

[IN THE PRIVY COUNCIL.]

1946 Present : Lord Porter, Lord du Pareq and Sir John Beaumont.

SUBBIAH NADAR, Administrator of Estate of SOKKALAL
RAM SAIT, Appellant, and KUMARAVAL NADAR *et al.*,
Respondents.

PRIVY COUNCIL APPEAL NO. 29 OF 1940.

S. C. 116—D. C. Colombo, 6,133.

Trade Marks—Infringement—Passing-off—Anterior user of similar trade mark—Honest concurrent user—Trade Marks Ordinance (Cap. 121), ss. 9, 19, 38, 40.

The plaintiff, who was the proprietor of two trade marks registered in the years 1930 and 1934, alleged that he had extensively used the said trade marks on packets of beedies manufactured and sold by him since the years 1912 and 1934 respectively; that by reason of the said user the plaintiff's beedies had been known to purchasers and intending purchasers as "Photo Mark Beedies", "Ram Sait Beedies" and "Sokkhal Beedies" and that in the beedie trade, "Photo Mark Beedies", "Ram Sait Beedies" and "Sokkhal Beedies" meant the beedies made and sold by the plaintiff; that the defendants had infringed the plaintiff's said trade-marks and had advertised and sold in Colombo beedies not of the plaintiff's manufacture as "Photomark Beedies". The plaintiff claimed an injunction to restrain such infringement and passing-off.

The defendants in their answers denied infringement and passing-off and further pleaded that they had used the marks complained of by the plaintiff in connection with their trade in beedies from a date anterior to either the date of user or the date of registration of the marks of the plaintiff. They also raised the issue of honest concurrent user.

In 1915 the defendants registered their trade-mark with the Chamber of Commerce in Madras, and in 1917 the plaintiff registered his trade mark with the same Chamber of Commerce.

The evidence on record established the fact that the defendants copied the design of the plaintiff.

Held,—(i.) that the question of infringement should be considered in relation to the plaintiff's trade-marks as a whole, and not to particular parts of them;

(ii.) that, on the issue of anterior user, the fact that the defendants had registered their mark in Madras in the year 1915 was not of importance and did not prove user of the mark. Even if the defendants' mark was first used in Ceylon in 1916, there was no evidence of continuous user between that date and about 1930;

(iii.) that the fact that the defendants originally copied the trade-mark of the plaintiff cast a heavy burden on the defendants to show that any concurrent user on their part was honest. Evidence of long concurrent user to the knowledge of the plaintiff in such circumstances that the plaintiff must be deemed to have acquiesced in such user and waived any right to object to it might suffice, but there was no such evidence;

(iv.) that the plaintiff was entitled to an injunction to restrain infringement of his two trade-marks but, in the absence of proof that the description "Photo" or "Photo Mark" beedies had come to be regarded in Ceylon as denoting exclusively the beedies of the plaintiff, was not entitled to an injunction to restrain passing-off.

A PPEAL from a judgment and decree of the Supreme Court. The judgment of the Supreme Court is reported in (1939) 47 N. L. R. 149. As the appellant could not appeal to His Majesty in Council as of right—*vide* (1939) 40 N. L. R. 553—he obtained special leave.

D. N. Pritt, K.C., L. M. D. de Silva, K.C., and Stephen Chapman,
for the plaintiff, appellant.

James Mould, for the defendants, respondents.

April 11, 1946. [Delivered by SIR JOHN BEAUMONT].—

This is an appeal by special leave from a judgment and decree dated June 19, 1939 of the Supreme Court of the Island of Ceylon which reversed a judgment and decree dated June 17, 1938 of the District Court of Colombo.

