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**(1990) 08 MAD CK 0017**  
**In the Madras High Court**

K.R. Jadayappa Mudaliar Trading as Sarasu Match Works and Another APPELLANT

Vs

K.B. Venkatachalam Trading as Golden Match Industries RESPONDENT

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**Date of Decision :** 09-08-1990

**Acts Referred:**

Contract Act, 1872 — Section 27

Monopolies and Restrictive Trade Practices Act, 1969 — Section 33(a)

**Citation :** (1990) 2 LW 720 : (1990) 2 MLJ 423

**Hon'ble Judges :** Lakshmanan, J

**Bench :** Division Bench

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**Judgement**

Lakshmanan, J.—The matter arises under the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as "the Act"). The

Petitioner filed this petition under Sections 32(e), 46, 107 of the Act praying that the entry in the register in respect of registered Trade Mark No.

170403 in Class-34 in part-A in the name of the respondent K.B. Venkatachalam trading as Golden Match Works, Gudiyatham, dated 13-8-

1955 may be removed from the Register.

2. The facts as stated in the petition in brief are as follows: The first petitioner K.R.Jadayappa Mudaliar is trading in Match Works under the name

and style of M/s. Sarasu Match Works at Gudiyatham, North Arcot District The second petitioner is the son of the first petitioner, who is also

trading in the same trade under the name and style of M/s. Vanaja Match Works, at Thottidurai Mottur Village, Murasappalli (Post), Gudiyatham.

The petitioners are represented by their counsel Mr. C. Daniel. The matter was argued at length by the learned Senior Counsel Mr. U.N.R. Rao

on behalf of the petitioners. The petitioners and the respondent are engaged in

the business of manufacturing safety matches. They are competitors and rivals in the said business. The respondent has secured registration under the Act for a Trade Mark with the name ""National Park"" in Class-34 in Part-A under No.17043 since 13.3.1955. The mark was registered with the authorities and used in black and white. According to the petitioners, the respondent although had registered the mark has not used Trade Mark for the product of his manufacture except for short periods and also has been licencing simultaneously in favour of 22 different manufacturers for the use of the Trade Mark. It is stated in the petition that with the written permission given by the respondent the Central Excise has been granting Central Excise licence to manufacture safety matches with National Park"" as shown in document No.1 as the trade mark under Rule 71(3) of Central Excise Rules, 1944. It is further stated that the second petitioner has also been using ""National Park"" and was also using the same design with the alteration of the name as ""Running Deer."" In March, 1986 the respondent filed C.S.No.156 of 1986 in this Court under Sections 105 and 106 of the Act, against the second petitioner for the alleged infringement of the respondent's registered Trade mark of ""National Park"" by the second Petitioner's ""Running Deer"" trade mark. The suit was for a permanent injunction against the use of ""Running Deer"" trade mark on account of the alleged infringement and passing off of the registered National Park"" trade mark. The suit was however withdrawn on 13.1.1988 and the injunction order granted on 20.3.1986 in Application No.1402 of 1986 came to an end with the withdrawal of the suit. According to the petitioner, the respondent had also filed O.S.No.16 of 1987 a few days prior to withdrawal of C.S.No.156 of 1986, before the District Court, North Arcot at Vellore against both the petitioners herein. However in O.S.No.16 of 1987 the respondent made both the petitioners as defendants. His complaint was that the first petitioner was committing infringement and passing off by the use of the ""Standing Stag"" and the second petitioner is committing infringement and passing off with respect to Running Deer"" vis-a-vis respondent's registered Trade Mark of ""National Park."" The second petitioner filed written statement in the said suit and urged that the registered Trade Mark ""National Park"" having been used continuously since 1979 for about 10 years by several other manufacturers

with the permission of the respondent, the mark has lost its distinctiveness and has ""become publici juris, Consequently the plaintiff/respondent

herein has lost his exclusive right with respect to the mark ""National Park"". The petitioners, who are aggrieved persons under the Act entitled to file

this petition as they are in the same trade and filed the present petition alleging that the respondent is guilty of trafficking in trade mark which is not

permissible under the Act.

