

(1968) 06 CAL CK 0027
In the Calcutta High Court
Case No : A.F.O.O. No. 232 of 1966

Aktiebolaget Jonkoping Vulcan

APPELLANT

Vs

V.S.V. Palanichamy Nadar and Others

RESPONDENT

Date of Decision : 06-06-1968

Acts Referred:

Trade and Merchandise Marks Act, 1958 — Section 1(2), 109(6), 12(3), 2, 46

Citation : AIR 1969 Cal 43 : (1969) 1 CALLT 273 : 73 CWN 347

Hon'ble Judges : P.B. Mukharji, J

Bench : Single Bench

Advocate : B. Sen and Tapas Banerjee, for the Appellant; D.K. De and D.P. Mukherji, for the Respondent

Judgement

P.B. Mukharji, J.—This is an appeal u/s 109(2) of the Trade and Merchandise Marks Act, 1958 from the decision of the Deputy Registrar of Trade Marks dated the 22nd June, 1966, allowing the application for rectification made by the respondent and expunging the appellant's trade mark No. 93017 in the Trade Marks Register.

2. The appellant is a Swedish Match Company of the name of Aktiebolaget Jonkoping Vulcan having its office in Sweden. The respondents are Gnanam Match Works of Sivakasi, Madras along with the Registrar and Deputy Registrar of Trade Marks. For the sake of brevity I shall call the appellant as "the Swedish Match Company" and the other respondent as "the Madras Match Company."

3. The dispute is with regard to the use of a trade mark in respect of matches and match boxes. The impugned registration is that of the Swedish Match Co. It is a label containing the device of three stars in a row with the words "Three Stars" on the top of the device of three stars. The registration, was dated 24th February 1944 and has since been renewed. The mark of the Madras Match Company is also a "Three stars" label which has been in actual use since 1951 in respect of safety matches.

4. The present proceedings arose out of an application filed on the 5th September 1963 by the Madras Match Company for rectification of the register by expunging therefrom the entry relating to trade mark No. 93017 registered in Class 34 originally in the name of Jon-koping Och Vulcan's Tandstick Fabriksaktiebolag now changed into the appellant's name. In that application the respondent Madras Match Company claimed that they had been extensively using this trade mark of Three Stars on safety matches ever since 1951. The Madras Match Company also made an application for registration of their trade mark on the 4th June 1963. The close similarity between these two trade marks is now the centre of dispute. The Swedish Match Company served the Madras Match Company with a notice dated the 8th August 1963 calling upon them to desist from using their Three Stars" label mark which was described as a colourable imitation of the Swedish Match Co's registered trade mark.

5. In these proceedings the Madras Match Company are seeking the cancellation of the registration of this trade mark of the Swedish Match Company on the ground, based on Section 46(1)(b) of the Trade and Merchandise Marks Act, 1958, that there had been no bona fide use of the registered trade mark by the Swedish Match Company for the statutory period of a continuous stretch of five or more years upto one month before the date of the application for rectification. On behalf of the registered proprietors of the trade mark, namely the Swedish Match Company, two points have been urged. The first is that the Madras Match Company is not a "person aggrieved" who can competently maintain an application for cancellation of the appellant's registered trade mark. The second is that the non-use of the registered trade mark of the Swedish Match Company during the material period was due to special circumstances in the trade. Those special circumstances are alleged to be import restrictions of foreign matches amounting to total prohibition, and not due to any intention on the part of the Swedish Match Company to abandon its trade mark. The defence of the Swedish Match Company is really based on the provisions of Section 46(3) of the Trade and Merchandise Marks Act, 1958.

6. I shall briefly dispose of the first point, namely the contention that the Madras Match Company is not a "person aggrieved" within the meaning of Section 46(1) of the statute. The facts relevant for this purpose are briefly as follows:-- The Madras Match Company has been in the trade with this trade mark of "Three Stars" on their matches identical with the registered trade mark since the year 1951-52. The second fact is that the Swedish Match Company has served the Madras Match Company with a notice in 1963 threatening them with legal consequences, if they did not stop using their trade mark. The third fact is that the application for registration of the trade mark filed by the Madras Match Company had actually been opposed by the registered proprietor, viz., the Swedish Match Company.

7. I am satisfied on these facts that the respondent Madras Match Company is a "person aggrieved" within the meaning of Section 46 of the Trade and

Merchandise Marks Act, 1958. In support of this conclusion I rely on the principle laid down In re Powell's Trade Marks (1894) 11 RFC 4 and In re Talbot's Trade Mark (1894) 11 RFC 77 that any person whose legal rights are limited by the existence of the entry on the register so that he could not lawfully do that which but for the existence of the mark upon the register, he could lawfully do. Indeed, it has been held in In re Batt's Trade Mark Case (1889) 6 RFC 493 and In Marshall's application in (1843) 60 RFC 147 specially at page 151 that an applicant for registration whose trade mark has been refused by reason of prior registration by the respondent of the same or similar or identical mark for the same goods or description of the goods or whose application for registration is opposed on the basis of prior registration of the same or similar mark by the respondent, has been regarded as a "person aggrieved". See also In re Appollinaris Co.'s Trade Marks (1891) 2 Ch 186 corresponding to 8 RFC 137 and In re Rivire's Trade Marks (1884) 26 Ch D 48. On the facts stated above, I am therefore convinced that the Madras Match Company satisfies the tests laid down by these authorities to come within the meaning of the expression "any person aggrieved" in Section 46 of the Trade and Merchandise Marks Act, 1958.

