
(1966) 01 AHC CK 0013
In the Allahabad High Court
Case No : Civil Revision No. 1384 of 1964

Chhedi Lal Gupta and Others

APPELLANT

Vs

Smt. Shakuran Bibi and Another

RESPONDENT

Date of Decision : 19-01-1966

Acts Referred:

Trade and Merchandise Marks Act, 1958 — Section 105, 28, 30(1)

Citation : AIR 1967 All 269

Hon'ble Judges : S.S. Dhavan, J

Bench : Single Bench

Advocate : R.C. Ghatak, for the Appellant; Kamtanath Seth, for the Respondent

Final Decision : Dismissed

Judgement

S.S. Dhavan, J.—This is a defendants' application u/s 115 of the CPC directed against an order of II Additional District Judge Allahabad deciding three preliminary issues in a passing off action against them. One Mohammad Sattar filed a suit against one Baij Nath Prasad in which he alleged that he was the manufacturer of a brand of Bidis called "Toofan Mail" which were very popular with the public; that these Bidis were sold under a label containing a picture of a Railway Mail Train, two Railway signals, a Railway track, two boats, and other signs; that the defendant Baij Nath Prasad had started selling a certain brand of Bidis under the name of "Punjab Mail Bidis"; that he had chosen this name deliberately with the object of deceiving the bidi smoking public who had begun to appreciate the excellence of the plaintiff's Toofan Mail bidis; that the defendants also fixed a label on his bidis which contained a picture of a Railway train, Railway signals, a Railway track, two boats and the other signs included in the plaintiff's labels; that in this manner the defendant was able to pass off his bidis as the plaintiff with consequent loss to him. The plaintiff asked for an injunction to restrain the defendant from passing off his bidis by using a label deceptively similar to the one used by the plaintiff, and he also claimed damages. Soon after the filing of the suit both the original plaintiff and the defendant died

and were substituted by their respective representatives. The defendants resisted the suit and denied all liability. They contended that they were using a label which had been registered by them 1943 under the Trade Marks Act 1940 and which continued to be so registered under the Trade and Merchandise Marks Act 1958. They denied that the two labels were similar as to deceive the plaintiffs' customers. They also raised a preliminary objection that the suit was barred u/s 30(1)(d) of the Trade and Merchandise Marks Act 1958. The learned Judge framed three issues which he decided as preliminary. They are: "Issue No. 2 (a)--Is the present suit only an action for infringement of plaintiffs' trade mark and not a passing off action? Issue No. 2 (b)--How do Sections 28(3), 29 and 30(1)(d) of the Trade and Merchandise Marks Act 1958 affect the suit? Issue No. 7--Does the plaint disclose no cause of action for the claim of passing off?"

2. After hearing the parties the learned Judge decided all these issues against the defendants. He held that Section 30(d) of the aforesaid Act did not bar the suit; that the suit was not only an action of infringement of trade mark but also a passing off action; and that the plaint disclosed a cause of action for a claim of passing off. Aggrieved by this order the defendants have come here in revision.

3. Mr. R. C. Ghatak for the applicant contended that the order of the Court below is illegal because on the face of it the plaint disclosed no cause of action and the Court had no jurisdiction to entertain a suit for infringement of trade mark. Learned counsel argued that the view of the Court below that even assuming that the defendants were using their own registered trade mark the plaintiff was entitled to bring a passing off action is erroneous. Learned counsel contended that there can be no passing off action if the only allegation of the plaintiffs is that the defendants have used a label deceptively similar to that of the plaintiffs' label but the defendants' label has been duly registered under the Trade and Merchandise Marks Act. Learned counsel pointed out that under the aforesaid Act the defendants had the right to use a label which had been duly registered under the law and the mere use of it could not be actionable. He relied on Sections 28(1), 28(3) and 30(1)(d) of the Act. These provisions are as follows:

"Section 28(1)--Rights conferred by registration: Subject to the other provisions of this Act, the registration of a trade mark in Part A or Part B of the register shall, if valid, give to the registered proprietor of the trade mark the exclusive rights to the use of the trade mark in relation to the goods in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act."

