

(1969) 12 CAL CK 0005
In the Calcutta High Court
Case No : Appeal No. 165 of 1968

American Home Products Corporation	Vs	APPELLANT
Mag Laboratories Private Ltd.		RESPONDENT

Date of Decision : 16-12-1969

Acts Referred:

Trade and Merchandise Marks Act, 1958 — Section 109, 11, 17, 17(1), 18
Trade Marks Rules, 2002 — Rule 85

Citation : 75 CWN 118 : (1970) 2 ILR (Cal) 280

Hon'ble Judges : S.K. Mukherjea, J;Arun K. Muhherjea, J

Bench : Division Bench

Advocate : C.K. Daphtary, Savaskha, B. Das, P.P. Ginwalla and Rajat Ghose, for the Appellant;Sankar Ghose, N.B. Zaveri and B.P. Gupta, for the Respondent

Final Decision : Dismissed

Judgement

S.K. Mukherjea, J.—This appeal is directed against an order of P. B. Mukharji J. made in an appeal u/s 109 of the Trade and Merchandise Marks Act, 1958, reversing an order by which the Registrar of Trade Marks refused an application by the Respondents for removal of the Appellants' trade mark Dristan from the Register.

2. The appeal raises a question of great importance in trade mark law, that is to say, whether a proprietor of a trade mark who intends to use it solely by a registered user is entitled to registration of his trade mark.

3. The registered proprietors who are the Appellants before us are the American Home Products Corporation, a corporation incorporated in the United States. The corporation is a leading manufacturer of drugs engaged in trade all the world over. In 1956, Dristan was adopted by the Appellants as a trade mark under which they introduced an antihistamine drug in the American market. In 1957, it was registered as a distinctive trade mark in the United States Trade Mark Register. It was subsequently registered in forty other countries. The Appellants decided to introduce the drug Dristan in India. They have registered a number of

other trade marks in India in respect of their drugs and are using those trade marks by a registered user, Geoffrey Manners & Co., an Indian company in which they have a substantial though not a controlling interest. In fact, the Appellants hold 40 per cent of the shares in the Indian company.

4. It appears that the Appellants intended to register the trade mark in India and use it by the Indian company as its registered user. In 1957, they entered into an arrangement with the Indian company under which the latter was to manufacture the drug under the trade mark Dristan in technical collaboration with the Appellants. The Indian company received formulae, manufacturing instructions and other technical information for manufacture of Dristan. On August 18, 1958, an application was made on behalf of the appellants for registration of the mark Dristan in India under the Trade Marks Act, 1940. In their application, the Appellants stated that the trade mark was "proposed to be used" by them. The trade mark was registered on the same date. On December 16, 1958, an advertisement appeared in the Trade Marks Journal in respect of registration of Dristan. No objection was received to the registration.

5. In December 1959, the Indian company obtained a license for purchase of a machine for manufacture of Dristan tablets. In January 1960, the machine was installed. In March 1960, sample of three units of Dristan tablets, i.e. 60 tablets were dispatched to the Appellants by the Indian company for making experiments. The dispatch of the samples is supported by an invoice.

6. On September 23, 1960, the Indian company applied to the Ministry of Commerce for a licence under the Industry (Development and Regulation) Act, 1951, to manufacture Dristan. In December 1960, they secured an import licence for import of materials for its manufacture.

7. On January 19, 1961, the Ministry of Commerce granted permission to the Indian company to manufacture 5,00,000 Dristan tablets a month to be marketed with the trade mark already in use or without any trade mark. On February 10, 1961, the Drug Controller also granted them permission to manufacture the drug. On October 18, 1961, a registered user's agreement was entered into between the Appellants and the Indian company whereby the latter agreed to manufacture and sell Dristan tablets in accordance with the formulae and specifications prescribed and supplied by the Appellants and further agreed not to place in the market any goods which do not attain the standard or quality fixed by the Appellants. Immediately thereafter, the Appellants and the Indian company made a joint application to the Registrar of Trade Marks for registration of the Indian company as a registered user of the trade mark Dristan u/s 47(1) of the Trade and Merchandise Marks Act, 1958. No order has yet been made on that application. On October 22, 1961, the Indian company introduced Dristan tablets in the market for sale.

8. On April 10, 1961, the Respondents made an application before the Registrar of Trade Marks for rectification of the Register by removal of the trade mark

Dristan. At this stage reference may be made to certain collateral proceedings. On May 31, 1960, the Respondents applied for registration of their trade mark Tristine. The Appellants, as registered proprietors of the trade mark Dristan, opposed the application. In March 1962, the Registrar registered the trade mark Tristine. The Appellants preferred an appeal to the Bombay High Court against that order. The appeal succeeded and by an order of Desai J. the order of the Registrar for registration of Tristine was set aside. The Respondents preferred an appeal against that order. On April 10, 1968, a Division Bench set aside the order of Desai J. and ordered that the Respondents should apply for registration of the mark Tristina instead of Tristine and the Registrar was directed to consider whether the new mark should be advertised before acceptance. The mark Tristina has been subsequently registered.

9. The application for rectification of the Register by removal of the trade mark Dristan from the Register was made u/s 46 and also u/s 56 of the Trade and Merchandise Marks Act, 1958. The relevant provisions of those sections are set out hereunder:

Section 46. Removal from register and imposition of limitations on ground of non-use.?(1) Subject to the provisions of Section 47, a registered trade mark may be taken off the register in respect of any of the goods in respect of which it is registered on application made in the prescribed manner to a High Court or to the Registrar by any person aggrieved on the ground either (a) that the trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods by him or, in a case to which the provision of Section 45 apply, by the company concerned, and that there has, in fact, been no bona fide use of the trade mark in relation to those goods by any proprietor thereof for the time being upto a date one month before the date of the application.

Section 56. Power to cancel or vary registration and to rectify the register.?

(1) On application made in the prescribed manner to a High Court or to the Registrar by any person aggrieved, or varying the registration of a trade mark on the ground of any contravention, or failure to observe a condition entered on the register in relation thereto.

(2) Any person aggrieved by the absence or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to a High Court or to the Registrar, and the Tribunal may make such order for making, expunging or varying the entry as it may think fit.

The grounds taken in the application were:

(i) that the trade mark Dristan is deceptively and confusingly similar to another registered trade mark Bistan;

(ii) that the trade mark was not distinctive and was not a remittable trade mark u/s 9 of the Act of 1958 except upon evidence of its distinctiveness and no such evidence was submitted to the Registrar ;

(iii) that the said trade mark was registered in contravention of Section 11 of the Act of 1958 ; and (iv) that the trade mark was registered without any bona fide intention on the part of the applicants for registration, that it should be used in relation to their medicinal preparations by them and that there has in fact been no bona fide use in India of the said trade mark in relation to the said goods by the said proprietors upto a date one month before the date of the application for rectification.

10. In the proceedings before the Registrar it was urged on behalf of the Appellants that the Respondents had failed to establish their locus standi as persons aggrieved. The Registrar held that the application was competent because the decision in the matter of registration of the Respondents' trade mark Tristine by the Bombay High Court was likely to be affected by the retention of the Appellants' trade mark Dristan on the Register.