8. I therefore uphold the decision of the Registrar on this point and hold that the Madras Match Company is a "person aggrieved" and can maintain this application for cancellation of the registration of the mark of the Swedish Match Company.

9. The main point for determination in this appeal is the defence of the Swedish Match Company u/s 46(3) of the statute pleading "special circumstances" in the trade as the cause of the non-use of the registered trade mark belonging to the Swedish Match Company.

10. According to the traditions of trade mark appeals in this Court, here also a massive number of trade mark decisions and authorities have been cited from the Bar on this point, I shall notice a few of these decisions

11. Before I do so it will be appropriate to quote the relevant language of Section 46(3) of the Trade and Merchandise Marks Act, 1958 which inter alia uses these words:

"Any non-use of a trade mark which is shown to have been due to special circumstances in the trade and not to any intention to abandon or not to use the trade mark in relation to the goods to which the application relates". On an interpretation of the above language of Section 46(3) of the statute certain points are abundantly clear. The actual non-use of the trade mark must be shown to have been due to the special circumstances of the trade. Secondly, that non-use must be not due to any intention to abandon or not to use the trade mark in relation to the goods to which the application relates. Bearing these express words in Section 46(3) of the statute it will be useful to look at the authorities, mostly English, which have been cited from the Bar on this point.

12. The expression "special circumstances in the trade" has been held to mean not any special circumstances merely attendant on or attached to any particular

individual business. It must be a kind of special circumstance for all the trade in those particular goods.

13. On behalf of the appellant, Mr. Sen relied on two main decisions. The first case is *Aktiebolaget Manus v. R. J. Fullwood & Bland Ltd.*, reported in (1949) 66 RFC 71. This was a dispute with regard to the trade mark of the milking machine of Sweden. Its essential feature was the word "Manus." One of the contentions in that case was that war restrictions provided the special circumstances in the trade. It was held that the war restrictions did constitute "special circumstances in the trade" within the meaning of Section 26(3), British Trade Mark Act 1958. At p. 79 of the Report, Ever-shed L. J. made the following observations relating to "special circumstances in the trade" in these terms:

"But even if the word be extended so as to comprise also English manufacturers. I am unable to accept the defendant's arguments: for though the phrase in question may or may not be apt to cover the case of a calamity suffered exclusively by a particular trader -- e.g. if his factory were destroyed by fire or bombs -- it is not in my view necessary that the "special circumstances" should be such as to afflict all traders equally or indeed to afflict all of them at all. It is important to my mind to note that the relevant phrase is used in contrast to that which immediately follows -- "and not any intention not to use or to abandon the trade mark." In that context, it seems to me (without attempting any precise definition) that the words must be taken to refer to circumstances which are "special" in the sense of being peculiar or abnormal and which are experienced by persons engaged in a particular trade as a result of the working of some external forces as distinct from the voluntary acts of any individual trader. According to such a test, no less than (in my view) the ordinary and commonsense meaning of the words the impact of war conditions making impracticable the ordinary usages of international trade would amount to "special circumstances" in the trade; and if the non-user of his marks by a particular trader was in fact due to the effect upon his business of those conditions, then he would in my view be within the protection of Sub-section (3).

The case was put by Somervell L. J., in the course of the argument of the imposition of prohibitive tariffs practically effective to keep out of England altogether machines manufactured abroad. It is clear that such a tariff would strike hardest at those manufacturers who had no means of manufacturing in England and would, as it would be intended to do. immensely benefit English manufacturers; and whether or not the words "the trade" be given their widest significance, the effect of such a tariff would in my judgment amount to "special circumstances in the trade". "

14. Now, this exposition of "special circumstances in the trade" as being the cause of the non-use of the trade mark emphasises the aspect that the non-use is due to certain external forces such as the war or prohibitive tariff and not due to any voluntary act or omission on the part of the trader: This case was a war time case. Evershed L. J. at p. 74 points out that the dispute owes its origin to

the war and the severance that the war imposed for its duration of the relationship with the parties in the litigation. It was as a result of that severance that the dispute arose when one of the parties proceeded to manufacture milking machines and claimed the right to continue the use of the name "Manus" to machines of their own manufacture altogether independently of the registered traders and their business. But this case was a case where there was a prior and previous use which was interrupted by the war which was regarded as a special circumstance as being the cause of the non-use. That point distinguishes the present appeal before me for there was no use whatever of the trade mark of Swedish Match Co. at any relevant time in India for the Indian market although it was registered with the Indian Registrar of Trade Marks.