3. The respondent filed a detailed counter statement by raising the following defence: The trade mark ""National Park"" owned by the respondent

was registered in 1955 and it is distinctive to the manufacture and trading style of the respondent and the respondent alone. Hence Section 32(c) of

the Act cannot be invoked which is subject to Sections 35 and 46. The distinctiveness of the respondent's trade mark has not been lost because

no other manufacturer of safety matches other than the petitioners have infringed the trade mark or used it on their own. The respondent entered

into agreement with various parties to manufacture matches, but the terms and conditions stipulated therein would go to reveal that at no point of

time did the respondent give up his right in the Registered Trade Mark that he possesses. All the persons with whom agreements were entered into

have undertaken to manufacture and give the respondent the labels supplied by the respondent and on no account the agreement holders could

exploit the said brand in the open market without the consent of the respondent. Hence it could not be contended that the respondent has lost the

distinctiveness in the trade mark owned by him nor the same has become publici juris nor can it be said that the respondent is trafficking in his trade

mark. The respondent is manufacturing and selling matches under its Trade Mark ""National Park"" with device of a deer ever since 1955 and the

respondent has"" been manufacturing and selling by himself, apart from affixing his labels on the goods manufactured by other match producers but

strictly in accordance with the terms of the agreement entered into. It is stated that the parties listed in the petition are parties to the agreement with

the respondent to manufacture and supply safety matches. It is seen from the agreements entered into with various parties listed in the petition that

they have expressly mentioned that the agreement holder acknowledges the absolute proprietorship of the respondent over his trade mark

National Park"" and ""Running Deer"" together with the colour scheme thereof. Each of the parties has also undertaken not to use the said label in respect of safety matches except exclusively for supply to be made only to the respondent. Hence the other manufacturers were manufacturing matches only on behalf of the respondent and they had no right to use the said label bearing the Trade Mark of the respondent for their independent uses and for manufacture and sale in the open market. Therefore at no point of time did the respondent abandon its trade mark, neither did the respondent indulge in trafficking in its trade mark nor could it be said that the distinctiveness has been lost especially at the time of commencement of these proceedings. The respondent has also not violated Section 46 of the Act There is ample evidence to prove that the respondent did make use of its trade mark in its manufacturing process ever since its mark was conceived and was very much in proper and effective use at the commencement of these proceedings. It is not in dispute that the respondent is the owner of the trade mark ""National Park with a device of the ""Running Deer"" having an exclusive colour combination. It may be true that the device of a deer was endorsed to be common to the trade, but the get up and the colour combination together with the trade marks ""National park"" can never be said to be common to the trade. The respondent was forced to file a suit before this Court for an infringement of his trade mark, because the petitioners were openly manufacturing and trading with the respondent's trade mark which directly affected the respondent in many ways, not to speak of the monetary loss that the respondent was suffering because of the infringement committed by the petitioners. The respondent on advice withdrew the said suit and advised to be filed another suit before District Court, Vellore without prejudice to the rights of the respondent. It is the privilege of the respondent to choose the forum. The allegation of the respondent's trade mark becoming "publici juris" is not correct since the infringers of the trade mark are only the petitioners and there are no other infringers to say that it has become publici juris. The occurrence of a few fraudulent infringement of the respondent's trade mark by the petitioners without the knowledge of the respondent who is the proprietor of the trade mark "National Park" with a device of a Standing or Running Deer with the exclusive colour scheme and combination will not make the mark common to the trade. The use of

the respondent's trade mark by the petitioners is nothing but an illegal act, calculated to deceive the public. The parties with whom the agreements have been signed by the respondent would go to prove that the tenor of the agreements does not give any permitted use to the manufacturers to use the trade mark of the respondent to bring it under the scope of Section 2(m) of the Act. It is denied that the respondent never permitted any trader/manufacturer in safety matches to use his registered mark. So far as the respondent is concerned the business dealings with the other safety matches manufacturers were pure and simple governed by the agreement and the question of permitted user and the registration under the Act does not arise. There is no force in any of the contentions raised by the petitioners to make out a prima facie case, much less under Sections 32(c), 46 and 107 of the Act This petition has been filed by the petitioners only as a counter-blast to see that the maximum nuisance is caused to the respondent because the respondent took action for the crime of infringing upon the mark of the respondent.