The suit out of which this appeal arises was brought on November 11, 1936, in the District Court of Colombo by T. P. Sokkhalal Ram Sait (who is hereinafter called "the plaintiff") against E. P. Kumaraval Nadar, who was defendant No. 1, his partners the respondents Nos. 2-4 who were defendants 2-4, and respondent No. 5, who was defendant No. 5, and was the manager in Ceylon of the other defendants. The plaintiff died pending the appeal to His Majesty in Council, and the appellant, as administrator of his estate, has been brought on record as appellant. The said E. P. Kumaraval Nadar also died pending the appeal, and his widow and children have been substituted for him as respondent No. 1.

By his plaint, the plaintiff alleged that he was the manufacturer of beedies (a small and cheap type of cigarette) and carried on business in Colombo; that in connection with such business he was the proprietor of a trade-mark consisting of the device of a portrait of the plaintiff in a turban surrounded by rays of light and other distinctive features, and that the trade-mark was registered in the Register of Trade-marks in Ceylon under No. 4919 in class 45 in respect of beedi on June 15, 1930; that the plaintiff was also the proprietor of a trade-mark consisting of the device of a circle containing the portrait of the plaintiff in a turban and that the said trade-mark was registered in the said Register of Trade-marks under No. 5929 in the said class on September 26, 1934; that the plaintiff had extensively used the said trade-marks on packets of beedies manufactured and sold by him since the years 1926 and 1934 respectively; that by reason of the said user the plaintiff's beedies marked with the said trade-mark and figures had become known to purchasers and intending purchasers as "Photo Mark beedies", "Ram Sait beedies" and "Sokkhalal beedies" and that in the beedie trade, "Photo Mark beedies", "Ram Sait beedies" and "Sokkhalal beedies" meant the beedies made and sold by the plaintiff; that the defendants had infringed the plaintiff's said trade-marks and had advertised and sold at Colombo beedies not of the plaintiff's manufacture as "photomark beedies". The plaintiff claimed an injunction to restrain such infringement and passing-off.

The defendants in their answers denied infringement and passing-off, and further pleaded that they had used the marks complained of by the

plaintiff in connection with their trade in beedies from a date anterior to either the date of user or the date of registration of the marks Nos. 4919 and 5929 by the plaintiff.

On February 8, 1937, the plaintiff with the leave of the Court amended his plaint by alleging user of the trade-mark No. 4919 from the year 1915 in place of the year 1926, and on June 30, 1937, the plaint was further amended by leave by substituting the year 1912 for the year 1915. In view of these amendments which put back from 1926 to 1912 the alleged date of the first user by the plaintiff of his trade-mark No. 4919, the defendants on July 1, 1937, obtained leave to amend their answer by praying that the first four defendants be declared entitled to have their trade-marks registered in the Register of Trade-marks and that the Registrar of Trade-marks be directed to register the same in the Register of Trade-marks. This amendment enabled the defendants to raise the issue of honest concurrent user, which will be dealt with later in this judgment.

At the commencement of the trial, the position with regard to registration as found by the trial Judge, whose finding on this point has not been challenged, was as follows :—The plaintiff had registered in Ceylon his trade-mark No. 4919 on January 18, 1930, and his trade-mark No. 5929 on March 2, 1934. (These were in fact the dates of application for registration.) On February 6, 1934, the defendants made an application No. 5903 to register a trade-mark containing a portrait of E. P. Kumaraval Nadar in a dress very similar to that worn by the plaintiff in the portraits on his trade-marks, surrounded by features closely resembling those surrounding the plaintiff's portrait in Trade-mark No. 4919. The Registrar refused registration on the ground that the mark so closely resembled the plaintiff's mark, as to be calculated to deceive, and the application was withdrawn by the defendants without prejudice to their rights on June 29, 1936. Subsequently, the defendants made application to register a label in connection with their "Falcon" brand, which contained a portrait said to be a portrait of one of the defendants. On objection being taken by the plaintiff, the defendants undertook to delete the portion of the mark which contained a portrait in a round label, and to pay any costs, which might be directed by the Registrar-General to be paid to the plaintiff. A further application was made by the defendants on January 11, 1936 to register another Trade-mark, but on opposition from the plaintiff the matter was not proceeded with. On July 1, 1937, during the pendency of this action the defendants made applications Nos. 6778 (Ex D. 69), 6779 (Ex D. 70) and 6780 (Ex D. 71) for registration of marks containing portraits and other features alleged to resemble those in the trade-marks of the plaintiff. These are the marks which are alleged to be an infringement of the plaintiff's two trade-marks. In 1915 the defendants registered their trade-mark with the Chamber of Commerce in Madras, and in 1917 the plaintiff registered his trade mark with the same Chamber of Commerce. In 1925 the defendants registered their trade-mark with the Chamber of Commerce in Calcutta.