15. The other case on which reliance was placed on behalf of the appellant was *Mouson & Co. v. Boehm*, reported in (1884) 26 Ch D 398. This authority lays down certain very important and significant principles. In the first place, it lays down the principle that mere discontinuance of user for lack of demand, even coupled with non-registration and non-assertion of the right, is not enough and it is necessary that there must be evidence of a distinct intention to abandon. In other words, the two principles are; first, mere non-user is not enough; and secondly, a distinct intention to abandon must be shown. Therefore, if the requisite period of non-user for 5 years under the Statute co-exists with an intention to abandon the use of the mark, then the mark can be struck off. This was not a war time case or even a case of prohibitive tariff. It was a case of fall or decline in the trade in the ordinary economic process of a number of years. Chitty J. at p. 405 said: "Now on the question of abandonment, it appears to me that intention to abandon must be shown." But he lays down also the principle at the same page, viz.: "In substance therefore the question of abandonment is one of intention to be inferred from the facts of the particular case." The learned Judge was satisfied in the facts of that particular case that this intention had not been proved. Chitty J. found the following facts there, viz. (1) retention of the mark; (2) the owner did not break up the moulds; (3) he did not even erase the trade marks from his books; (4) there were persons in the market who got the Roods from him who were endeavouring to effect sales; and (5) he did not give up the business to which the trade mark belonged. See the observations of Chitty J. on these specific points of facts at p. 405 of the Report. Finally, at page 406 Chitty J. actually found as follows:

"Here it appears to me that there was no absolute non-user for any sufficient time, taken in connection with all the circumstances, to show an intention in abandon. A man who has a trade mark may properly have regard to the state of the market and the demand for the goods; it would be absurd to suppose he lost his trade mark by not putting more goods on the market when it was glutted. There was some user and the result therefore is that he has not abandoned his trade mark."

16. *Mouson's* case is important because in the first place, it lays down that mere

non-user which can be explained by many causes is not enough but it has got to be supported by an intention to abandon the trade-mark or its use before the registered trade-mark is cancelled. Secondly, it lays down the type and nature of evidence from which the intention has to be inferred one way or the other. Here again the fact is that the evidence in the present appeal before me does not show any user whatever and that is the finding of the Registrar of Trade Marks.

17. At this stage I must notice one other case In the Matter of application of John Taylor Peddie, reported in (1944) 61 RPC 31. One of the points decided there was that the adoption and use by trader of a mark may be despite his knowledge of a similar mark already in the Register and that a short period of concurrent use in combination with other special and exceptional circumstances may enable a trade mark to be registered despite the presence in the Register of a closely resembling mark. That case also decided that a bona fide intention on the part of an applicant to use, when circumstances permit, a mark temporarily debarred from use because of prevailing difficulties and uncertainties in trade is sufficient, apart from other circumstances, to justify an application for registration. This however is a decision of Dr. Lindley, the Comptroller General sitting as a Registrar of Trade Marks. This was a war time case relating to the period 1941-42. The course adopted in Peddie's application is relevant having regard to the order that I propose to make at the end of this judgment.

18. For the appellants Swedish Match Company the facts definitely are against their contention. I shall briefly summarise the facts. The first fact is that they chose a time to register their trade mark in India when according to their own affidavit, namely paragraph 5 of the affidavit of Anil Chandra Daphtary affirmed on the 6th October 1964, the severe import restrictions amounted practically to prohibition even from 1942. The registration, therefore, by the Swedish Match Company of their trade mark in India on the 24th February 1944 was at a time when there was almost total prohibition on imports of foreign matches. To quote the language of Anil Chandra Daphtary this is what he says:

"To my knowledge, the import of matches into India from the year 1942 has been subject to severe import restrictions amounting practically to prohibition."

To the same effect is the affidavit of Mr. Walter Emanuel Thulin, the Managing Director of the appellant when he says in paragraph 11 of his affidavit affirmed on the 3rd September, 1964, "I state that, On account of Government's policy regarding the import of matches of foreign manufacture, the matches of Jonkoping under their Registered Three Stars label could not be sold in India during the relevant period". The second fact is that the Indian market was completely closed for all practical purposes against any use by the appellant company of its foreign matches in the Indian market. Registration therefore, of the Swedish Match Co's mark on the 24th February 1944, knowing that there was a virtual prohibition of importation of all foreign matches was unfortunate in its effect on its probable use. The only excuse, not proved, might have been that the appellant thought that those restrictions in 1944 were temporary. But such a

thought is also without substance because according to its own affidavit quoted above it had already one on for more than two years. It was still possible I suppose for the appellant to think that when the war would be over, for at the time when the registration took place the last Second World War was on, there would be relaxation with regard to these imports. However, reasonable that thought may be it can only be a matter for speculation. The third fact is that throughout these long number of years, until today 1968, a period of about 24 years this mark has been a dead mark. It was an abortive registration. Except that it appears on the Indian Trade Mark register and has been renewed from time to time during these years, this mark has never been in use in the Indian market in respect of the matches of the Swedish Match Company for which it was registered. There is no association in the mind of the Indian public that this mark of the appellant Swedish Match Company is a mark associated with it.

19. If it wanted to show its intention not to abandon the mark, it could at least have issued some publicity or advertisement from time to time but there has been no publicity and no advertisement during these 24 years. There is no proof or no instance of any sale or use of the appellant's matches with this trade mark, not even use in the embassies and consulates of Sweden operating in India. There is not even use by way of samples or otherwise. In fact, there is no evidence of any use almost anywhere in the Indian market. Some vague suggestion has been made that this match with this trade mark was used in Goa when it was a Portuguese territory. But use of the Indian registered trade mark in territories outside India cannot help. It may be pointed out here that there is no evidence that since the merger of Goa with India there has been any use of this trade mark by the appellant on its matches even in Goa, as naturally there could not be under the Indian prohibition.

20. Use abroad and advertisement abroad outside the place where the mark is registered are not of any assistance to the appellant, even if it was established in fact that there was such a foreign use, although even that fact has not been proved or brought on record.

