
(1976) 07 MAD CK 0048

In the Madras High Court

Case No : Appeal Against Order No. 424 of 1975

Hindusthan Lever Ltd.

APPELLANT

Vs

S. Thangavel

RESPONDENT

Date of Decision : 23-07-1976

Acts Referred:

Trade and Merchandise Marks Act, 1958 — Section 11, 12, 12(1), 21(1), 9

Citation : (1977) ILR (Mad) 80

Hon'ble Judges : Ramanujam, J

Bench : Single Bench

Advocate : V. Swaminathan, for the Appellant;

Final Decision : Allowed

Judgement

Ramanujam, J.—This appeal arises out of an order, dated 31st January 1975 passed by the Assistant Registrar of Trade Marks permitting the registration of the trade mark proposed by the Respondent, after rejecting the oppositions put forward by the Appellants.

2. The Respondent applied for registration of a trade mark consisting of label on which are depicted a device of lotus and the words Lotus Branch Honey as the essential features, in Part A of the Register in respect of Honey in class 30, in his name. He claimed that he has been using that mark since December 1965, when the said application was advertised a notice of opposition under the provisions of Section 21(1) of the Trade and Merchandise Marks Act, 1958 (herein after referred to as the Act) was received from the Appellants herein" They opposed the registration of the above trade mark on the ground that they are manufacturers of large variety of goods including soaps, toilet preparations, edible oils and fats, hydrogenated vegetable oils, dehydrated and preserved vegetables and other articles of food, that among the various trade marks used by them the device of lotus has been used in respect of hydrogenated vegetable oils and edible vegetable oils (refined) that the trade mark Lotus per se and Lotus labels have already been registered in their name in respect of the said goods in

class 29 under registration Nos. 131541, 131542 and 131543, that the trade mark consisting of the device of lotus and the word lotus is distinctive of their goods, that the Applicant's mark is deceptively similar to their mark and that therefore, its registration should be refused as being contrary to the provisions of Section 9(11)(a) and 12(1) of the Act. The Respondent in his counter-statement, denied all the allegations put forward by the Appellants and asserted that his trade mark is entitled to registration. He, however, stated that though the trade mark in respect of which he has applied for registration is deceptively similar to, the trade marks already in use" and - registered by the Appellants in respect of hydrogenated vegetable oils, and edible oils, the goods dealt with by him and the Appellants are not of the same class or of .the same description that therefore, there is no bar for registering his trade mark and that there is no possibility of any deception or confusion arising out of the registration of his mark. The Assistant Registrar of Trade "Marks on "a consideration of the rival contentions held that though the Applicant's trade marks is deceptively similar to, if not identical with, the trade marks already registered and in use in respect of the Appellants" goods, the article in respect of which the Respondent has applied for registration of a trade mark is not of the same class of goods or of the same description. He also took the view that there is no likelihood of any deception or confusion if the Respondent's trade mark is registered. In that view, he held that the registration would not be contrary to the provisions of Section 11(a) and 12(1) of the Act. The said decision of the Assistant Registrar of Trade Marks permitting the registration of the Respondent's trade mark has been challenged by the Appellants on the following grounds:

3. Firstly, it is contended that the Assistant Registrar of trade marks is in error in holding that the hydrogenated vegetable oils and vegetable oils manufactured by the Appellants and the honey sold by the Respondent are goods of different description. Secondly, it is contended that he is also in error in holding that there is no possibility of deception or confusion if the Respondent's mark is registered. Thirdly it is contended that he is in error in not considering the Appellants contention that the registration of the Respondent's trade mark will infringe Section 9 of the Act.

4. Before dealing with these three contentions of the Appellants seriatim it is necessary to note the nature and description of the goods manufactured by both parties and the nature of the opposition put forward by the Appellants to the registration of the Respondent's trade mark.