11. On the merits the Registrar held that Dristan is an invented word and, as such, is prima facie distinctive and is remittable, as such, without any evidence of distinctiveness u/s 9 of the Act and the Respondents on whom the onus lay had furnished no material to establish that it is not. On the question whether the trade mark Dristan should be removed on the ground that it was similar to Bistan, the Registrar found that the objection could not be sustained having regard to the fact that the proprietors of the mark Bistan had neither opposed the registration nor applied for removal of the mark from the Register. As for the objection that the trade mark Dristan contravened the provisions of Section 11 of the Act, the Registrar recorded that the Respondents had failed to substantiate the objection.

12. The main ground urged in support of the claim before the Registrar was one u/s 46(1) (a), that is to say, that the mark in question was registered without any bona fide intention on the part of the proprietor of the mark Dristan to use it in relation to the goods in respect of which it had been registered, and there had in fact been no bona fide use of the trade mark prior to the application for rectification. The Registrar rejected these contentions and dismissed the application. The Respondents preferred an appeal from the Registrar's order to this Court.

13. In the appeal before P. B. Mukharji J. the Appellants renewed their objection to the maintainability of the appeal. They also contended that the appeal was barred by limitation. The learned Judge rightly overruled these objections. In fact, Mr. C.K. Daphtary, learned Counsel appearing on behalf of the Appellants, did not press those preliminary objections before us.

14. It appears that in the appeal before the learned Judge the main point of merit which was argued was again based on Section 46(I)(a) of the Act of 1958.

His Lordship held that in applying for registration the Appellants did not have any intention to use the trade mark themselves nor had they made any use of the trade mark within a month prior to the date of the application. In that view of the matter the appeal succeeded, the order of the Registrar was set aside and his Lordship directed rectification of the Register by removal of the trade mark.

15. The Appellants stated in their application for registration that the trade mark was proposed to be used by them. Under the Trade Marks Act of 1940 and the Rules made thereunder it was not necessary for them to indicate the manner of the intended use of the trade mark, and the Registrar was, therefore, in our opinion, justified on the material before him in registering the trade mark, the more so, when no one opposed the registration.

16. An application for rectification of the Register on the grounds specified in Section 46(l)(a) is essentially in the nature of an application for review. The Court has to decide whether in the facts and circumstances of the case the trade mark was registered without any bona fide intention on the part of the proprietor that the mark would be used by him in relation to the goods in respect of which the mark was sought to be registered. Counsel appearing on behalf of the Appellants submitted that in their application the Respondents had merely pleaded that there has been no bona fide use of the trade mark Dristan in India in relation to the goods for which it is registered by the proprietor thereof for the time being upto a date one month before the date of the application and, therefore, the said trade mark Dristan was registered without any bona fide intention on the part of the applicants that it should be used in relation to their medicinal preparations.

On a strict view of the pleadings the Respondents' contention is, therefore, a limited one. It is based on an inference drawn from the fact that there has been no bona fide use of the trade mark Dristan by the registered proprietors. That inference is neither necessary nor inevitable. Logically, bona fide intention to use and failure to use are not incompatible. Counsel, however, very fairly did not press the objection.

17. Mr. Daphtary submitted that intention on the part of the proprietor of the trade mark to engage a registered user for use of the trade mark was not incompatible with the intention to use it himself. Logically, that is so. Be that as it may, it is quite clear that the proprietors of the trade mark never contemplated using their trade mark except through a registered user. To set all doubts at rest when the Respondents in their application contend that steps taken for use of the trade mark by any person other than the proprietors themselves do not establish a bona fide intention of the proprietors to use the mark, Mr. S. Waldron, the Vice-President of the Appellants, stated in clear and unambiguous language that it was intended that the product bearing the trade mark Dristan be introduced in India through Geoffrey Manners & Co. Ltd. and that after the trade mark Dristan had been registered, Geoffrey Manners & Co. Ltd. should be registered as registered user in India of the trade mark Dristan. For this reason all applications

to Government authorities and Drug Control authorities were made by Geoffrey Manners & Co. Ltd.

That the Appellants intended to use the- trade mark only through a registered user is also borne out by the affidavit of Mr. M.G. Maheswari, a director of the Indian company. This view is fortified by the fact that the Appellants are using all their other registered trade marks in India through their registered users and in no other manner.

18. The very general statement in the application for registration that the trade mark was proposed to be used by the Appellants must be read in the context of the affidavit of? their Vice-President where he explains diary what precisely the intention was. The Registrar was of the opinion that Mr. Waldron's statement alone does not warrant any positive conclusion to be drawn, viz. that the registered proprietors had no bona fide intention of using the mark in India at the time when they registered the mark. He said:

I see no reason why the registered proprietors should be regarded as having had no bona fide intention to use the mark themselves merely because they had an intention to register a Registered User for the mark. The intention to use the mark by the registered proprietor and the intention to license the mark are two different matters and they are not mutually exclusive.

As an abstract proposition this may be conceded. But then the registered proprietors have made it quite clear that they intended to use it through a registered user. They do not say that they also intended to use it otherwise. The Registrar relied on the Bostitch case (1963) R.P.C. 183 and observed:

the intention must be to use the mark as a trade mark by the applicant for registration himself. But, that does not mean, in my view, that the applicant should intend to manufacture the goods himself and apply the trade mark to such goods or that an applicant should be registered as having no intention to use the mark himself if he proposes to get the goods manufactured and sold under his mark by some one on his behalf under a contract or some other arrangement under his strict control.

It may be conceded that if a proprietor of a trade mark manufactures his goods in India through his servants or agents and sell them under his trade mark, he will in the eye of law he regarded as using the trade mark himself on the principle *qui facit per alium facit per se*. Whether the trade mark will be regarded as being used by the proprietor "if the proprietor manufactures and sells the goods under a contract or some other arrangement under his strict control", as the Registrar contemplates, will depend very much on the character of such contract or arrangement. In the present case, the question does not arise.

19. The Registrar has rightly pointed out that in an application for rectification of the Register, the onus to establish that; the proprietors of the trade mark had no bona fide intention to use the trade mark is no doubt on the applicants. But once

the entire case of the parties appears on the record in the shape of affidavits and documentary evidence the question of onus loses much of its importance and the issue has to be decided on the basis of the available material.

20. In the light of the conduct of the Appellants as one gathers from the correspondence, the steps taken by the proposed registered user for manufacture and sale of the drug, the registered user's agreement, the fact that there is not the remotest suggestion anywhere that the Appellants contemplated using the trade mark by export of the drug or by its manufacture by their servants or agents in India, I must hold that the Appellants intended to use their mark only through a registered user and in no other manner. It is true that the Indian company, that is to say, the proposed registered user have been actually using the trade mark pending their registration as registered user, but the conclusion is inescapable nonetheless that the intention on the part of the proprietors was to use the mark by a registered and not by a non-registered user.