21. In the Matter of Ford-Werke AG.'s Application for a Trade Mark, reported in (1955) 72 RFC 191, Lloyd-Jacob J. at p, 195 observed as follows:

"No use in this country has been claimed but reliance is placed on user and registration abroad, the association of the applicant Co. with a larger and more extensive organisation of world-wide activities operating under a name of which the word "Ford" forms part, the international aspect of the motor car industry, as well as upon the features of the mark applied for as constituting circumstances which establish a factual adaptability of this mark to distinguish the appellants' goods. In my judgment, such factual adaptability must be in respect of the market in the U. K. and of export therefrom; so that in the absence of information as to the conditions obtaining in overseas territories, no material exists whereby experience abroad can be accurately related to the British Market. This Sub-section (Section 9(3)(a)(b)) of the British Trade Marks Act 1938

does not therefore assist the applicants in the present case."

22. Similar observations are also to be found In re Neuchatel Asphalte Co.'s Trade Mark case, reported in (1913) 2 Ch D 291. Sargant J. in Neuchatel's case, 291 at pp. 301-2 of that report followed the observations of Lindley M. R. in Re Batt and Co's trade mark case reported in (1898) 2 Ch D 432 , Where the learned Master of the Rolls observed "A question of law then arises which may be stated shortly as follows: "Can a man properly register a trade mark for goods in which he does not deal or intend to deal?" that must mean "deal or intend to deal in this country" --"meaning by intending to deal having at the time of registration some definite and present intention to deal in certain goods or descriptions of goods and not a mere general intention of extending his business at some future time to anything which he may think desirable. This question we answer in the negative."

23. Again, similar principle was emphasized by the Court of Appeal in England in De Cordova v. Vick Chemical Co. dealing with the word "Vapo-Rub" reported in (1951) 68 RPC 103, Lord Radcliffe at p. 107 of that report observed as follows:

"Merely to find these books in Jamaica is not enough if, as is evidently the case, this particular part of their contents has not passed into the speech of Doctors, or of druggists, or of dealers, or of the general public. For the Jamaican Register is a source of title in its own right; and in considering any question that bears on registration in Jamaica or on the nature or extent of the monopoly in Jamaica that is granted by Section 39 of the Jamaica's Trade Marks Law, it is usage within the territorial jurisdiction of this law-making authority that must be taken into account. What is not merely descriptive by Jamaican usage is not altered in character by what may well be the different usage of the United Kingdom. To say this is only to say what has been said more than once in Trade Mark cases in this country; see for instance, Re, Reddaway and Co.'s application, (1925) 42 RPC 397, (1927) 44 RPC 27, and Impex Electrical Ltd. v. Wein Baum (1927) 44 RPC 405."

24. It will be appropriate to refer in a little greater detail to the Trade Marks case of John Batt and Co., reported in (1898) 2 Ch D 432. It first lays down the principle that a trader cannot properly register a trade mark for goods in which he does not deal or in which he has not, at the time of registration, some definite and present intention to deal. It further lays down the principle that where there had been no real user of a trade mark before or since its registration, and it had been registered in a particular class, without any bona fide intention to use it in that class, the Court, on the application of another trader to register an identical mark in respect of that class could rectify the Register by expunging the existing mark as an entry made without sufficient cause. This principle is very much against the appellants, both in fact and in law, in the present appeal. Here, there has been the following finding by the Registrar:--

"In effect, there is no evidence before the Tribunal regarding the user of the

Registered mark at any time in this country."

25. In John Batt's case the decision of Romer, J., was affirmed on appeal. As the facts are important and as the contentions are similar in the present appeal, I propose to examine in still greater detail what was said in that decision. Romer, J., at p. 438 of that Report made the following findings:--

"Looking at the evidence as a whole, which I do not intend to refer to in detail in this judgment, I come to the following conclusions of fact on the evidence before me; that there was no real user of this trade mark of a "Butter fly" at any time before registration; that there has been no real user of the "Butter fly" trade mark since registration in respect of any of the articles in Clause 42; and I further come to the conclusion that at the date of this registration there was no bona fide intention on the part of this firm to use that trade mark for any of the goods in that class.

The result is that in my opinion that registration was wrong and ought to be expunged from the whole class and I order that it be expunged accordingly."

26. I find the tests of facts which Romer, J., applied in that case are similarly applicable against the appellant in the present case before me. It is difficult to imagine that the appellant had any bona fide intention to use the trade mark in Indian Market when it knew that it was registering at a time when there was a virtual prohibition of all importation of foreign matches according to them. On appeal, Lindley M. R. made the observations which I have already quoted from the judgment of Sargant, J., in Neufchatel's case (1913) 2 Ch 291.

27. On principles I take the same view. The Trade Mark law from that point of view is not extra-territorial; that use abroad in foreign countries under foreign registration can be use within the meaning of the Indian Trade and Merchandise Marks Act of 1958. This statute is an Act which provides for registration and better protection of trade marks and for the prevention of the use of fraudulent marks on merchandise. That is its preamble. That preamble I read as confined to the territorial limits of India. Section 1 (2) of the statute extends it to the whole of India. The statute establishes trade marks register for India. The definition of a trade mark in Section 2 (v) speaking of use in relation to goods must in my opinion be understood as use within the territory of India and not use abroad. On the authorities quoted above and on the principles that I have just mentioned I am of the opinion that u/s 46 of the Trade and Merchandise Marks Act, 1958 the word "use" employed therein is used within India. Naturally if it is not used in India that would be a ground for removal from the Indian register. I cannot imagine that a foreign use or use abroad or outside India could be pleaded as a sufficient ground for retaining a registered Trade Mark on the Indian Trade Mark register. I cannot import any extra-territorial notion to construe the Indian Trade and Merchandise Marks Act 1958 to cover foreign use. I am of the opinion that registration of a Trade Mark and its continuance on the register are exclusively within the scope and ambit of domestic and national law. The "International