4. No oral evidence was let in by both the parties. By consent of parties Document Nos. 1 to 9 have been marked on behalf of the petitioners, and Documents Nos. 1 to 44 and additional documents 1 to 13 have also been marked on behalf of the respondent.

5. On the above pleadings the following issues have been framed for consideration.

1. Has the respondent's Trade Mark lost its distinctiveness on the date of this O.P. proceedings?
2. Has the respondent's Trade Mark become publici juris?
3. Is the respondent guilty of trafficking in its trade mark?
4. Was the respondent's Trade Mark registered without any bona fide, intention to use in relation to the goods for which the registration is granted?
5. Has the petitioner discharged his onus of proof by invoking Sections 32(c) and 46 of the Act?
6. Should the Trade Mark usage be taken into account while deciding matters of this nature under the Act?
6. Issue No.1: Has the respondent's Trade Mark lost its distinctiveness on the date of these proceedings in O.P. No.182 of 1988? According to

the petitioner, the respondent had authorised 19 different traders and permitted them to affix the Trade Mark of National Park and that one single mark is sought to be utilised to locate the origin of the products of 19 different manufacturers. The concept of distinctiveness means a trade mark is to be utilised to distinguish the goods of the proprietor of trade mark from the goods manufactured by the others. By the conduct of the respondent, same mark is now accepted to indicate 19 different sources of matches in Gudiyatham. It is submitted by the learned Counsel for the petitioner that the conduct of the respondent in permitting a large number of manufacturers to affix the same mark on their respective goods has resulted in destroying the original distinctiveness of the trade mark ""National Park."" It is further submitted that under the definition of Trade Mark, Section 2(v)(ii), it is only the proprietor of the Trade Mark who can use the mark on goods. In the present case the respondent has permitted 19 different persons using the same mark, each claiming to the public that he is the proprietor of the mark.

7. Per contra, Mr. David, learned Counsel for the respondent invited my attention to look into the definition of a Trade Mark as under.

A Trade Mark is a symbol which is applied or attached to goods offered for sale in the Market, so as to distinguish them from similar goods and to identify them with a particular Trader or with his successors as the owners of a particular business, as being made, worked upon, imported, selected, certified or sold by him or them, or which has been properly registered under the Act as the Trade Mark of a particular Trader.

According to the learned Counsel for the respondent, the goods must be offered for sale in the market, and the agreement holders as such do not offer the matches manufactured for the respondent with the Trade Mark label of the respondent direct to the market without the consent of the respondent. Hence, according to him, the entire control of the Trade Mark of the respondent is with the respondent and the same is in tact.

Moreover the distinctive nature of the Trade Mark is well established by the respondent for the following reasons as submitted by him:

(a) The Trade Mark was registered in the year 1955 and through the years it has become distinctive with that of the goods of the respondent.

(b) The respondent is very much in the market and to establish the same the learned Counsel for the respondent drew my attention to documentary

evidence filed by the respondent as per Exs.R.32 to R.35 and R.43 to prove the same.

(c) Through the decades that have passed the Trade Mark of the respondent has become so associated with that of the respondent's goods.

8. In this connection the learned Counsel for the respondent has also invited my attention to paragraph 796 of Narayanan's Trade Mark and

Passing-off III Edition. Where 47 RPC page 37 Radiation Case has been referred to. In the said case, an application for registration of a trade

mark was opposed on the ground inter alia that the applicants themselves had not used the mark as a trade mark within the meaning of the

definition of a trade mark in the Trade Marks Act of 1905. It was observed in the said case that a merchant can select goods by ordering them to

be made by a manufacturer according to a given specification, and that he could in such a case arrange for his mark to be applied to the goods

when they were made and for the goods to be sent direct from the factory to his customer or to his agent to be sold on his behalf.