21. Mr. Daphtary relied on the case of Bulova Trade Mark (2). There an application was made to expunge the trade mark on the ground of failure to use the mark for five years or more. The trade mark was in use by the proprietor. Thereafter, there was a long interruption in the use of the trade mark on account of import restrictions. Evidence given by the registered proprietor established that but for the import restrictions there would have been continuous use of the mark. The Court held that the non-user was due to special circumstances and refused the order for rectification. On the basis of this case it was contended that may be, it is only because of import restrictions that in the present case the registered proprietors have not used the trade mark themselves. They might have intended to use it themselves as soon as restrictions were removed. This case of "if" and "might have been?" is not supported by the statements and affidavits made on behalf of the Appellants. Nobody has said so. It is, therefore, not necessary to speculate on a hypothetical question. I do not, however, subscribe to the unqualified proposition that it has been laid down in the Bulova case (1967) R.P.C. 229 that an applicant for registration of a trade mark is entitled to registration, as a matter of course, if he merely intends to use his mark as and when circumstances permit. Moreover, in the Bulova case the application for rectification was made u/s 26(1)(b) of the Trade Marks Act, 1938, which corresponds to Section 46(1)(b) of the Trade and Merchandise Marks Act, 1958, and the decision is founded on the existence of special circumstances within the meaning of Section 26(3). The present application is founded on grounds specified u/s 46(1)(a) and not u/s 46(1)(b) of the Act. The case, in my opinion, has little relevance.

22. It was said on behalf of the Appellants that all that Section 18 contemplates is the use of the trade mark by the proprietor. The Appellants are very much in line of trade. They are established manufacturers of drugs. They have, in fact, registered the trade mark in many countries. It has never been the law, it was submitted, that the registered proprietor must manufacture or deal in the goods

himself. So long as the use is such that the identity of the goods as the product of the registered proprietor is impressed on the public, all means of manufacture and sale are available to him. Submission was made that at common law a licence to use a trade mark may be given by the registered proprietor of a trade mark to a person who is not a registered user. Such use is the use by the registered proprietor provided proper control is exercised by the proprietor over the goods in respect of which the trade mark has been registered. In other words, if the public is not deceived or confused, use of a trade mark by a common law user or a registered user is equally valid and the trade mark is equally secure.

23. Counsel relied on the *Bostitch* case (Supra). There the foreign proprietor of a trade mark sold his goods in the United Kingdom through a local distributor. During the War, import became impracticable and the proprietor assisted the distributor to manufacture the goods locally. In advertising the goods the distributor made it clear that the goods were within the range of the products of the proprietor. The distributor produced other goods which were also sold under the same trade mark. When a dispute arose between the parties the proprietor revoked the licence of the distributor to use the trade mark. The distributor contended that as there was no registered user's agreement and the mark had come to be associated in public mind with the distributor's goods the mark had ceased to be distinctive of the proprietor's goods. He applied for removal of the existing registration of the mark from the Register.

24. The Court found that the mark had not been used in a deceptive or confusing manner nor had it ceased to be distinctive of the goods of the proprietor. The application was rejected. As for the contention that the absence of any registered user's agreement disentitled the applicants to the protection of the Act, Lloyd Jacob J. referred to Section 28 and said:

There is nothing anywhere in this section to justify the view that an arrangement between a registered proprietor of a trade mark and a party concerned to use such mark requires to be registered, still less that in the absence of registration, its effect upon the validity of the mark, if called in question, will be in any way different.

25. It must be borne in mind that the ground of attack on the mark was that it had ceased to be distinctive of the proprietor's goods and had become deceptive or confusing. It was nobody's case that the mark was initially registered wrongly or without sufficient cause. The application was made in an action for infringement of trade mark and was not founded on Section 26(1)(a).

26. Counsel also relied on the *British Petroleum* case (1968) R.P.C. 54. The *British Petroleum Company*, the proprietors of the registered trade mark B.P., brought an action for infringement of some of their trade marks against a distributor of petrol. The Defendants in their counter-claim attacked the validity of one of the Plaintiffs' mark on the grounds that the mark was not distinctive

and was used deceptively. It was deceptive because the Plaintiffs' petrol was sold by B.P. Shell-Mex, an associate company of the Plaintiffs. The trade mark in question was not the subject of a registered user's agreement. Nevertheless, it was used on terms and conditions on which other trade marks of the Plaintiff which were the subjects of registered users' agreements were used. The Defendants contended that as the mark was not the subject of a registered user's agreement it was not protected by statute. The action as well as the counter-claim were dismissed. The Court held that the mark B. P was distinctive and had not been used in a deceptive or confusing manner. In answer to the contention that the use of the trade mark by the associate company v/as not protected by statute, Cross J. relied on the decision in the Bostitch case (Supra) and said:

Given that the petrol is in fact sold under these conditions, it appears to me to make no difference from the point of view of deceptiveness of using whether B. P. and Shell-Mex are registered users or are operative under an unregistered licence.

27. Counsel also relied on the Weston case (1968) R.P.C. 167. There the proprietors had lost control over and ceased to have the necessary connection with the goods which were sold under their trade mark. In the result, the trade mark lost its distinctiveness and was, therefore, removed from the Register.

28. These cases were concerned with the question of distinctiveness of the trade marks or whether the trade marks were being used in a manner which was likely to deceive or confuse. Use of a mark by a non-registered user does not necessarily have the effect of using the mark deceptively. It may or may not be deceptive. In none of these cases the question arose whether use or intention to use a trade mark by any person other than the proprietor or a registered user is in law use or intention to use by the proprietor within the meaning of Section 18. In none of these cases the trade marks were attacked on the grounds specified in Section 26(l)(a).

29. In the judgment under appeal the learned Judge has cited a passage from the report of Mr. Tookey Q.C. in the Pussy Galore case (1967) R.P.C. 265, a case to which I shall presently refer. Mr. Tookey "Q.C. said:

The foregoing interpretation of the Act appears to me to be in conformity with the general tenor of the Act which does not anywhere contemplate legitimate use of a registered trade mark otherwise than by title registered proprietor or by the registered user.

30. These observations, the learned Judge has remarked, are directly contrary to the observations of Lloyd-Jacob J. in the Bostitch case (Supra). He felt that the Bostitch case has considerably lost its authority by the subsequent recent decision in Pussy Galore case.

I speak with some hesitation, I am not sure that it is so. In British Petroleum Co.

Ltd. v. European Petroleum Distributors Ltd (Supra), a later case, Cross J. relied on the decision in the Bostitch case and applied its principles. The Bostitch case and the Pussy Galore case have their respective fields of operation. It seems to me that neither case is to be applied or at least has been applied beyond its own field. In the Pussy Galore case the Registrar distinguished the judgment in the Bostitch case in these terms:

Mr. Bevan referred me to the judgment in Bostitch Trade Mark, 1963 R. P.C. 183. But this case, the facts of which are very special seems to me to show no more than that in certain circumstances use by a licensee of a registered trade mark under proper control by the registered proprietor will not destroy the distinctiveness of the mark in relation to that proprietor. It does not in my view have any bearing on the construction of Section 17(1) relating as it does to an application to register a mark.

31. Although use by a non-registered user may not be deceptive, it is not used by the proprietor himself because Section 48(2) is not available in case of use by a non-registered user. The effect of that Sub-section is that use by the registered user, though not in fact use by the registered proprietor, is so in law. Use by a non-registered user is neither in fact nor in law use by a registered proprietor.