convention for the protection of Industrial property" originally of Paris in 1883 and recently revised at Lisbon in 1958 clearly recognises the principle specially in its Article 6 that when a Trade Mark has been duly registered in the country of origin and is then registered in other Convention Countries, each of these national marks is to be considered as independent, and the renewal of registration in the country of origin does not involve the obligation to renew in other Convention Countries. As I read the British law a Trade Mark registration, whether of a British citizen or a foreigner, and whether with Convention priority or not is consistently regarded as completely independent of any foreign registration. I am therefore of the opinion, both on the interpretation of the Indian Statute and on principle, that registration of the "Three Stars" Trade Mark of the Swedish Match Company in foreign or Convention Countries, cannot help the appellant in this appeal, on the question of Indian registration and its Statutory Conditions under the Indian Trade Mark and Merchandise Marks Act, 1958.

28. It is, therefore, clear that the biggest handicap for the appellant is that in all these cases which have been cited on its behalf there was some user and then there was interruption of that user due to special circumstances. But in the present appeal before me the appellant has not proved, as he could not, any user at all.

29. I shall now come to the question about the existence of the special circumstances which the appellant pleads as the cause of the non-user of its Trade Mark as well as its legal effect.

30. Strangely enough, no attempt has been made by the appellant or on its behalf to produce any single order or notification of 1944 when it registered its mark to show that there was a total or virtually total prohibition of the import of foreign matches into India. Vague references have been made to the import policy and war conditions. No doubt the Court will take judicial notice of the War and of the fact that a War was on at the time when the registration was effected on the 24th February, 1944, by the appellant company. But mere existence of the War will not be enough to show that foreign matches could not come to India or that they were totally prohibited. The state of fact that they could not enter the Indian Market or that they were totally prohibited must be proved.

31. The present import trade control was first introduced in India as a war time measure in the early stages of the Second World War. A notification to that effect was issued on May 20, 1940 in exercise of the powers conferred by the then Defence of India Rules, In the Import Trade Control Handbook of rules and procedure published by the Government of India, Ministry of Commerce, 1967 it is stated that the primary object of that measure of 1940 was to conserve foreign exchange resources with the successful prosecution of War and to make the best possible use of the limited space of ship available. It mentions that import of only 68 commodities, mainly consumer goods, was subjected to control and subsequently with the growth of exchange difficulties the control was

extended to other commodities as well. It is also stated there, on December 31, 1940 unmanufactured and manufactured steel was brought under control followed by control of machine-tools on February 15, 1941 and ultimately by August 23, 1941, most of the remaining commodities, particularly capital goods and other goods required for industrial purposes, Were brought within the ambit of control. Finally on July 1, 1943, a consolidated notification was issued pertaining to all the controlled items except machine-tools. But neither the appellant nor the respondent has drawn my attention to any actual prohibition of import of foreign matches in the year 1944 and particularly on the 24th February 1944 when the appellant got its mark registered.

32. No doubt after the end of the War and the lapse of the Defence of India Rules in September 1946, the policy of import trade control was kept alive by the Emergency Provisions (Continuance) Ordinance, 1946, replaced by the Imports and Exports Control Act, 1947 which came into force on the 25th March 1947. The present position is governed by the Imports and Exports Control Act, 1947, and the Imports (Control) Order, 1955 as amended. Under this import control policy, what is usually referred to as publication of the Red Book has come into practice. The Red Books as indicating the Government's import policy under the above statute and orders show prohibitory control over matches from 1950. But what I am concerned is not with the year 1950, but with the date 24th February, 1944 and the year 1944 when the appellant's mark was registered in India. In that year and at that time I do not find any notification to substantiate or support the fact on which the appellant is relying that there was a total or virtual prohibition of importation of foreign matches into India.

33. The Registrar in his decision shows that he directed a specific enquiry and asked the appellant to adduce evidence of user of its registered trade mark in India at any time since the date of its registration in 1944. But none was produced. On behalf of the appellant certain charts have been produced to show that there was hardly any import during this period. They are statistics and charts from the Director General of Commerce, Intelligence and Statistics. The first chart from 1940 to 1946 does not mention, however. Sweden as a country unless it comes within "other countries". The other sheet of the chart shows the years from 1957 to 1963 which indicates some importation from Sweden of safety matches, 8 in 1957. I do not think that is any evidence on which I can come to any finding on this point.

34. At this stage it will be convenient to refer to the decision In the matter of a Trade Mark of James Crean & Sons Ltd., which is reported in (1921) 38 RPC 155. I shall call this as the "Aladdin" soap case. There in that case at p. 161 Sargent, J., observed as follows:--

"It is admitted on behalf of Messrs. Crean that there has been no bona fide use of the trade mark in connection with the goods during those 5 years. But it is said that they escaped from the consequences because they fulfilled the condition "unless in either case such non-user is shown to be due to special

circumstances in the trade and not to any intention not to use or abandon such trade mark in respect of such goods." It is said that not only was it not shown that there was no intention not to use, or to abandon, but also that the non-user is shown by them to be due to special circumstances in the trade viz., the difficulty which arose during the war of getting moulds and plates and so on and pushing the trade in this soap."