5. The Appellants, as already stated are manufactures of a large variety of goods including soaps, toilet preparations, edible oils and fats, dehydrated and preserved vegetables and other articles of food. They have been using the various trade marks in connection with the goods manufactured by them and the device of Lotus has been used by them in respect of hydrogenated vegetables oils and edible vegetable oils Vanaspathi and they have registered the devices of Lotus Lotus per se, and Lotus labels under three registration numbers all falling

under class 29. They claim that the word "Lotus" is distinctive of their goods the Respondent's marks is deceptively similar to their mark and that as such its registration could not be permitted.

6. The Respondent is a dealer in honey and he has claimed that he has used the trade mark with the device of " Lotus " that the word " Lotus " as distinctive of his goods from the year 1965 and that from such a long user of that marks is entitled to registration of the said mark.

7. The Appellants opposition was based on the grounds (i) that the use of the mark applied for by the Respondent in respect of honey which is also an item of food article, is likely to deceive or cause confusion the trading circles and therefore, the registration is objectionable u/s 11.

(ii) that the mark applied for registration is deceptively similar to the Appellant's mark in connection with another article of food, viz., vegetable oils and is therefore objectionable u/s 12.

(iii) that the Respondent has adopted the propounded mark for the purpose of taking advantage of the Appellants' reputation in trade circles and that is definitely calculated to deceive or confuse the public by causing them to believe that there is some connection or relation between the Respondent and the Appellants or between the Respondent's goods and the Appellants goods; and

(iv) that the mark propounded by the Respondent cannot be distinctive of the honey dealt with by him as he is not a manufacturer of the same. The Registrar has pointed out that the Respondent has admitted that his mark is deceptively similar to, if not identical with, the mark already registered by the Appellants in connection with their goods. In view of the said admission, he proceeded to consider whether the goods dealt with by the Appellants and the Respondent under their respective marks are goods of the same class or goods of the same description. Taking into account the nature, use and trade channel of the hydrogenated vegetable oils and edible vegetable oils dealt with by the Appellants and the nature, use and trade channels of honey dealt with by the Respondent the Registrar held that they cannot be considered to be goods of the same description. He has pointed out the following distinction between the vegetable oils produced by the Appellants and the honey dealt with by the Respondents (i) while the vegetable oils are manufactured by industrial process, involving a large outlay of capital, out of the oil yielding seeds, honey is a natural product which is gathered by the bee-hives after the bees have gathered honey from flowers (ii) vegetables oils are products which are used for cooking and for making pastry while honey is used for flavouring and sweetening of medicines and eatables, hydrogenated vegetables oils are usually sold in large packings of 4 kilo grams each and above, whereas honey is sold in small quantities, not exceeding 1/2 kilo, in bottles. In this view the Registrar has taken the view that the honey sold by the Respondent is totally unrelated to the vegetable oils produced and marketed by the Appellants.

8. The learned Counsel for the Appellants attacks the reasoning of the Registrar and submits that the tests adopted by him are not exclusive or determinative and that there are other factors which are also materials and are to be taken into account for the purpose of finding out whether honey and the vegetable oils are goods of the same description or not. In support of his view, the Registrar has referred to the observation of Rosier J. in *Jelliknek's Application* (1946) 63 R.P.C. 59 and the observations in *Floridix Trade Mark Case* (1951) R.P.C. 1583. In those cases, it has been laid down that the following three factors have necessarily to be considered in deciding whether two sets of goods are of the same description or not:

1. The nature of the respective goods;
2. The contents used; and
3. The Trade channels through which the goods are bought and sold.

The learned Counsel for the Appellants, in support of his stand that these are not determinative tests, refers to the following passage from the *Treatise on the Law of Trade and Merchandise Marks* by Dr. S. Venkaraman:

Various tests based on practical considerations have been referred to in the reported cases for determining whether two sets of goods are of the same description. The test was stated by the Assistant Comptroller in *Darwins Ltd.'s Application* thus:

Consideration has to be given, e.g., to the nature and characteristics of the goods, their origin, their purpose, whether they are usually produced by one and the same manufacturer or distributed by the same wholesale houses, whether they are sold in the same shops over the same counter during the same seasons and to the same class or classes of customer, and whether by those engaged in the manufacture and distribution of the goods they are regarded as belonging to one and the same trade.