9. Applying the said principle it was argued that in the instant case also the similar practice is being adopted. Hence the learned Counsel for the

respondent has contended that the mere permission by the agreement-holder to affix the trade mark label on the goods manufactured and given to

the respondent is nothing but a mere licence given to the agreement holder to do a particular act without in any way divesting one's right, title and

interest in the Mark and it does not dilute the ownership of the Title to the property in the Trade Mark as such. In London Rubber Co. Ltd. Vs.

Durex Products (Incorporated) and Another, (Paragraph 19). Justice Mukerjee observes as follows:

Trade Mark is a kind of property and is entitled to protection under the law, irrespective of its value in money, so long as it has some business or

commercial value, not merely the interest of the public, but also the interest of the owner are the subjects of concern of Trade Mark legislation.

Hence the learned Counsel placing reliance on the said decision submitted that his Trade Mark which has been his property from 1955 has to be

safeguarded and the petitioner cannot impute any motive on untenable grounds and get the mark removed on the ground of distinctiveness being

lost just because by agreement other manufacturers were permitted to affix the respondent's Trade Mark label on the goods manufactured and

supplied only to the respondent and none other.

10. The learned Counsel for the respondent also drew my attention to the evidence available with regard to distinctiveness. They are as under;

(a) The respondent has been manufacturing matches from 1955 onwards till date without break;

(b) The sales details are proof which is seen from Ex.R.32;

(c) Duplicate bills from 4.4.1983 to 29.7.1988 under Ex.R.33;

(d) Gate pass duplicates from 4.4.1983 to 29.7.1988 under Ex.R.34.

The other distinctive features are the layout as well as the marking on the labels on the matches manufactured and sold directly or through and by

the agreement holder. It is further contended by the respondent that the Trade Mark of the respondent was at the commencement of these

proceedings distinctive in nature and not otherwise for the petitioner to invoke Section 32(c) of the Act, on which the Issue No. 1 has been

framed. The extracts obtained from the Central Excise authorities and furnished in the petition would only reveal that the agreements and the

approval to affix the labels of the respondent related to the year 1979 and thereafter. By that time the respondent's label had already acquired

distinctiveness. Hence, even according to the petitioner, since more than seven years had elapsed when such agreements were entered into it does

not entail removal of the respondent's mark because of the adequate safeguard given to the respondent u/s 32 of the Act., which says that after

seven years from the date of registration the original registration shall be taken to be valid in all respects. Hence I find force in the contention of the

respondent that his Trade Mark is deemed to be valid in all respects.

11. It is relevant at this juncture to refer to the definition of the word distinctiveness. The word distinctiveness is defined u/s 9(3) of the Act. The

said Section starts with words, "For the purpose of this act, the expression distinctive in relation to the goods in respect of which a trade mark is

proposed to be registered, means adapted to distinguish goods with which the proprietor of the Trade Mark is or may be connected in the course

of trade from goods in the case of which no such connection subsists either generally or where the trade mark is proposed to be registered subject

to the limitation in relation to use within the extent of the registration. The expression distinctiveness appears also in Sections 10, 31(2) and 32(C)

of the Act. It must be considered in relation to the particular goods in respect of which registration is proposed. But in the case of the respondent,

the mark is not proposed to be registered, but it is already registered and remaining on the register without any blemish whatsoever from the year

1955 continuously thereof. Hence there can be no doubt by all standards the respondent's mark is distinctive in nature. Secondly as submitted by

the learned Counsel for the respondent mark must be adapted to distinguish the goods of the applicant from similar goods of other traders. The

vital test would be that even if the traders' name is not used along with the mark. It is also seen that the respondent to prove the evidence of user

of a trade mark or of its distinctiveness, has fulfilled all the requirements as per Section 99 and Rule 116. It is also seen that the trade mark of the

respondent is definitely distinctive because of the exclusive colour combination, and use. The Trade Mark label of the respondent is exclusive in so

far as the colour combination is concerned and this is a vital aspect which has to be taken into consideration to decide whether the respondent's

registered Trade Mark is distinctive to its goods or not.