35. Now, this exactly is the whole point in the present appeal before me. Here also it is admitted that there is no actual bona fide use of the trade mark during the statutory period of 5 years u/s 5(1) of the Trade and Merchandise Marks Act 1958 of India. It is also said here that this non-use is due to special circumstances which I have already mentioned.

36. Now, it would be material to notice the observations of Sargant, J., in (1921) 38 R.P.C. 155, and specially the observations of the learned Judge at pp. 161-2 which are as follows:--

"But it seems to me that, in order that the saving clause of the section should apply, it must be shown that the non-user was due to the special circumstances of the trade and was not due to some other cause which would have operated whether the special circumstances had arisen or not. That is to say, although it might be that the special circumstances of the trade taken by itself would have prevented the user of the mark, yet if the non-user of the mark was in fact due to some other circumstances and would have occurred whether the special circumstances had followed or not, then the saving clause would not apply."

37. Here, the Appellant pleads the special circumstances of total prohibition of the import of foreign matches which he did not prove at the time when the mark was registered. But even before that, his very application for registration on 24-2-44 shows that the Appellant did not state that he was only proposing the mark which was not in use at that time but stated in the application that the Appellant was actually using the mark even at that time. But no proof of actual user has been given by the Appellant. If, therefore, he had not used the trade mark then the intervention of the alleged special circumstances of prohibition of import of foreign matches cannot help the Appellant on the principle enunciated by Sargant, J., in James Crean's case quoted above.

38. I should like to pursue a little further the observations of Sargant, J., at p. 162 of that Report in James Crean's case where the Learned Judge says as follows:--

"What have we here? We have got this that from the time when the sales to the Co-operative Societies ceased, the Titan Co., had no sale at all of "Aladdin" soap and no definite goodwill in respect of that soap. There was no business with regard to it. From the time that Mr. Crean bought in June 1910, again there was no use whatever by him of this particular trade mark; and, as was admitted, or rather put forward by Messrs. Crean in their evidence, that this was due to the desirability of using and pushing the better-known trade marks of the Titan & Co.

and the difficulty of dealing with other subsidiary and less well-known trade marks. That continued right down to the time of the war, and in my judgment, there is nothing to show that the non-user of the "Aladdin" mark would not have been as complete if there had been no war as it was in fact in the circumstances. There appears to have been no desire during the whole of that period to endeavour to push or to make use of the "Aladdin" trade mark not more than the other 27 or 28 trade marks which were assigned together with the factory and business of the Titan & Co to Messrs. Crean at the time when the purchase was made in the year 1910. It seems to me to rely (sic) that Messrs. Crean have been roused to action in respect of this trade mark and have put forward these claims of intention to use, and of policy, and so on merely because they have found that they have got on the Register a trade mark which somebody else wants to use and that they are pursuing these obstructive tactics which are not unusual in such cases. I have not the slightest reason to place confidence whatever in the story that they told in the box as to their meaning to make use of this trade mark and being debarred from doing so and by the difficulty of obtaining moulds and dyes and so on. Their whole conduct appears to me to contradict that view."

39. The above observations apply with force both to the facts and the law of the present appeal before me. The Registrar has rightly found "in effect there is no evidence before the Tribunal regarding the user of the registered mark at any time in this country." It also appears that the Appellant has been quite indifferent by reason of the fact that the Madras Match Co. had been using a similar mark of "Three Stars" on their matches for over eleven years and it was not until 1963 that the Appellant chose to write calling upon the Madras Match Co., to desist from using the mark of Three Stars and that was done on 8-8-63 when three months before that by 4-5-63 the Madras Match Co., had already made its application No. 215348 -- before the Registrar in Madras for registration of their trade mark of Three Stars. It is the Appellant's case that they only became aware of the Madras Match Co.'s mark in August, 1963, but that only proves how indifferent the Appellant has been to the use of this mark even if that statement is true.

40. In my view it is necessary to emphasise that when in proceedings u/s 46(1) (e) non-use for the statutory period of five years is admitted as a fact then the defence that the non-use is due to special circumstances u/s 46(3) of the Trade and Merchandise Marks Act, 1958 must be proved by the party taking the defence. The onus of proving it is upon that party taking the defence of "special circumstances". In Gramophone Trade Mark case, in the matter of Columbia Gramophone Co. Ltd, reported in (1932) 49 RPC 621, Lord Hanworth, Master of the Rolls at pp. 628-629 makes the point of onus clear in the following observations:--

"One more observation may be made. It would appear that, if it is proved that there has been no bona fide user during the span of the five years, there is cast

upon the respondents the duty of overcoming the inference that is to be then drawn and the duty that would be imposed upon the Court in consequence; and the onus is on the respondents of showing that the non-user is due to the circumstances of the trade, and that those circumstances of the trade were a compelling factor to which he yielded; and he would have no (sic) negative the intention not to use or to abandon such trade mark in respect of such goods in his personal trade".