32. The equation that if u/s 48(2) use of a registered trade mark by a registered user is to be deemed as use by the proprietor, intention to use by a registered user is to be deemed as intention- to use by the proprietor, is open to another objection. u/s 2(l)(m) use by a registered user is not by itself permitted use. It is so only " if the conditions specified in Section 2(l)(m) are satisfied. u/s 2(l)(m) "permitted use" is the use of a trade mark (i) by a registered user of the trade mark in relation to goods (a) with which he is connected in the course of trade and (b) in respect of which the trade mark remains registered for the time being and (c) for which he is registered as registered user ; and (ii) which complies with any conditions or restrictions to which the registration of the trade mark is subject.

33. In the context of this definition, here can be no question of any permitted use unless there is a registered trade mark, a registered user, use by a registered user and compliance with any condition or restriction to which the registration of the trade mark is subject. When an application for registration is made u/s 18(1) there can be no registered user or use by the registered user. There can also be no question of any compliance with conditions of registered use because the proposed registered user has not yet applied for registration. In these circumstances", Section 48(2) is not attracted at all.

34. In the facts of this case, the application for registration of the registered user was made after the application for rectification. Therefore, even if it be assumed that the proposed registered user will be eventually registered, his registration will relate back to a date subsequent to the application for rectification. The registration of the proposed registered user will, therefore, be of no avail to the

Appellants. In my judgment, if a trade mark is used in such a manner that the connection Between the proprietor of the trade mark and the goods in relation to which the trade mark is used is maintained and the public are not deceived or confused as to the origin and character of the goods there will be honest and bona fide trade use of the trade mark, but it will not be use by the proprietor. To be use by the proprietor the use must be, subject to the sole exception specified in Section 48(2), use by the proprietor himself, his servants and agents.

35. Tested in the context-of Section 48(2) the proposition advanced by Mr. Daphtary breaks down. It is not open to dispute that in the case of use by a registered user the statute contemplates continuance of the necessary connection between the registered proprietor and the goods in relation to which the trade mark is used. The statute also contemplates that the use of a trade mark by a registered user will not be made in a deceptive or confusing manner ; and yet such use requires recourse to the fiction introduced by Section 48(2) before it can be regarded as use by the proprietor.

36. I now come to the main question raised in this appeal. Is a trade mark which is proposed or intended by the proprietor to be used only through a registered user bona fide intended to be used or proposed to be used by the proprietor within the meaning of Sections 18(1) and 46(l)(a) of the Act ?

37. Counsel relied on Section 2(l)(m) of the Act which provides that use by a registered user in specified circumstances is permitted use. Under s, 48(2) permitted use of a trade mark is deemed to be use by the registered proprietor. From this it was sought to be argued that the intention to use a trade mark by a registered user is in the eye of law intention to use the trade mark by the registered proprietor. In my judgment these provisions, i.e. definition of permitted use in Section 2(l)(m) and the fiction introduced by Section 48(2) operate only when, in fact, there is a registered user who uses the trade mark. The Act does not say that intention to use a trade mark by a registered user will be regarded as intention to use the mark by the registered proprietor. On this aspect of the matter the Indian statute seems to mark a deliberate departure from the English statute. Sub-sections (1) and (2) of Section 29 of the English Act provide as follows:

Section. 29(1).

No application for the registration of a trade mark in respect of any goods shall be refused, nor shall permission for such registration be withheld, on the ground only that it appears that the applicant does not use or propose to use the trade mark, (a) if the tribunal is satisfied that a body corporate is about to be constituted, and that the applicant intends to assign the trade mark to the corporation with a view to the use thereof in relation to those goods by the corporation ; or (b) if the application is accompanied by an application for the registration of a person as a registered user of the trade mark, and the tribunal is satisfied that the proprietor intends it to be used by that person in relation to

those goods and the tribunal is also satisfied that that person will be registered as a registered user thereof immediately after the registration of the trade mark.

(2) The provisions of section twenty-six of this Act shall have effect, in relation to a trade mark registered under the power conferred by the foregoing Sub-section, as if, for the reference, in paragraph (a) of Sub-section (1) of that section, the intention on the part of an applicant for registration that a trade mark should be used by him there were substituted a reference to intention on his part that it should be used by the corporation or registered user concerned.

38. Section 45(1) corresponds to Section 29(1)(a) of the English statute. No provision which corresponds to s, 29(1)(b) or Section 29(2) is to be found in the Indian statute. Omission of these provisions in a statute which is closely modeled on the English statute cannot be regarded as anything but deliberate. The English statute, it will be seen, has made two exceptions to the rule that at the time of applying for registration the mark must be used or proposed to be used by the proprietor. The exceptions are contained in Sections 29(1)(a) and 29(1)(b). In India there is only one exception which is to be found in Section 45(1). Section 29(1)(b) of the English Act creates an exception when the mark is proposed to be used by the registered user only if the application for registration is accompanied by an application for registration of a person as a registered user. Neither does such a provision exist in the Indian statute nor does the Indian statute contemplate a situation in which an application for registration of a trade mark is accompanied by an application for registration of a registered user. That is so, because in India an application for registration of a person as a registered user cannot be made until after the trade mark has been registered. The absence of any provision analogous to Section 29(2) in the Indian statute makes it abundantly clear that an attack on the registration of a trade mark in an application u/s 46(1)(a) of the Indian Act which corresponds to Section 29(1)(a) of the English Act cannot be met by the plea that the registered proprietor intended to use the trade mark by a proposed registered user. It was submitted that this aspect of the matter, namely, the absence of provisions corresponding to Sections 29(1)(b) and 29(2) in the Indian statute should not be given an importance which it does not deserve. After all, the Court is concerned with the construction of the provisions of an Indian statute and there is no particular reason why the presence or absence of any provision of an English Act should unduly agitate it. As a piece of formal reasoning the remark is justified. But it is impossible not to take notice of the English Trade Mark Act of 1938 on which the Trade Mark Act of 1940 as Main the Act of 1958 are modeled. Many an obscure provision of an Indian statute has been lighted up with the aid of an English statute. To ignore that will be to ignore legal history. After all, a great many Indian legislations have been directly inspired by English legislations and by decisions of English Courts of law. In *The Registrar of Trade Marks Vs. Ashok Chandra Rakhit Ltd.*, the Supreme Court observed:

As the law of trade marks adopted in the Indian Trade Marks Act merely

reproduces the English law with only slight modifications, a reference to the-judicial decisions on the corresponding section of the English Act is apposite and helpful.

39. On the absence of any provision analogous to Section 29(1)(b) in the Indian statute, the learned judge has alluded to the Trade Marks Enquiry Committee Report of 1954 which recommended its incorporation in the Indian statute and to the Final Report of the Committee on Trade Marks Law Revision of 1955 where the relevant recommendations made in the earlier Report were not accepted. I do not propose to enter here into the merits of the rival views, but the fact cannot be ignored that the Legislature deliberately refrained from enacting any provision similar to Section 29(1)(b) or 29(2) of the Trade Marks Act of 1938.