12. The next aspect would be whether the respondent's Trade Mark has acquired distinctive-ness by virtue of use. The mark, has already stated

above, has acquired distinctiveness through the years because of the lengthy use of the Trade Mark by the respondent from the year 1955 till date.

It would be worthwhile referring in this context to the decision reported in The Imperial Tobacco Co. of India Ltd. Vs. The Registrar of Trade

Marks and Another, . The Calcutta High Court held,

Even so, the acquisition of distinctiveness should be on the date when the application is filed for registration, and the law does not require or

provide for acceptance of evidence of subsequent events.

Paragraph 326 of Narayanan's Third Edition of Trade Marks and Passing-off, also deals with the Test of acquired distinctiveness as under: Test of

acquired distinctiveness:

The test of acquired distinctiveness is that the mark when applied to the goods should indicate to the purchaser that they are the goods of a

particular person and of nobody else. Distinctiveness must carry with it the feature that the goods distinguished are the goods manufactured by a

particular person and by no other. A word or words to be really distinctive of a

person's goods must generally speaking be incapable of application to the goods of any one else.

(Cheviers v. Cheviers 17 RPC 420 at 430.)

The above tests squarely apply to the Trade Mark of the respondent herein.

13. The next point that would emerge is the point of disclaimer which was highlighted by Mr. U.N.R. Rao, learned Counsel for the petitioner, by

referring to Exhibit P.6 to say that the device of the Deer on the Trade Mark label has been disclaimed by the respondent. The answer is that the

respondent's mark was considered registerable subject to the proprietor disclaiming right over the device of a Deer, but this would not affect the

question of distinctiveness. In this context, it is useful to refer to paragraph 332 of Narayanan's Trade Marks and Passing-off, Third Edition,

Wherein it has been observed that for deciding whether a mark is distinctive, attention must be focussed upon the content of the Mark and not

upon the content of the Mark and not upon the protection sought for the mark. With reference to Section 17, the totality of the mark may be

considered distinctive if the combination produces a net impression of distinctiveness as is existing in the respondent's mark. It is further stated that

when a device is common to the Trade a word describing the device is not considered distinctive. This follows from the principle that Trade Mark

appeals to the ear as much as to the eye and distinctiveness must be judged from the usual as well as the phonetic aspects. Just because the device

of a deer was disclaimed, it would not mean that it is common to the Trade as alleged by the learned Counsel for the petitioner. In my view, the

petitioner has to prove the same which he has failed to do before this Court. The device of the deer is not used by anybody except the agreement

holders who have only manufactured and affixed the respondent's Trade Mark label and sold such goods only to the respondent and none else in

the course of trade. The fact that a matter is or is not common to the trade is a question of fact and it has not been adequately proved by the

petitioner that the device of deer is common to the match manufacturing industry. No evidence whatsoever has been let on the part of the

petitioner. Thus, the respondent's mark taken as a whole is distinctive of the goods manufactured and marked by the respondent.

14. In a decision reported in The Registrar of Trade Marks Vs. Ashok Chandra

Rakhit Ltd., . Das, J. held that the object of the disclaimer is to prevent any likelihood of misapprehension as to the rights conferred by the registration, and the discretion u/s 17 is wide enough to enable the appropriate disclaimer to be framed to meet the requirement in any particular case. The Learned Judge, further held that a long user acquired by the proprietor of a trade mark cannot be effected in any way by the concept of disclaimer. In my opinion this is precisely the case with the respondent's Trade Mark. The most important aspect is that inspite of the admission that the divide of a Deer is common to the Trade the Respondent was granted registration of his Trade Mark because the Registrar was satisfied that the respondent's mark was distinctive in nature. Hence for the aforesaid reasons I am unable to hold that the respondent's Trade Mark has not lost its distinctiveness on the date of this proceedings. Thus, I hold issue No. 1 against the petitioner.