41. This plea of "special circumstances" as the cause of the non-user is really a defence in the nature of frustration in a contract. Special circumstances like frustration should not be induced by the proprietor himself nor can it be individual or personal. It must always be circumstances beyond his control and for which he is not responsible in any way. Again, such "special circumstances" must be the direct cause of the non-use. If the non-use is due to other causes apart from special circumstances then the special circumstances cannot be availed to overcome the handicap of non-use of the statutory period of five years. See Sargant, J.'s observations in *James Crean's* case (1921) 38 RPC 155 at

42. Mr. Sen, Learned Counsel on behalf of the appellant relied on two cases which I shall notice now. One is "*Lanette*" case *The Gardinol Chemical Co.*'s application for the rectification of the register reported in (1950) 67 RPC 95. This was a case which was an aftermath of the Second World War. This decision was given by Mr. Justice Vaisey. The relevant observations appear at page 98 wherein the learned Judge said:--

"Thus after the 3rd September, 1939, the position of a person domiciled in Germany, who was the proprietor of a trade mark registration in the United Kingdom, was that he was unable to exercise any control over the use of his mark and, if it were infringed during the period of the war, he would not be able to sue (if at all) until after the termination of the War. For these reasons, if the registration were valid at the outbreak of war, I consider that that if any application were received by the Registrar under the provisions of Section 26 of the Act (British Trade Act, 1938) for the removal of such a mark from the Register because of non-use during the period of the war, it would be an improper exercise of the discretion conferred upon him were he to accede to such application on that ground alone, for such an action on his part might be wholly inconsistent with the terms of a future Peace Treaty, and if taken as a precedent could form the basis of a wholesale removal of such German-owned marks. Similarly, if a valid trade mark registration as postulated were infringed on an extensive scale during the war, and the infringer were to seek removal of the mark on the ground that it had by such unchallenged infringement lost its distinctiveness, I consider that it would be improper for the Registrar to allow the infringer or any other person to plead the infringement as a basis for obtaining the removal of the mark. On the other hand, if it were shown either that immediately before the outbreak of war the registration was invalid, or that the

mark was properly removed from the Register under the provisions of Section 26, and that there was no war time use upon which the registered proprietor could rely, then I consider that even at this date the Registrar might, in appropriate circumstances, properly exercise his jurisdiction to remove the mark, for there is no obvious reason to my mind why the bare transfer of the mark into the Custodian's control should preserve the mark from an enquiry as to whether or not it was improperly on the Register on the 3rd September, 1939. In consequence, I deem it of the utmost importance in these proceedings to ascertain if possible the status of the mark "Lanette" at the outbreak of World War II."

43. Now, this appears to me clearly against the appellant in its essential import and application. In the first place, the time which is important to consider, is the time of registration. That point of time is against the appellant for he chose the time, when according to him, there could be no use and yet stated in his application for registration on February 24, 1944 that the appellant did use this mark. The appellant did not mention that he only proposed to use the mark nor did he mention that his user had to stop by reason of import prohibition when he made that application for registration. In the second place, this "Lanette" case lays down the principle that the Registrar has the discretion in these matters and the Court should not unreasonably interfere with it. As I have stated before the Registrar has used his discretion here properly, appropriately and legally and not beyond the bounds of the Statute,

44. The other case on which Mr. Sen relied is the "Black Flag" case in the matter of an application by David Thom and Co. Ltd. for rectification of the register reported in (1946) 63 RPC 161. There the point raised was that the "Black Flag" trade mark could not be used because the owner was prevented by the war which made it impossible, inter alia, to obtain import licences for certain ingredients required to manufacture the goods and where it was held that non user was proved to be due to special circumstances of the trade. Here again this was a war-time case. It was particularly pointed out there at pages 166-67 that the new evidence which was not before the Assistant Controller showed that as early as 13th July 1939, before the negotiations for the purchase of the business of the "Black Flag" were complete, the difficulties were undisputed. Then at page 168 of the report it is expressly pointed out by the learned Judge "I should have thought that the existence of special circumstances in the trade as the result of such conditions of War as prevailed in the years 1940 and 1941 was almost self-evident, and that the real question in this class of case was not whether there were special circumstances but whether if there had not been those special circumstances the proprietor of the mark could have taken any steps. On that point it seems to me that the correspondence is quite conclusive and based upon that sort of matter no doubt that the evidence has to be tested very carefully in this class of case". On such careful testing of evidence on this point it is plain in the facts of the present appeal before me, special circumstances or no special circumstances, of import prohibition, the appellant has not chosen to use the

mark at any time in India and has not proved that the appellant had so used.

45. I, therefore, do not think that either the Lanette's case (1950) 67 RPC 95 or the Black Flag case (1946) 63 RPC 161 helps the appellant in the facts of this present appeal.

46. The discretion of the Court or the Registrar u/s 46 of the Trade and Merchandise Marks Act, 1958 entitles the Court or the Registrar, either to order the rectification or not to do so, and the question is not so much between the applicant for rectification on the one hand and the respondent on the other but between the public and the respondent. See Kerly, 9th Edition on the Law of Trade Marks and Trade Names, paragraph 383 and the decisions noted there of Noblitt Sparks Industry's application (1950) 68 RPC 168. It is therefore not necessary or relevant to examine the conduct of the respondent Madras Match Company. Were I to do so, I would hold in their favour because I see nothing against their act or conduct except perhaps that they chose a mark which happened to be similar to the mark of the appellant Swedish Match Co.