40. I am not convinced by Mr. Shavaksha's objection that it is not permissible to refer to the Trade Mark Enquiry Committee Report. In the *Eastman Photographic Materials Co. Ltd.* 15 R.P.C. 476, a case decided by the House of Lords, the Lord Chancellor in considering a Report of a Trade Mark Commission observed:

My Lords, I think no more accurate source of information as to what was the evil or defect which the Act of Parliament now under construction was intended to remedy could be imagined than the Report of that Commission.

41. Mr. Daphtary offered an explanation for the absence in the Indian statute of the relevant provisions. He submitted that in the scheme of trade mark law only a trader or a person[^] connected with trade is entitled to registration of a trade mark of which he claims to be the proprietor. The application of a person who is not engaged in or connected with trade must be refused. The English statute, he submitted, provides for two exceptions, one u/s 29(1)(a) and the other u/s 29(1)(b). In India, there is only one exception, the one provided by Section 45(1). The absence of any provision analogous to Section 29(1)(b) in the Indian statute only means that a non-trader is not entitled to registration of his trade mark on the basis that he intends to use it through a registered user. Under the English statute he is. As the Appellants are very much in the trade they do not require the prop of Section 29(1)(b) of the English statute to enable them to register their trade mark with the object of using it through a registered user.

42. I must confess that I find this argument difficult to understand. In the matter of application for registration of a trade mark neither the Indian nor the English statute seems to make any distinction between a trader and a non-trader. One who is not in trade may intend to engage in trade. If he applies for registration of his trade mark there is no reason why his application must fail.

43. The objects of Sections 29(1)(a) and 29(1)(b) of the English statute have been clearly explained in para. 97 of *Kerly on Trade Marks* (9th ed.), where it is said:

Section 29 deals with two special cases, where the applicant does not himself use or propose to use the trade mark. An application for registration may not be refused (nor permission for such registration be withheld) on this ground if either

under Sub-section (l)(a) the tribunal is satisfied that a body corporate is about to be constituted and that the applicant intends to assign the trade mark to the corporation with a view to its use or under Sub-section (l)(b) the application is accompanied by an application for registration of a person as registered user.

Section 29(l)(a) is designed to meet the case which is not uncommon, where promoters of a company desire to incorporate in the name some word which is also to be used as a trade mark by the company, and avoids the difficulty which arose in the case of Ducker's Trade Mark.

Section 29(l)(b) adopts the provisions as to applications so as to conform to the system of "Registered Users" introduced by Section 28. Foreign companies often desire that an extension of their business to other countries should be effected by a subsidiary company or some other party with whom they are contractually associated, but do not wish to run any risk of the right to the trade mark being vested in other hands.

44. It is worthy of note that in the above passage the learned editor of Kerly has understood the phrase "a trade mark used or proposed to be used by him" in Section 17(1) of the Trade Mark Act, 1938, as "used or proposed to be used by himself. Mr. Daphtary relied on a footnote in Kerly at p. 262 Section 28(2) expressly mentions Section 28, but its language is equally wide enough to cover the requirements of Section 17(1) so as to make a mark remittable if it is intended that a user of it shall be registered.

45. Section 28(2) which corresponds to Section 48(2) of the Indian Act provides that the use of a mark by a person registered as user of it, in accordance with the terms of his registration, is deemed for all purposes to be use by the proprietor of the mark and not by anyone else.

46. If as an unqualified proposition the footnote expresses the law correctly then it must be conceded that the intention on the part of a proprietor of a trade mark who seeks registration to use it solely through a proposed registered user will be sufficient compliance with the requirements of Section 18 of the Indian statute and will not be open to challenge u/s 46(l)(a) of the Act on the ground that the proprietor of the trade mark does not have" the bona fide intention to use the trade mark. To my mind no exception can be taken to the proposition if it is read as subject to compliance with the conditions specified in Section 29(1)(b). As an unqualified proposition the statement in the footnote appears to be too wide. Absence of any provision corresponding to Section 29(l)(b) in the Indian statute makes the statement inapplicable in the context of the Indian statute. Kerly's Law of Trade Marks (9th ed.) appeared in 1966. Occurring in a legal classic on trade marks as it does, the statement is certainly entitled to very high respect and the Court will not lightly disregard it. As I have said, read as a qualified statement it appears to be perfectly in order. It must be remembered, however, that no precedent has been cited in Kerly to support the proposition and, I believe, none exists. Moreover, in the Pussy Galore case (Supra) a case decided

after the publication of the ninth edition of Kerly, the unqualified proposition expressed in the footnote was specifically rejected.

47. It is not without significance that in Kerly's Law of Trade Marks (p. 45, para. 92) it is said with reference to Sub-section (1) of Section 17:

This, Sub-section must be read as qualified by the provisions of Section 29, which deals with two special cases when the applicant himself is not the person who proposes to use the mark, viz., where the intention is that the trade mark should be used (a) by a corporation not yet formed or (b) by a person who is, intended to be registered as a user u/s 28.

48. I now propose to go into the Pussy Galore case (Supra) which, in my opinion, is the most, if not the only, relevant case for the purpose of this appeal. In that case the applicants for registration of a trade mark did not propose to use the mark themselves but to seek others who were to use the trade mark either as registered users or as licensees. The application for registration of the mark was not accompanied by any application to register any proposed registered user as contemplated in Section 29(l)(b). It was not in dispute that a prospective registered user was yet to be found. It was submitted that the requirements of the Act as to intention to use were satisfied in these circumstances. The question was whether Section 17(1) requires that the applicant must propose to use the mark himself to entitle him to registration of his mark. The Registrar said:

In my view, the words "proposed to be used by him" in Section 17(1) would ordinarily be taken to mean proposed to be used by the proprietor himself or by his servants or agents whose actions would in law be regarded as his own, and not proposed to be used by some one else merely under the control of the proprietor.

* * * *

Mr. Bevan submitted, as I understood, that since u/s 28(2) use by a registered user is equated to use by the proprietor himself, then a proposal by the proprietor that a registered user shall use the mark, satisfied the requirement that the proprietor proposes that the mark be used "by him". This is not, in my view, a necessary consequence of Section 28(2). This section relates to the use of the registered marks and in my view the words "such use" must be construed as to protect a registered mark from the consequences of non-use by the registered proprietor where there has been permitted use by a registered user. It seems to me to have no relevance to an application to register a mark.

It is true that a proprietor may never in fact himself use the mark applied for since applications for registered user are not infrequently received by the Registry before registration has been effected although they cannot be acted upon until registration, but in my view the plain words of Section 17(1) require that the proprietor must at the time of application himself intend to use the mark. This interpretation in my judgment is in accord with the provisions of

Section 29(1) of the Act which specifies two conditions under which an application may not be refused notwithstanding it appears that the applicant does not use, or propose to use, the trade mark. These are set out in Section 29(l)(a) with which I am not, concerned and Section 29(l)(b) which specifies that refusal shall not follow if the application is accompanied by an application for registration of a person as registered user of a trade mark and other conditions are satisfied. Mr. Bevan submitted that Section 29(l)(b) was present merely to remove doubt, but I cannot accept that view. That, section seems to me to be intended to exempt the proprietor, who does not himself propose to use the mark only where he has at the. time of application secured another person who has an intention at that time to use the mark and who is prepared to be registered as a user of the mark. If the Legislature had intended to go beyond this and to allow application to be made by a person who merely proposed after application to seek possible remittable users of the mark but had no intention at that time of using it himself, I cannot think the words "by him" would have been used in Section 17(1) or that the specific exemption of Section 29(l)(b) would have been necessary. The Act in my view requires that to qualify as an applicant, the proprietor of the mark must either possess the intention to use the mark himself at the time of application or have applied under the conditions of Section 29(l)(a) or (b).