No single one of these tests is however conclusive in itself. The Tribunal will also consider whether the two kinds of goods might be considered as alternatives to one another.

9. The learned author has pointed out that the question whether or not two sets of goods are of the same description is a question of fact, that in deciding that question, one must look at it from a practical business and commercial point of view, that the classification in the Fourth Schedule to the Trade and Merchandise Marks Rules cannot be taken to be the criterion to determine as to whether or not two sets of goods are of the same description, that the description of the goods are of the same description, that the description of the goods may be narrower or wider than any of the classes, according to the circumstances of the case, that the classification made in the Fourth Schedule to the Rules is not decisive and that the question whether or not two sets of goods are of the same description has to be determined by business and practical considerations and

not with reference to the classification contained in the Fourth Schedule.

10. Since the prohibition contained in Section 12(1) does not apply where the Applicant's trade mark is in respect of goods which are of essentially different character from the class of goods or description of goods for which an identical or similar trade mark has already been registered by a different proprietor, it has naturally to be decided for the purposes of Section 12(1) whether the two sets of goods are of the same class or of the same description. The learned Counsel for the Appellants submits that the refined vegetable oils like vanaspathi, manufactured by the Appellants, is an article of food and that the honey dealt with by the Respondents being also an article of food, they should be treated as of the same class or of the same description. It is not possible to accept the contention of the Appellants that vanaspathi and honey are articles of food. Though the vegetable oils like vanaspathi are used in the manufacture of food articles, they cannot, by themselves, become food articles. Likewise honey, though it is used as a flavouring or sweetening agent can never be treated as an article of food. Apart from the fact that both sets of articles cannot be brought under the description of articles of food, I am not in favour of adopting such a classification of the goods based on use alone among other modes of classification. It is well known that articles can be classified either on the basis of their use or on the basis of their contents or elements out of which they were manufactured, or from the mode of their production. In this case, it is true that both vegetable oils as well as honey are in liquid form and that both are also used in the manufacture of food articles. But, is it possible to treat them as belonging to the same description of goods. As pointed out by the Registrar, the vegetable oils are manufactured from oil seeds while honey is a natural product collected by the bees from flowers. So, if the source is taken into account, both, articles are coming from different sources in that one is a natural product and the other is a manufactured product. As already stated, there are more than one way of classifying goods and the Registrar has adopted one mode of classification. It is not possible to say, that the user test is the only possible test in the matter of classification of goods though the learned Counsel for the Appellants would say that if the utility test is adopted the two sets of goods can be taken to fall under the same description.

11. In this connection, the Appellants learned Counsel refers to the decision in Products Limited's Application (1922) 39 R.P.C. 155 where the registration of the word Egall in class 42 in respect of dried eggs was opposed by the proprietors of a registered trade mark Egrol registered in class 42 in respect of custard powder, and the registration was refused on the ground that the Applicant's mark was calculated to deceive, the two goods in question being of the same description. There, the test of user has been adopted and it was found that although the substances may not be precisely the same, the evidence was that they are of the same class of substances sold in same shops over the same counters and sold in small quantities. In Mc Dowell's Application (1926) 43 R.P.C. 313 registration of the word Nuvol in class 47 in respect of illuminating, heating or lubricating oils