47. For these reasons, I am inclined to uphold the order and decision of the Registrar and dismiss the appeal. I am of the opinion that the Registrar when he gave the decision was right both on the facts and the law as he found there. But this decision has to be modified in the light of the subsequent events which took place after the decision of the Registrar. In order to do complete justice between the parties to this appeal these subsequent events are relevant and have to be considered,

48. That event is the order of the Assistant Registrar of Trade Marks, Madras, permitting the Madras Match Company, the respondent in this appeal, concurrent registration with the appellant u/s 12(3) of the Trade and Merchandise Marks Act, 1958. A copy of that order has been placed before me, admitted by all the parties in this appeal and which I direct should be kept with the records of this appeal.

49. Now in this order of the Assistant Registrar of Trade Marks, Madras, he notices that the Madras Match Company claimed registration u/s 12(3) of this statute. Section 12(3) of the Trade and Merchandise Marks Act, 1958 provides as follows:--

"In case of honest concurrent use or of other special circumstances which in the opinion of the Registrar make it proper so to do he may permit the registration by more than one proprietor of trade marks which are identical or nearly resemble each other, whether any such trade mark is already registered or not, in respect of the same goods or description of goods subject to such conditions and limitations if any as the Registrar may think fit to impose." Even the Counsel for the Madras Match Company before the Assistant Registrar, Trade Marks, is recorded to have agreed to have concurrent registration. The reasons which impelled the Assistant Registrar in that order to grant concurrent registration u/s 12(3) to the Madras Match Company is summarised in his own words at the

conclusion of that order in these terms:--

"I am therefore of the opinion that this is a fit case in which the applicants should be granted concurrent registration u/s 12(3). The applicants have used their mark for over 12 years and their total sales exceed Rs. 30 lakhs. The opponents, though they registered their mark 22 years ago, have not yet started using it in India. The hardship to the applicants of refusing registration appears to be out of proportion to any hardship to the opponents or inconvenience to the public which can possibly result from granting it. In fact it is difficult for me to imagine a more suitable case for the application of Section 12(3)." At the time when this order was made, this present appeal to this Court had not been filed. The present appeal in this Court was filed on the 20th September, 1966 against the order of the Deputy Registrar of the 22nd June, 1966. This course was thought to be the best course having regard to the prospect of this appeal being filed and to make an order which will not be prejudicial to any of the parties.

50. Now, the subsequent order of the Assistant Registrar directing concurrent user, registration to the Madras Match Company is not under appeal either by the present appellant before me or by the Madras Match Company. That order therefore has become final. In essence there could be no concurrent use because it is admitted that the appellant had no use in the Indian Market. But I suppose the Assistant Registrar made this order as a via media and as a compromise course.

51. Be that as it may, the position now is that while the appeal from the Registrar's decision expunging the appellant Swedish Match Co's trade mark was pending and is being disposed of, there has already been an order for registration of the Madras Match Co's trade mark concurrently with the Swedish Match Co's registered mark. I need hardly say that this subsequent order was made on the Madras Match Co's application for registration of its mark.

52. From the practical point of view this concurrent registration will not prejudice either the Madras Match Company or the Swedish Match Company. The appellant Swedish Match Company will of course not be in a position to use its trade mark so long as the import prohibition lasts and which according to them has already lasted for 24 years. At the same time, in that situation the Madras Match Co.'s mark even though similar, has been registered and it will be in a position to carry on its business unhampered by any competitive use in actual trade or business in the Indian market from the Swedish Co. This Court has power just as much the Registrar has the power in proceedings u/s 46 to impose appropriate limitations, conditions and directions. This will be clear if Section 46 is read with Section 56(3) and Section 109(6) of the Trade and Merchandise Marks Act 1958.

53. I, therefore, dispose of the Appeal by maintaining the concurrent registration with the following directions:--

(1) The Appellants will not assign the trade mark registered under No. 93017 and will not apply for registration of any other person as registered user of the said

trade mark.

(2) That the Appellants shall not permit any person other than their servants or agents and no other employee (sic) to use the said trade mark in relation to matches manufactured either by the appellants or on behalf of and under the control of the Appellants.

(3) That in actual use in relation to matches, the Appellants' trade mark shall be limited to the particular colours shown in the specimen which has been annexed in the agreed terms and the manner therein shown.

(4) That the Appellants shall not in any way challenge the registration of the mark of the Nadar respondents (the Madras Match Co.) in Application No. 215348 by way of Appeal or otherwise. There will be a similar direction upon the Nadar respondents not to challenge the validity of the Appellants' registered trade mark No. 93017.

54. I am obliged to learned Counsel on either side for the very able arguments advanced on many points raised in this appeal and also for the undertaking which has been given on behalf of the Appellants by their counsel. I direct the terms submitted, but not signed, by counsel on either side, be filed with the records of this appeal and kept as a part of the same.

55. The terms also set out the specimen of the Madras Match Co,

56. In conclusion, therefore, the appeal is disposed of by allowing the Appellants' trade mark, registered under No. 93017. to remain on the Register subject to aforesaid directions and undertakings.

57. In view of my decision and having regard to my findings, the Appellants will pay to the Nadar Respondents costs settled at a sum of Rs. 6000/- only within a month and in default pay interest thereon at 6 per cent per annum.

58. I shall only add this further direction and limitation in the order that in default of carrying out the undertaking as reported in the terms set out above or for violating any of the directions of this Court set out above, the Appellant Co.'s trade mark will be cancelled forthwith. That will be one of the conditions of this order.

59. The Registrar will be paid his costs of the Appellant Co. and I settle the Registrar's cost at 60 G. Ms. to be paid by the Appellants to the Registrar within two months from date.