15. Issue No.2: Has the registered Trade Mark become publici juris?

On this point the learned Counsel for the petitioner submits that by permitting, several other manufacturers to use the registered Trade Mark

National Park"" it has lost its distinctiveness and has become publici juris. Consequently the learned Counsel submits that the respondent has lost

his exclusive right with respect to the mark ""National Park"". The learned Counsel for the respondent, in answer to the said submission, submits that

there is no exhaustive definition for the terms ""Publici juris"" in the Act, and that each case must depend upon the facts and circumstances of that

case. The proper test to decide whether a mark which was originally a Trade Mark has become publici juris is to see whether the use of it by other

persons is still calculated to deceive the public. It is also to be seen whether the Mark has become so public and in such universal use that nobody

can be deceived of it or can be induced from the use of it to believe that he is buying the goods of the original Trader.

16. To say that a mark has become common to the trade is another way of saying that it has ceased to be distinctive of a particular trader's goods.

In this connection It will be useful to refer to the dicta laid down by the Supreme Court in National Bell Co. and Gupta Industrial Corporation Vs.

Metal Goods Mfg. Co. (P) Ltd. and Another, ; wherein the Supreme Court held that to establish common use, by other persons should be

substantial. Now coming to the present case and facts that exist, the agreements marked as Exhibits R.2 to R.7 have to be referred to. On a

perusal of the agreement entered into between K.B. Venkatachalam of Golden Match Industries, Gudiyatham with other traders under Exhibits

R.2 to R.7, it is seen that the respondent has only allowed the other manufacturers, the fixture of the Trade Mark label of the respondent on the

goods manufactured and sold to the respondent. Much was highlighted by Mr. U.N.R. Rao, learned Counsel for the petitioner, stating that even

though the label belong to the respondent, the name of the respondent is not found on the label. I am unable to appreciate the said contention. If

the label affixed by the agreement holder is carefully scrutinised, the name of the agreement holder is displayed in very small print just to satisfy the

Central Excise Act and Rules which is apparently invisible to the naked eye. Whereas the Trade Mark, get up and colour scheme and combination

alone catch and attract the eye of the consumer the consumer only goes by the pictorial representation of the Trade Mark label on the Match box

and not from the source of manufacture to decide to buy the said product or not Hence at no point of time could it be said that the act of the

respondent is calculated to deceive the public. The more important aspect is whether such a situation has ever arisen in this trade for the petitioner

to allege the same. No evidence whatsoever has been produced before me in the form of affidavits as required by Section 99 and Rule 116 to

show that complaints have been received from the public regarding the alleged act by the respondent. The mere allegation that the respondent's

registered trade mark has become publici juris or lost its distinctiveness is not enough. The onus is heavily on the petitioner to prove the same with

concrete evidence which is totally lacking in this case.

17. The next question will be whether the use by other persons exists on the facts of the present case. In so. far as the agreement holders do not

exploit the matches manufactured by them with the Trade Mark labels of the respondent, there cannot exist the concept of substantial use by other

persons. The name of the agreement holder on the labels does not constitute a disappearance of the right of the respondent over its trade mark.

The Mark still remains to be distinctive with that of the respondent and as per the facts enumerated above, the Trade Mark of the respondent, by

any stretch of imagination, has not become common to the trade as alleged by the petitioner. Then the mode and method adopted as per the

agreement between the parties cannot be said to show that the mark came to be public that nobody can be deceived not can it be said that by such

usage of the labels as per the agreements anybody could be induced that they are buying the goods of the original Trade Mark holder. In the

instant case the agreement holders do not sell the matches manufactured for the respondent to the outside public. Hence the question of anybody

being deceived or otherwise does not arise. This being so, the concept of registered user or permitted use does not arise. A mere reading of the

agreement entered into between the parties will go to show that the agreements are plain and in unambiguous terms. In my opinion, there is perfect

indication for entering into such agreement. The argument of the learned Counsel for the petitioner that only registered users should be permitted to

use the Trade Mark and not the agreement holders, is far fetched and hard to believe and digest. The Act does not expressly prohibit licencing of

Trade Marks, whether registered or unregistered. An attempt was made by the learned Counsel for the petitioner by contending that the Radiation