was opposed by the owners of the trade mark Nujol registered in class 3 in respect of medicinal preparations for human use. It was found that the Applicant's oils were sold in barrels and drums, and not in smaller quantities, but the opponent's preparations were sold in comparatively small quantities in bottles or tins. Registration was refused by the Court of Appeal, and a further appeal to the House of Lords was dismissed. The basis of the decision is that the two goods in question were oils and consisted of petroleum, the only difference being in the degree of refinement. Thus the factor that the two goods have a common base was taken to indicate that the goods were of the same description. In *Ernest Marshall's Application* (1943) 60 R.P.C. 147 the registration of the word *honomol* in respect of some liquid food preparations of honey and malt was opposed by the proprietors of the mark *Honyol* in respect of an edible fat emulsion and it was considered that the two sets of goods are of the same description and the registration was refused. The reason given for treating both sets of goods as belonging to the same description is that both preparations do contain honey and they are generally used by bakers and confectioners and normally purchased by the same class of persons and that such persons may, in view of the similarity between them, mistake the one for the other. The above decision does not, however, lay down any definite and clear test for finding out whether the two sets of goods are of the same description. In each of these cases, a particular test is adopted to find out whether the goods are of the same description or not. In this field, there is a good deal of learning as to the considerations to be taken into account in determining whether certain goods are, or not, of the same description as other goods for trade marks purposes. But as already stated, the question is one of fact and has to be decided with reference to the origin, nature, user and the disposal of the goods, looking at it from the commercial point of view. In this view, the Registrar having adopted certain relevant criteria for finding out whether the two sets of goods are, or not, of the same description it is not possible for me to say that he has erred in adopting those criteria. The learned Counsel for the Appellants only says that a different criterion should have been adopted, but does not say that the criteria adopted by the Registrar is not relevant. I cannot, therefore, hold that the registration of the Respondent's trade mark is violative of Section 12(1) of the Act.

12. However, I am inclined to agree with the contention of the learned Counsel for the Appellant that the registration of the Respondent's trade mark is violative of Section 11(a) of the Act which says:

A mark, the use of which would be likely to deceive or cause confusion (among other things) shall not be registered as a trade mark.

It is pointed out by the learned Counsel for the Appellants that though the two sets of goods may be entirely different, still, if the registration of the Respondent's trade mark is likely to deceive or cause confusion in the minds of the purchasing public his mark cannot be registered and that for application of Section 11(a) the nature of the goods are not material and the only criterion is to

find out whether the mark in respect of which registration is sought is likely to cause deception or confusion in the minds of the public. It has been admitted by the Respondent even before the Registrar that his mark are deceptively similar, if not identical with, the goods marketed by the Appellants and therefore, the possibility of deception is not disputed. The question is whether there is a possibility of confusion in the minds of the public if the two marks are allowed to exist side by side. It is well established that the onus is always on the Applicant to prove that there is no likelihood of any deception or confusion if his trade mark is registered. The deception or confusion might ensue by reason of the similarity between the proposed mark and another existing mark flowing from something contained in the mark proposed for registration or might result from the nature of the use of the mark. Where there is a general risk of confusion or deception, registration should ordinarily be refused. In this case, the Appellants claim that they are reputed manufacturers and dealers of vegetable oils under the brand of Lotus having a device of lotus and that they have also registered the word lotus per se. Therefore, when the device of lotus has been associated with the Appellants' trade in vegetable oils, if the Respondent's mark, which is admitted to be deceptively similar to, if not identical with, the lotus trade mark used by the Appellants is permitted to be registered it is possible for the people in the business and commercial circles to be deceived or confused. Some of the purchasers may be under the bona fide impression that the honey sold by the Respondent under the trade mark of lotus is either manufactured by the Appellants or are marketed by them through the agency of the Respondent. Thus, there is a possibility of the Respondent exploiting the reputation of the Appellants as a manufacturer of the vegetable oils under their registered trade mark bearing the device of lotus. It is also possible that if the honey sold by the Respondent under the trade mark of lotus is substandard and if the public think that the goods are supplied by the Appellants then, the Appellants' reputation is likely to be affected. These are all matters which actually flow from the admitted fact that the use of the Respondent's trade mark is deceptively similar to the one already in use and registered by the Appellants with reference to the goods manufactured by them. Therefore, there does not appear to be any escape for the Respondent from the bar contained in Section 11(a).