At the trial the learned judge raised twenty issues, many of which were sub-divided, but only a few of such issues are relevant on this appeal.

Shortly summarised, the relevant issues are : (1) Whether the plaintiff's trade-marks Nos. 4919 and 5929 have been infringed by the defendants ; (2) Whether the plaintiff is entitled to restrain the defendants from selling their beedies under the designation of " Photo Mark beedies " ; (3) Whether the defendants used their marks from a date anterior to either the date of user by the plaintiff or the registration of the marks 4919 and 5929, so as to entitle them to the use of their said marks ; (4) Whether there has been an honest concurrent user by the defendants of their said marks so as to entitle the first four defendants to procure such marks to be registered in Ceylon. The learned judge also raised an issue as to whether registration of the plaintiff's said trade-marks entitled them to prevent the user by the defendants of the features and devices surrounding the portraits of the plaintiff, and he answered that issue in the affirmative. In their Lordships' view, this issue raised a purely hypothetical question which the learned judge ought not to have raised or attempted to answer. The question of infringement must be answered in relation to the plaintiff's trade-marks as a whole, and not to particular parts of them. There is no evidence that the defendants have made use of a mark containing the features surrounding the plaintiff's portrait either without any portrait, or with a portrait in no way resembling that of the plaintiff, and the question whether such a mark if and when adopted by the defendants will involve infringement of the plaintiff's marks does not arise.

The learned judge held that the defendants had infringed the plaintiff's trade-marks, that there had been no anterior user as alleged by the defendants and no honest concurrent user, and that the defendants had passed off beedies not of the plaintiff's manufacture under the description of " Photo Mark beedies," and he granted the injunctions asked for. On appeal the Supreme Court, whilst not disputing that the defendants' marks so closely resembled the plaintiff's registered trade-marks as to be calculated to deceive, considered that the defendants had proved anterior user as alleged by them and that they had also proved honest concurrent user, though it was unnecessary to rely upon that. The Court therefore allowed the appeal, dismissed the plaintiff's action, awarded the defendants Rs. 300 damages in respect of an interim injunction which had been granted to the plaintiff, and directed the Registrar to proceed with the applications to register the defendants' marks regardless of the opposition of the plaintiff.

There being no evidence of actual deception the issue of infringement, which is the first issue to be decided, turns primarily upon a comparison of the trade-marks registered by the plaintiff with those used and sought to be registered by the defendants as aforesaid. The similarities between the rival marks were summarised by Mr. Justice Wijeyewardene in his judgment in the Supreme Court in these terms : " The trade-mark No. 4919 . . . 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 No. 5929 consists of the device of a circle containing a portrait as depicted in trade mark 4919.

“The trade mark No. 5903 of the defendants 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 4919. There are also some legends on all sides of the portrait in Marathi and Tamil. The predominating colours are black and yellow.”