"Section 28(3)--Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being

registered users using by way of permitted use) as he would have if he were the sole registered proprietor."

"Section 30(1)--Acts not constituting infringement: Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of the right to the use of a registered trade mark :

(d) the use of a registered trade mark, being one of two or more trade marks registered under this Act which are identical or nearly resemble each other, in exercise of the right to the use of the trade mark given by registration under this Act."

In my view none of these provisions have the effect of barring the present suit. Section 28 confers upon the proprietor of a registered trade mark the exclusive right to use it in relation to goods in respect of which the trade mark is registered. It creates in his favour a vested right of property--a right similar to that of an inventor who has patented his invention. The effect of Section 28 is that no other person can use this trade mark without the consent of the proprietor just as no one can make use of a patented discovery or invention without the consent of the owner of the patent. But this section does not permit the proprietor of a registered trade mark to use it in g manner which will enable him to pass off his goods as that of someone else

4. Section 30(1)(d) provides in effect that the use of a registered trade mark will not amount to an infringement of another registered trade mark even if the two are identical or merely resemble each other. In other words the proprietor of a registered trade mark does not have to obtain the consent of the proprietor of another registered trade mark which happens to be identical and similar to his own. But this provision does not give him the right to use his trade mark for the purpose of passing off his goods as those of another.

5. Mr. Ghatak contended that there can be no passing off action where the only allegation of the plaintiffs is that the defendants used a registered trade mark deceptively similar to the trade mark of the plaintiffs I cannot agree, because this argument is negated by the plain language of Section 105 of the Act. It runs as follows:

"Section 105: Suit for infringement, etc., to be instituted before District Court: No suit-

(a) for the infringement of a registered trade mark; or

(b) relating to any right to a registered trade mark; or

(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered; shall be instituted in any Court inferior to a District Court having jurisdiction to try the suit "

Thus this section contemplates a suit for passing off based on the deceptive use

of a trade mark which is different from a suit for the infringement of a registered trade mark.

6. Learned counsel argued vehemently that it was not possible to visualise a suit for passing off arising out of the deceptive use of a trade mark which could be different from a suit for the infringement of a registered trade mark. I cannot agree. A suit for the infringement of a registered trade mark is in effect a suit for the infringement of a right of property. If A uses a registered trade mark of B without his consent he is liable to B for the infringement of his registered trade mark and B does not have to prove any passing off. B will be entitled to relief even if he has not yet begun to manufacture his goods. He is entitled to compensation from A or any other remedy against him even if A proves that he used B's registered trade mark in a place where B never sold his goods. The basis of the claim is the illegal use by A of a mark which is B's property. On the other hand, in an action for passing off B will have to prove that A used the registered trade mark in such a manner as to deceive his (B's) customers.

7. Mr. Ghatak relied on a decision of this Court in *Tak Chand Fillumal Vs. Western India Match Co. Ltd.*, in support of his argument that the infringement of a registered trade mark does not become a passing off merely because the consequences of the infringement are that the plaintiffs' customers are deceived. But this decision does not help the applicant, as the Bench clearly laid down the principle that "when no suit for the infringement of an unregistered trade mark is possible, suits for passing off action could be instituted in spite of the provisions of this Act." Thus the distinction between an infringement of a trade mark and passing off by the deceptive use of that very trade mark is recognized.

8. In my opinion the view of the Court below that the plaintiffs' suit is an action for passing off and not barred by any provision of the Trade and Merchandise Marks Act is sound. The Court has jurisdiction to entertain the suit, though it is open to the defendant to raise such pleas in defence as are open to him under the law.

9. The application is rejected with costs.

10. Mr. K.N. Seth has drawn my attention to the fact that this suit was filed in 1952. I think it is high time that it is decided on merits. The record should be sent to the lower Court with a direction that the decision of this suit shall receive top priority.