Case (1930) 47 RPC, 37 was one which was decided before the 1938 Act came into force in United Kingdom, and hence the same could not be

relied upon. But the learned Counsel has not noted that even if the said Act was in force, which provisions are very much similar to 1958 Act,

there is an identical decision that has been decided in 1969 reported in G.E. Trade Mark 1969 RPC 418 (Ch D). In the said case, Graham, J.

expressed his views on the effect of licensing of a common law trade mark as follows:

An examination in particular of the Bowden case, Thorne & Sons Ltd. v. Pimms Ltd. and other relevant cases show that if the principles in relation

to confusion and deception to be derived from those cases are applied to the changed circumstances of trade today, the same connection in the

course of trade which it is now recognised is proper by the registered user provisions of the Act in the case of a registered mark is also proper in

the case of an unregistered mark. It is a matter of common knowledge and experience that the conditions of trade and the practices of the trading

community have very greatly changed since the middle of the last century when our trade mark law began to assume the present form. The

development of the sciences and the application of technology in industry, the growth of great manufacturing and holding companies with large

numbers of subsidiaries, the exchange of technical know-how not only between companies in this country but on an international scale and, not the

least important, the very great changes which have been and are still being made in the presentation, packaging and methods of marketing goods,

have all had their effects on the use and significance of trade marks. These changes have been reflected in our Statutory trade mark law in, for

example, the broadening of the definition of a trade mark, in the recent provisions of assignment without goodwill and in the recognition in the

registered user provisions that a trade mark can be licensed without causing deception or confusion provided the owner of the trade mark retains

control over the character and quality of the goods sold under the mark.

Again in paragraph 803 of Narayanan's Trade Marks and Passing-off, Third Edition, the learned author in dealing with the said issue has

remarked as follows:

In so far as unregistered common law trade marks are concerned, the principle to be derived from the cases are quite consistent with and can be

applied in present day conditions and, in my judgment, result in the position at common law being parallel with the provisions under the statute.

In the same case it was observed that there is no reason for holding that the BOSTITCH CASE is any authority for saying that the same principle

cannot or should not be applied in the case of a common law mark used on goods outside the registration. ""There is no good reason why it should

not be so applied and I hold, for the reasons given above, that in the changed circumstances of today the same principle does so apply½.

Cross L.J. after examining the cases concluded that the authority given by the United States parent company in respect of the GE Trade Mark to

its United Kingdom subsidiary to use the registered mark was not open to objection because the use by the subsidiary might fairly be considered

as user by the parent itself and because the licencing of the mark, whether registered or not, did not deprive it of the character of a trade mark

provided that the owner of the mark retained a sufficient connection in the course of trade with the mark and the goods bearing it.

18. In this connection the learned Counsel for the respondent has relied on an

extract of Paragraph 9.2. Common Law Licence - page 68 of

Registration under Trade Marks Law by Directorate of Research, The Institute of Company Secretaries of India, New Delhi, The extract referred

to above by the learned Counsel for the respondent is extracted hereunder:

Faced with the almost impossible prospects of records of registered user under the Act, many foreign trade mark owners and their licensees have

resorted to use the marks under Common Law Licences, i.e. licences recognised by the English Common Law, the principles of which continue to

be generally accepted in India. Even Common Law Licence must provide for quality control by the proprietor so that the distinctiveness of the

mark is not diluted. The disadvantage is that use of the trade mark by a Common Law Licensee does not insure to the benefit of the proprietor. By

the same token, the licensee can neither initiate nor join in any legal proceedings for infringement of the mark." "A word of caution, There is no

decisive judicial precedent in India which determines the rights of the proprietor and licensee inter se or the rights of third parties who seek

cancellation of the mark on the ground of non-use by the proprietors or deceptive use by an unregistered licensee. On the basis of the decisions of

English Courts in a series of cases, it is believed that the Indian Courts may uphold the Validity of the common law licences and further that it does

not necessarily dilute the distinctiveness of ownership of the mark.