49. In the view he took of the matter, the Registrar refused the application for registration on the ground among others that the applicant did not propose to use the mark in the sense of Section 17(1) but only through some prospective registered user or licensee.

50. The application was also refused on the ground that the applicant had no firm intention to use the trade mark at the time he made the application. It is settled law that the applicant must have a present intention to use the trade mark: *Batt & Co. v. Dunnett* (1899) 16 R.P.C. 411 and *Duchefs Trade Mark* (1928) 45 R.P.C. 397. The Registrar observed that there was no intention to use the mark by the proprietor himself but only an intention to seek others who would be prepared to use it as unregistered or registered user, and this speculative element, in his view, deprived the applicants' intention of that firmness which is necessary to satisfy Sub-section (1) of Section 17.

51. The applicants preferred an appeal to the Board of Trade against the order of the Registrar. The appeal was heard by Tookey Q.C. It was contended at the hearing of the appeal that since Section 17 contemplates a case where an applicant proposes to use his mark through servants and agents the section cannot mean strictly use by the applicant himself. Counsel argued that if a proposal to use by way of a company which is being promoted or by way of a registered user is also covered by the words of the section then the meaning of the relevant words become broader and" would embrace a proposal for use of the mark by licensees under a suitable system of control to be brought into operation in anticipation of future registered user arrangements. Tookey Q.C.

held that Section 17 has the limited meaning attributed to it by the Registrar.

There is no difficulty about the case of servants and agents, he said in his judgment, because although various executive acts may be performed by them on behalf of their principal who is the applicant for the mark, the use of the mark vis-?-vis the "public" is by the applicant and no one else. As regards registered users, when Section 17 was framed by the Legislature, the effect of the introduction into Trade Mark Law for the first time of registered user provisions must have been borne in mind. It would be obvious from the provisions of Section 28, and also from the definition of trade mark in Section 68 that actual use of a trade mark might be exclusively by a registered user and not by the proprietor at all.

He added:

Whatever alternative course might have been open to the Legislature to cover such a situation it is plain in my view that the course actually taken in the Act is to deal with intended use by a body corporate about to be constituted or by a registered user as particular cases which are made the subject of special dispensation from the effect of Section 17. This dispensation which is provided by Section 29(1) is based on the assumption that but for its provisions, there would be an objection to an application on the ground of lack of intention to use the mark on the part of the applicant in the circumstances with which the section deals. Section 29(2) contains a complimentary provision to protect the proprietor of a mark from a similar objection in rectification proceedings u/s 26 after registration has been effected. It was contended that regard should be had to the language of Section 28, Sub-section (2) which speaks of use by registered users and provides how such use shall be regarded and how it shall not be regarded and the language of Section 29(1) which does not positively state that the cases referred to in sub-paras, (a) and (b) are the only cases in which applications are to be regarded as free from objections notwithstanding the fact that the intention is that awful use of the mark should be by persons other than the applicant.

52. Tookey Q.C. summed up this branch of the counsel's argument as in effect an argument that Section 29, Sub-section (1) was put in for the avoidance of doubt. In agreement with the Registrar he held that Section 28 deals with matters which arise after registration and cannot be invoked in aid of interpretation of Sections 17 and 29. He observed that Section 29 states the only cases in which an intended use, ex-hypothesis not a use by the applicant, can be regarded as justifying dispensation from the requirements of Section 17. In the result, the order of the Registrar was upheld.

53. Mr. Daphtary submitted that the Pussy Galore case Supra was rightly decided on the ground that the applicants had failed to establish any present intention to use the trade mark. It was not necessary for the Registrar or for the appellate body to go into the question whether the intention to use the mark by a registered user or a licensee is in law use by the proprietor within the meaning of

Section 18. Nevertheless, he submitted that insofar as it was held in that case that the proposal to use a trade mark by a registered user is not in law a proposal to use it by the proprietor, the case has been wrongly decided. If use by a registered user is permitted use and is in the eye of law use by the proprietor and by no one else, then the intention to make such a permitted use is also in law intention to use by the proprietor. This is precisely the contention which was rejected in the *Pussy Galore* case. I am unable to disagree with any of the reasons which prompted the decision in the *Pussy Galore* case.

54. The question before us may be approached from another angle. Section 18 of the Trade and Merchandise Marks Act provides:

Any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it, shall apply in writing to the Registrar in the prescribed manner for the registration of his trade mark either in Part A or in Part B of the register.

55. The words "proposed to be used by him", in their ordinary grammatical signification, mean proposed to be used by the proprietor himself or by those, as for example, his agents and servants whose use in the eye of law are the acts of the proprietor himself. The fiction introduced by Section 48(2) is concerned with use?not with the intention to use. It cannot be extended to proposed use. A fiction cannot be extended beyond its real purpose. That is perhaps the reason why a second fiction has been introduced by Section 29, Sub-section (2) in the English statute which expressly applies to proposed use.

56. In *Selsdon v. Selsdon* (1934) 50 T.L.R. 469 an interesting question of application of a legal fiction came up for consideration by the House of Lords.

57. Under the Scottish Law of *jus reikis*., on a dissolution of marriage at the instance of an innocent wife, the wife is entitled to a share of the husband's movable estate upon the basis of the fiction that as between husband and wife the husband is to be treated as civilly dead at the date of the decree of dissolution.

58. By a decree of divorce the marriage of Lady Selsdon was on her instance dissolved on the ground of her husband's desertion. At the date of the dissolution of the marriage, Lord Selsdon was entitled, among other movable estate, to a life interest in certain rents. It was contended on behalf of Lady Selsdon that she was; entitled to a share of the life interest of her husband in rents among (other movables. On behalf of her husband, it was urged that b" virtue of the legal fiction her right was the right of a widow and she could, therefore, claim nothing except in respect of movable estate which is transmissible on death to which alone a widow can succeed. As life interest ceases on death, there can be no succession to sue! interest. On the basis of the fiction carried to its logical conclusion she could hardly lay claim to a share in the life interest in rent. On behalf of Lady Selsdon, it was argued that the fiction was introduced only for the purpose of giving the innocent wife a share in the husband's movable estate on

dissolution of marriage. The fiction should not be carried further in quantifying her share. Lady Selsdon's contentions were upheld. Lord Tomlin in course of his judgment observed that the fiction of the husband's death is not to be used beyond what is required to effect its real purpose, namely, to provide the event which justifies the division. He added:

it is in my judgment reasonable and sufficient to say that the fiction operates no further than is necessary, i.e. to give rise to the jus and that when the question is quantum, reference to actual facts is alone permissible. The fiction must not be ridden to death.