The learned trial Judge had also noted another point of similarity, namely, that the defendants' mark contained in Tamil characters words importing that E. P. Kumaraval was the true or original Sait, whilst on the plaintiff's mark No. 5929 were the words “Ram Sait Beedie” both in English and Tamil characters. Their Lordships do not attach significance to the similarity in colours between the mark of the plaintiff and the defendants since they understand that the labels were issued in a large variety of colours. But the other points of similarity are very marked. There are, of course, minor points of difference in the devices or features surrounding the portraits, but the only substantial difference between the marks is that the plaintiff's marks contain a portrait of the plaintiff, whilst the defendants' marks contain a portrait of E. P. Kumaraval Nadar. It is not disputed that the plaintiff has no monopoly in the right to display a portrait as part of a trade-mark. The defendants have a perfect right to display a portrait of one of themselves on their own mark so long as their portrait itself or their portrait together with the surrounding devices does not so closely resemble the plaintiff's portrait and devices as to lead to confusion. The defendants' portrait is of E. P. Kumaraval Nadar in a Marathi dress and head-dress similar to the dress and head-dress in the plaintiff's photo and surrounded by a series of almost identical features. It is in evidence that most of the people who purchase beedies are illiterate and are unlikely to make a close examination of labels on the beedies which they purchase. Their Lordships have no hesitation in holding that the general effect on the mind of anybody dealing in beedies would be to confuse the beedies sold under the marks and labels of the defendants with those sold under the plaintiff's trade-mark, and both Courts in Ceylon appear to have been of that view. In their Lordships' opinion the marks are plainly calculated to lead to confusion and deception and the similarities are so close as to make it impossible to suppose that such marks were devised independently of each other. In the absence of any evidence of a common origin, the conclusion must be that one party copied the mark of the other. The evidence on record shows that the plaintiff's case was that he left his native place of Mukkudal in the Tinnevely District in the Madras Presidency in his 14th year and went to Bombay to learn the manufacture of beedies with an uncle. He remained in Bombay for six years and then

returned to Mukkudal where he commenced the manufacture of beedies. He first adopted the labels with photograph in 1913, the design being made by a man in Madras and the labels being printed in Bombay. On his return from Bombay he adopted the names of Sokkalar Ram Sait, and he adopted the dress and head-dress shown in his registered trade-marks as a result of his sojourn in Bombay. On the other hand the defendants, who also manufacture beedies in Mukkudal, have offered no explanation of the circumstances in which they adopted their device, and particularly why, though E. P. Kumaraval Nadar was a man of South India, he chose to display a portrait of himself in Marathi dress and head-dress closely resembling that in the plaintiff's photos; nor why he referred to himself as the only original Sait, when Sait was not his name, though it was a name adopted by the plaintiff. The only conclusion their Lordships can come to on the evidence is that the defendants copied the design of the plaintiff.

The issues which next arise for consideration are those of anterior user, and honest concurrent user, by the defendants, and on these issues the burden is upon the defendants.

In considering these issues it is necessary to notice the relevant provisions of the Trade-marks Ordinance dated 1st January, 1927, being Chapter 121 of the Legislative Enactments of Ceylon. Section 9 of the said Ordinance provides "It shall not be lawful to register as a trade-mark or a part of a trade-mark any matter, the use of which would by reason of its being calculated to deceive or otherwise be disentitled to protection in a Court of Justice". Section 19 provides "In case of honest concurrent user or of other special circumstances which in the opinion of the Court or Registrar make it proper so to do, the Court or Registrar may permit the registration of the same trade-mark, or of nearly identical trade-marks, for the same goods or description of goods by more than one proprietor, subject to such conditions and limitations, if any, as to mode or place of user or otherwise as the Court or Registrar may think it right to impose". Section 38 provides "Subject to the provisions of section 40 of this Ordinance, and to any limitations and conditions entered upon the register, the registration of a person as proprietor of a trade-mark shall, if valid, give to such person the exclusive right to the use of such trade-mark upon or in connection with the goods in respect of which it is registered". Section 40 provides "In all legal proceedings relating to a registered trade-mark . . . the original registration of such trade-mark shall, after the expiration of 7 years from the date of such original registration . . . be taken to be valid in all respects unless such original registration was obtained by fraud, or unless the trade-mark offends against the provisions of section 9 of this Ordinance: Provided that nothing in this Ordinance shall entitle the proprietor of a registered trade-mark to interfere with or restrain the user by any person of a similar trade-mark upon or in connection with goods upon or in connection with which such person has, by himself or by his predecessors in business, continually used such trade-mark from a date anterior to the user or registration, whichever is the earlier, of the first-mentioned trade-mark, by the proprietor thereof or his predecessors in