13. In this connection, reference can be made to a decision of the Bombay High Court in *Sunder Parmanand Lalwani and Others Vs. Caltex (India) Ltd.*, . In that case, the Applicant for registration wanted his mark Caltex to be registered in respect of the watches sold by him. This was opposed by the Caltex India Limited who are well-known dealers of petroleum products. Though there was absolutely no connection between the watches manufactured by the Applicant who had applied for registration, and the petroleum products dealt with by the Caltex India Limited, it was contended that the public would be led to think that the watches were in some way connected with the Caltex India Limited who are dealing in petroleum products with Caltex mark, and that persons seeing the mark Caltex attached to the watches would assume, or were most likely to

assume, that they originated from the proprietor of the Caltex India Limited. This ground of opposition was not accepted by the Registrar of Trade Marks and the registration was ordered. But the Division Bench of the Bombay High Court held if the application for registration granted and the mark was used in connection with the watches, it was likely to cause deception and confusion and that therefore, with a view to avoid such deception and confusion, the Registrar should have refused registration in exercise of his discretion u/s 11(e) of the Act. The following observations of the Bench are pertinent:

All factors which are likely to create or allay deception or confusion must be considered in combination. Broadly speaking, factors creating confusion would be, for example the nature of the mark itself, the class of customers, the extent of the reputation, the trade channels, the existence of any connection in the course of trade, and several others. Of course, it need not be stated that it would not be that all such factors would exist in each and every case....

....Held that a large number of persons if they saw or heard about the mark "Caltex" in connection with the Applicant's watches, would be led to think that the watches were in some way connected with the opponents who were dealing in petrol and various oil products with the Caltex mark, or they would at least wonder whether they were in any way connected with the opponents. Persons seeing the mark attached to watches, which was a class of goods, would assume, or were most likely to assume, that they originated from the proprietor of the mark, namely, the opponents. If therefore, the application for registration was granted and the mark was used in connection with the watches in respect of which the application was made it was likely to cause deception and confusion.

14. The decision of the Supreme Court in *Corn Products Refining Co. Vs. Shangrila Food Products Ltd.*, is also relevant on this point. In that case, the registration of a mark "Gluvida" used with reference to biscuits manufactured by the Applicant was applied for. This was objected to by the opponent who was using a registered trade mark Gluvita with reference to his glucose with vitamins. It had been established that the opponents' trade mark had acquired a reputation among the buying public. The question was whether the two marks are likely to confuse or deceive the public in view of their similarity. The Supreme Court was of the view that in order that a trade mark may acquire reputation among the general public it is necessary that the reputation should be attached to the trade mark and that the public had associated that trade mark with certain goods that the reputation is the reputation of the trade mark and not of the maker of the goods bearing the trade mark and that the trade mark may acquire a reputation in connection with the goods in respect of which it is used though a buyer may not at all know as to who is the manufacturer of the goods. After laying down the various tests to determine whether the particular trade mark has acquired a reputation among the general public it has been pointed out that:

The absolute identity of the two competing marks or their close resemblance is

only one of the tests for determining the question of likelihood of deception or confusion-Trade connection between different goods is another such test. Ex. hypothesi, this latter test applies only when the goods are different. These tests are independent testst. There is no reason why the tests of trade connection between different goods should not apply where the competing marks closely resemble each other just as much as it applies where the competing marks are identical. Whether by applying these tests in a particular case the conclusion that there is likelihood of deception or confusion should be arrived as would depend on all the facts of the case.

15. In view of the fact that the Appellants' trade mark has acquired a reputation and that the reputation is likely to be affected by the deception or confusion which is likely to be caused by the user of the mark sought to be registered by the Respondent, registration in this case should have been refused. As already stated, the Assistant Registrar in this case, has not specifically considered the applicability of Section 11(a) to the case on hand and he has only considered the applicability of Section 12(1) of the Act. The impugned order of the Assistant Registrar of Trade Marks, in this appeal is, therefore, set aside and the appeal is allowed. There will be no order as to costs.