59. It is interesting to note that in the Trade Mark Rules, chap. V, a distinction has throughout been made between a registered user and a proposed registered user and the Rules do not use those expressions interchangeably. They also speak of permitted use and proposed permitted use. It seems that in the contemplation of the statute what holds good for permitted use does not necessarily hold good for proposed permitted use. Section 48(2) comes into operation only after a registered user has been registered and has used the trade mark. It has relevance only to the use of a trade mark and not to the intention to use it.

60. Moreover, Sub-rules (1), (2) and (3) of Rule 85 of the Trade Mark Rules seem to indicate that sole or main intention to make "permitted use" does not amount to bona fide, intention to use the trade mark by the proprietor.

61. The other ground of objection u/s 46(I)(a), namely, whether there has in fact been any bona fide use of the trade mark in relation to the goods in respect of which the trade mark has been registered, remains to be considered. In an application u/s 56 it is not necessary to establish non-user of the trade mark. Once it is established that the trade mark was not, in fact, intended to be used by the proprietor, it must be held that the trade mark has been entered in the Register without sufficient cause and the applicant is entitled to succeed. In that view of the matter, the appeal can be decided without going into the question of use by the registered proprietor. Be that as it may, as the objection on the ground of non-user has been taken and the Registrar as well as the learned Judge has dealt with the matter, it is perhaps desirable that this Court should also express its views on this question. It is the Appellants' case that the goods were not manufactured or introduced into the market till October 1961. Therefore, the trade mark could not have been used in relation to the goods by actual sale or by distribution of samples in the trade before the date of the Respondents' application. There is evidence that advertisements of Dristan tablets were published in the Times of India on October 25, 1961, and again on November 15, 1961. These advertisements, which appeared long of the application for rectification u/s 46, cannot be any answer to the objection.

62. The Appellants relied on certain samples which they sent to the Indian company. They also relied on the invoice of March 15, 1961, under which the

samples were sent. There is no averment in the pleadings or in the affidavits of any use of the trade mark during the relevant period. In fact, no reliance has been placed by the Appellants in their counter-statement or in the affidavit of their Vice-President on the advertisements or on the samples. The invoice and the advertisements have come by way of annexures to the affidavit of Mr. Maheswari, a director of the Indian company.

63. There is no dispute that these samples were sent for test purposes in aid of manufacture of Dristan tablets by the Indian company who. were proposed to be registered as registered users. In my opinion, "use" in the context of Section 46 means trade mark use, that is to say,, use in the way of trade or use in the market. Here, the samples were sent to the proposed registered user for the purpose of manufacture. No doubt, manufacture must precede trade use, but manufacture by itself is not use of the goods in the way of trade though the object of manufacture may be trade. Use of samples for the purpose of manufacture is even less so. The invoice on which the Appellants rely is in respect of those samples. It cannot have a greater efficacy than the samples themselves. At the date of receipt of the invoice or soon thereafter no goods answering to the description in the invoice were available for trade use in India. There can be no trade use if there are no goods. In the Countryman case- 68 R.P.C. 221 the Registrar said:

I must hold that use. of a mark in an advertising media, i.e. without any goods to offer concurrently with such advertising media is not trade mark use within the meaning of Section 68 I would add that to hold otherwise would seem to me to nullify the effect of certain sections of the Act. For instance, a proprietor of a registered trade mark might, without having any goods to offer, advertise his mark at periodic intervals, and thereby prevent any attack being made upon the mark under the provisions of Section 26(1) of the Act.

64. In the Magnetophone case (195-7)" R.P.G. 127 where no sale was proved but it was only established that the mark was used on written material the Court held that there was no use in relation to goods within the meaning of Section 68(2).

65. Mr. Shavaksha relied on the Bismag case 57 R.P.C. 209. There, reference to the trade mark Bismag in a printed list was held to be use of the trade mark in the way of trade, but there the goods in respect of which the mark was registered were freely available for sale and the mark was in use. In the facts of this case, the use of the samples or the receipt of the invoice can hardly be regarded as trade use. The function of a trade mark is to indicate the origin or connection of the goods with the proprietor, but the indication has to be communicated to members of the trade or to the consumer public. In this connection, I may refer to the following observations of Lord Wright in *Aristoc v. Rysta Ltd.* (1945) 62 R.P.C. 65:

In the Act of 1938, the context shows that "trade" refers to selling or otherwise

trading in the goods to which the mark is applied. Thus in Section 26, Sub-Sections 2 and 6 we find the words "goods to be sold or otherwise traded in". The same collocation of words is found in Section 31 ; and again in Section 68 in the definition of limitations. These instances show that trade is here used in the particular sense of marchenting, selling or the like which would now-a-days include the more modern practices of hire purchase, leasing (for example, of valuable machines) letting out for public use, exporting etc.

66. In *Richards v. Butcher* 8 R.P.C. 249 Lord Esher M.R. said:

Now what constitutes the use of anything as a trade mark ? Not the mere using of it, but the using of it in a particular way and with a particular result. You use it as a trade mark if you have used it in business, or, as is often said, on the market as a mark to denote your goods and to distinguish your goods from anybody else's.

67. Mr. Sankar Ghose, counsel for the Respondents, relied on a passage in *Kerly on Trade Marks* (9th ed., para. 397) where it is said:

If the expression "use in relation to goods" is held to include use in advertisements, catalogues etc. It will be easy for a proprietor to keep all his registered marks in use ; but a mere colorable use may not be held to be a bona fide use.

68. In my opinion, in this case, use of samples and the receipt of invoice are not colorable uses of the trade mark. They are no use of the trade mark at all for the purpose of trade.

69. In *Re Nodoz Trade Mark* (1962) R.P.C. 1 the registered proprietor adduced evidence of one sale of a pharmaceutical preparation under a registered trade mark. The evidence established that the product had been dispatched by the registered proprietors, but there was no evidence of receipt. Reversing the decision of the Registrar, the Court held that acts of user, if few, must be established by convincing proof which had not been done and directed cancellation of registration. In that case, it was unnecessary to decide whether a single sale, if proved, would amount to a sufficient user in the course of trade and the question was, therefore, left open.

70. In *Electrolux Ltd. v. Electrix Ltd.* 71 R.P.C. 23 Evershed M.R. said: There is I think no evidence which would justify the conclusion that the use was merely spasmodic or temporary and refused rectification of the Register.

71. Counsel submitted that the dispatch or receipt of the samples or of the invoice has not been established by evidence. This is a point not taken before the learned Judge and we do not think that it will be right to permit the point to be taken for the first time in appeal. Assuming that the use of samples in this case was in the way of trade, though in my judgment it was not, the question may well arise whether the receipt of a single consignment of a small quantity of samples" constitutes sufficient use of the trade mark.