business or to object (on such user being proved) to such person being put upon the register for such similar trade-mark in respect of such goods under the provisions of section 19 of this Ordinance”.

Upon these issues a large number of witnesses were called on behalf both of the plaintiff and the defendants, and on the whole the learned trial Judge accepted the evidence on behalf of the plaintiff and disbelieved that given on behalf of the defendants. The Supreme Court differed from the learned Judge on his appreciation of the evidence, and the conclusion which it reached on the issue of anterior user was that the defendants had used continuously in Ceylon the device on their trade-mark from January, 1916, and that the plaintiff had made no user of the device on his trade-marks prior to that date. The learned Judges of the Supreme Court recognised the danger of differing from the trial Judge who had seen the witnesses on questions of fact, but they considered that the trial Judge had overlooked, or at any rate failed to give due effect to, the fact that the defendants had registered their mark in Madras in the year 1915. At the material time, and indeed down to the trial of this suit, there was no statutory law in India relating to the registration of trade-marks. But parties desirous of registering a trade-mark could do so in the Chambers of Commerce in certain towns including Madras. It is not disputed that the defendants had registered in the Chamber of Commerce in Madras a mark very similar to the one in dispute in this suit in the year 1915. Such registration conferred no legal right on the defendants, but the Supreme Court thought it a clear inference to draw therefrom that the mark had been used by the defendants from about the time of such registration. Their Lordships are not prepared to attach to such registration the importance assigned to it by the Judges of the Supreme Court. The registration no doubt proves that the defendants' mark was in existence in the year 1915, but it does not prove user of the mark even in India, and much less in Ceylon, which is the only place in which user is relevant. The document on which the Supreme Court relied for its finding that the defendants' mark had been used continuously in Ceylon from January, 1916, is Exhibit D. 2 which is an extract from the defendants' account books and which shows that from the 3rd January, 1916, for the rest of that year a considerable number of beedies were sent by the defendants to a dealer named T. M. K. Mohamed Kasim in Colombo. This Exhibit, however, does not mention the brands of beedies sent. The oral evidence given on behalf of the defendants was to the effect that the only brand of beedies which they imported into Ceylon between 1916 and 1930 was the Kumaraval brand, though at the time they dealt in other brands in India, and that the Kumaraval brand was always sold under a label with a portrait of E. P. Kumaraval Nadar in the form used on the mark which they were seeking to register. This evidence was contradicted by evidence given on behalf of the plaintiff, was rejected by the learned District Judge, and was supported by no documentary evidence. The first document relating to Ceylon which mentions Kumaraval beedies is Exhibit D. 180, a postcard from Kandy dated 27th September, 1926, addressed to the defendants' firm at Mukkudal ordering one parcel of Kumaraval beedies, but there is no evidence that this was supplied under the disputed marks. There

is no document on record which shows that before about 1930 any beedies of the defendants were sold under the disputed mark, and it is very difficult to suppose that no such documentary evidence exists, if in fact this mark was in constant use from 1916 onwards. The labels with the portrait of E. P. Kumaravel Nadar must have been printed somewhere, but no orders, invoices or receipts relating to such printing are produced, nor any old copies of the labels. The defendants' evidence was that considerable sums were spent by them in advertisement, but no advertisement was put in evidence. It is strange too if the defendants had been selling their beedies under this trade-mark since 1916 that they took no step to oppose the registration by the plaintiff in 1930 and 1934 of his very similar marks. It is to be noticed also that when on the 17th December, 1935, the plaintiff by his proctor wrote to the defendants' firm a letter, Exhibit D.204, complaining that they were infringing the plaintiff's trade marks, Nos. 4919 and 5929, the defendants in their reply of the 27th December, 1935, Exhibit D.205, denied that they were selling beedies under any mark which resembled any of the plaintiff's marks, but did not suggest that for many years past they had been using the mark complained of. Moreover, even if the defendants' mark was first used in Ceylon in 1916 there is no evidence of continuous user between that date and about 1930. On a careful review of the whole of the evidence, their Lordships agree with the finding of the trial Judge that the defendants have not proved user of their mark prior to the user of the plaintiff's mark.

On the issue of honest concurrent user the evidence is to a great extent the same as that in relation to the issue of anterior user. It is not disputed that from about 1928 or 1930, not only the defendants but other traders in Ceylon have been using marks resembling in a greater or less degree the trade-marks of the plaintiff, and the evidence shows that the plaintiff in a good many instances took steps to prevent such user. The opposition of the plaintiff to the efforts of the defendants to register their marks has already been noticed. The finding of their Lordships that the defendants originally copied the trade-mark of the plaintiff casts a heavy burden on the defendants to show that any concurrent user on their part was honest. Evidence of long concurrent user to the knowledge of the plaintiff in such circumstances that the plaintiff must be deemed to have acquiesced in such user and waived any right to object to it might suffice, but there is no such evidence.

That leaves only the issue whether the defendants have sold or dealt in their beedies by the description of "Photo" or "Photo Mark" beedies, and whether the plaintiff can restrain such action. On this issue their Lordships agree with the Supreme Court in thinking that the plaintiff failed. There is a certain amount of evidence that the plaintiff's beedies are asked for as "Photo" or "Photo Mark" beedies, though they are also asked for as "Sokkalar" or "Ram Sait" beedies, descriptions which it is not suggested are applied to the defendants' goods. There is no evidence whatever that any person asking for "Photo" or "Photo Mark" beedies has been given the defendants' beedies and has subsequently complained because he did not get the beedies of the plaintiff.

The evidence falls far short of showing that the description " Photo " or " Photo Mark " beedies has come to be regarded in Ceylon as denoting exclusively the beedies of the plaintiff.

In the result their Lordships think that the appellant is entitled to an injunction to restrain infringement of his two trade-marks, but is not entitled to an injunction to restrain passing off. With regard to costs, the correct order would have been to give the plaintiff the general costs of the action, and to give the defendants the costs of the issues on which they succeeded. The costs would seem not to have been greatly increased by the issue on which the defendants succeeded, since the same witnesses dealt with all the issues, but no doubt the proceedings have been somewhat prolonged by the raising of such issues. Their Lordships think it impracticable to re-open the taxation of costs and they propose therefore to allow to the defendants some relief against the general costs of the action.

Their Lordships therefore will humbly advise His Majesty that this appeal be allowed and that the order of the Supreme Court dated June 19, 1939, and the order of the District Judge dated June 17, 1938, be set aside ; that the appellant is entitled to an injunction to restrain the respondents, their servants and agents from infringing the appellant's trade-marks Nos. 4919 and 5929 by the marks of the respondents sought to be registered under applications Nos. 6778, 6779 and 6780 dated July 1, 1937, being Exhibits D. 69, D. 70, D. 71 or by the use of any other mark or device being a colourable imitation of the appellant's said trade-marks or either of them and that the respondents be ordered to deliver to the appellant upon oath or affirmation all labels, bills, invoices, letters, forms or other documents in the possession or under the control of the respondents bearing the said marks sought to be registered by the respondents or any of them for erasure or cancellation.

The respondents must pay to the appellant two-thirds of the costs of the appellant and the plaintiff of the trial, of the appeal to the Supreme Court and of the appeal to His Majesty in Council.

Appeal allowed.