72. Mr. Ghose relied on the Hospital World case (1967) R.P.C. 595. There, the applicants for registration of the mark "Hospital World" in respect of periodical publications had been engaged in free distribution of a journal published by them over a number of years which was intended to create a good-will for the applicant's products. It was held that free distribution of the journal for the publication of which the applicants had spent large sums of money, could not be regarded as trading in the goods. The journal was treated as advertisement material and not as a subject-matter of trade. Mr. Moorly said in course of his Report:

Whilst there is evidence that the applicants have spent large sums on the production and circulation of the journal the free distribution of it does not, in my opinion, amount to marketing and referred to the observations of Lord Wright in *Aristoc v. Rysta Ltd.* (Supra) to which reference has already been made. A decision of P. B. Mukharji J. given in *Aktiebolaget Jonkoping Vulcan Vs. V.S.V. Palanichamy Nadar and Others*, was relied on. In that case, the learned Judge affirmed the decision of the Registrar cancelling the registration of a trade mark which was not in use by the proprietor for a period of five years prior to the date of the application for rectification. The proprietor pleaded that failure to use was due to import restrictions which are special circumstances as contemplated in Section 46, Sub-section (3). The learned Judge rejected the contention on the ground that the proprietors did not make even the limited use of the trade mark which they could have made and held that failure to use the mark was not justified by special circumstances. The application was made u/s 46(I)(b) and not u/s 46(I)(a) and the case does not appear to have much relevance.

73. In support of the case that the receipt of samples by the Indian company amounted to use of the trade mark in the way of trade, the Appellants relied on Notes of Official Rulings (1944) 61 R.P.C. 148 where for the purpose of resisting an application u/s 26 of the Trade Marks Act for rectification of the Register on the ground of non-use of the mark, the registered proprietors tendered evidence that they had, with the object of establishing a mark for their goods in the United Kingdom, supplied certain samples to an associated company there in the course of negotiations for marketing of goods. In dismissing the application the Registrar said:

Use in relation to these samples was, I think, use in the course of trade within the meaning of Section 4 and Section 68(1) and (2) of the -Act. It is not, in my view, necessary for this purpose that the goods or in relation to which the mark is used shall be goods that are themselves being at the time directly offered for sale in this country. It is enough, it seems to me, if the mark is used upon, or in physical or other relation to, samples which are supplied by the proprietors of the trade mark to any other firm with a view to obtaining some channel, such as an agency or wholesale purchaser, for the supply of goods to this market.

74. In that case, the Registrar based his finding on the fact that the samples were supplied with the object of finding a channel for the goods into the market.

Supply of samples for manufacture of goods which are ultimately intended for the market is not supply" of samples with the object of finding a trade channel. The case is, therefore, readily distinguishable and does not appear to have any application in the facts of this appeal.

75. A further ground of objection taken in the application is that the trade mark Dristan is deceptively and confusingly similar to another registered trade mark Bistan. The learned Judge found it unnecessary to deal with this objection as the appeal had succeeded on other grounds. In view of my findings on other questions it is hardly necessary for me to go into this question either. It may, however, be pointed out that Dristan is not a trade mark illegal in itself ; that Bistan is a vitamin preparation and Dristan is an antihistamine drug ; Dristan is a scheduled drug, that is to say, it cannot be sold except under a medical prescription. Moreover, the proprietors of Bistan have not thought necessary to make any application for removal of Dristan from the Register and never objected to its registration. It is true that they have used an affidavit in support of the Respondents' application, but that is a far cry from taking independent proceedings which were open to them under the statute.

76. Lastly, it was submitted that the Registrar, in his discretion refused to rectify the Register and the learned Judge ought not to have interfered with his use of discretion. In my judgment, the "question does not arise. It is not that the Registrar found that there were grounds for rectification and yet in his discretion refused to make the order. The application failed before him on merits. There was, therefore, no occasion for the Registrar to exercise his discretion and also none for the learned Judge to interfere with a discretion which the Registrar did not exercise.

77. In England, provision for use of a trade mark by a registered user was made in the Trade Marks Act of 1938 because the Legislature felt that in the interest of commerce and industry the proprietor of a trade mark who did not intend or was unable to use his trade mark himself should be able to use it through others on conditions prescribed in Section 29(1)(b). One of the objects of Section 29(1)(b) is to enable foreign companies who do not wish to assign and thereby imperil their trade marks to extend their business through parties with which they have contractual relations. More often than not, the extension of business is undertaken through a local party which registers itself as the registered user. In an age when import restrictions have become almost universal, the registered user often manufactures the goods under the control and superintendence of the proprietor. The technique of manufacture and special skill at the disposal of the foreign proprietor are made available to him. Not only does the system benefit local trade and industry but it also serves the interest of the public. Quality is maintained and frequently improved because the trade mark often enjoys a high reputation which the foreign proprietor is anxious to sustain. Industries run through registered users have often acted as leaven in the economic life of the country where they operate.

78. If in England it is found necessary to encourage the use of trade marks through registered users under a system of control in circumstances where the proprietor of a trade mark is unable or unwilling to use it himself, the necessity is greater in the less industrially advanced climate of India where quality is the first casualty and initiative is often lacking.

79. In the Indian statute provisions for use of trade marks by registered users have been adopted, but adopted as we have seen with a difference. In England, the proprietor of a trade mark may intend to use his trade mark solely through a registered user and apply successfully for registration of his mark so long as his application is accompanied by an application for registration of the registered user. In India, he cannot. If we are right in our construction of the statute, provisions for registered user will become largely nugatory. They will become nugatory because the foreign proprietor of a trade mark in order to register his mark in India will have to entertain an honest parallel intention to use his mark himself apart from the intention to use it through a registered user. If he is able and willing to use it himself, rarely will he have any reason to engage a registered user.

80. I see no reason to believe that the English statute is less anxious" to maintain the purity of the Register or less concerned to prevent trafficking in trade marks than the Indian statute is. I shall assume that the English common law tolerates use of a registered trade mark through a non-registered user so long as the trade mark remains distinctive of the goods of the proprietor and does not deceive or confuse the public, a subject which is not free from difficulty and one on which the Judges have not spoken with one voice. Use of a trade mark by a non-registered user on those conditions is not trafficking in trade marks ; even then, I shall assume that such a practice may sometimes facilitate fraudulent use or abuse of trade marks, though it will not happen often in a country where there is an enlightened and watchful commercial opinion. Those assumptions do not militate against incorporation of Sections 29(1)(b) and 29(2) in the Indian statute because those provisions do not contemplate use of a trade mark by a non-registered user. I do not, therefore, see how those provisions can possibly encourage abuse of trade marks. They cannot. On the other hand, their absence, as we have understood the situation, makes the provisions for registered user very nearly a dead letter.

81. I do not intend to say that use of registered trade marks by non-registered users should be recognised in the Indian scene where commercial morality is not often in high tide, but I am firmly of opinion that the omission of Sections 29(1)(b) and 29(2) in the Indian statute ought to be rectified. It can harm no one and do much good. It can do no harm because in any case the State will be able to exercise proper control over the use of trade marks by registered users.

82. It is neither good sense nor good policy to be plus royaliste que le roi, to be more of a royalist than the king himself. A legal situation which permits use of a registered trade mark by a registered-user but disqualifies the proprietor from

registering his mark if he intends to use it only through a registered user even when a user is available who is ready and willing to be registered on terms which are unexceptionable, is a situation fraught with three-quarters irony and the rest unconscious humor.

83. It is not for the Courts of law to provide relief where relief should be provided by the Legislature, by ignoring a conscious departure the statute has made from its source, strain its construction and assume powers which more properly belong to the Legislature.

84. In the view we have taken, the appeal fails and is dismissed. The order of the learned Judge is affirmed. There will be no order for costs.

Arun K. Mukherjea, J.

85. I agree.