19. Section 2(1)(s) of the Act defines the term "registered user" to mean a person who is for the time being registered as such u/s 49. Sections 48

to 55 of the Act and Rules 82 to 93 deal with the registered users. Hence in my opinion, there is no need for a person to be a registered user as

contemplated under the Act to use the Registered Trade Mark of another person so as to suggest that without it, it would be invalid. Hence the

agreements entered into by the respondent and the third parties are valid binding and enforceable and not hit by any act as alleged by the counsel

for the petitioner, much less Sections 23 and 27 of the Indian Contract Act. Hence, considering the rival submissions made by both the learned

Counsel, I am of the view that the submission made by the respondent that the respondent's Trade Mark is very much intact and totally controlled

and monitored by him is wholly acceptable. I am unable to hold that the mark has become publici juris as alleged by the counsel for the petitioner.

20. Issue No.3: Is the respondent guilty of trafficking in its trade Mark? Mr. U.N.R. Rao, on this question, submits that the respondent had made a declaration on 12.3.1982 that he was no longer manufacturing safety matches with the Trade Mark ""National Park"", as found from the records of the office of the Central Excise. But, on the other hand, the respondent has permitted 22 others to use the Trade Mark extensively with his knowledge. According to the learned Counsel, this conduct of the respondent will go to show that the respondent had no longer any bona fide intention to use the trade mark to establish a Commercial link between himself and the product in the minds of the public, and that the respondent is guilty of trafficking in trade mark which is totally prohibited under the Act. Learned Counsel further submits that trafficking in Trade Mark means utilising the Trade Mark not for the purpose for which the registration is granted but for other collateral purposes like commercial exploitation through others of the goodwill one has acquired on a trade mark. The learned Counsel for this point invited my attention to pages 2,6,10,14, 19, 23,28 and 32 of the select papers filed by the respondent/evidencing a number of agreements by which the respondent has permitted the agreement holders to affix the ""National Park"" on the respective matches with condition that their entire production should be sold exclusively to the respondent. Learned Counsel also drew my attention to the various clauses in the agreement and particularly paragraph No.2 which states that the second party are finding it difficult to market their safety matches on a profitable basis, involving a reduction of their output which in turn entails laying off of labour.

In all the cases the consideration for the agreement holder to affix the respondent's mark is that the entire stock of the agreement holder will be bought by the respondent. Elaborating the said contention extracted above, learned Counsel contends that Clause 6 of the agreement which insists that the entire stock should be sold only to the respondent and none else is a restrictive clause u/s 33(a) of MRTP Act, 1969. Further he submits that as the agreement is not registered, the agreement is void in law, and that the agreement is a text book example of utilisation of a trade mark for a purpose other than the purpose for which the registration was granted by the Registrar under Sections 18 and 28 of the Act for use by the

respondent only. All the above agreements by which the respondent permits different persons to use these marks on their goods is impermissible

under the Trade and Merchandise Marks Act. It is prohibited under the Act Chapter-VI containing Sections 45 to 55 deals with the subject of use

of trade marks and registered users. Trade Marks Act contemplates the use of a registered trade mark either by the proprietor or by the registered

user, if there is a registered user agreement. Outside the scope of this registered user agreement, it is not permissible for A to use the trade mark of

B and still seek the protection under the Act. It is said that no man is compelled by the Trade Marks Act to register a user agreement. But if he

does not register it under the Act, he cannot claim protection under the Act, which means despite user of the trade mark by third parties, their use

is for and on behalf of a registered proprietor. Hence the learned Counsel submits that in a petition for rectification the proprietor of a registered

trade mark can claim in defence that the user by registered users is as good as his own use.

To sum up the said contention, the learned Counsel submits that in the present case the use of the mark by a large number of non-registered users

cannot in any way be for the benefit of the respondent. I have heard Mr. David, learned Counsel for the respondent, for M/s. Kurian &

Associates, on this aspect Learned Counsel contends that the word ""trafficking"" has not been defined in the Trade Marks Act, but the expression

has been used in Section 48 of the Act. According to him, the word ""trafficking"" would mean an unrestricted licence of a mark to a number of

persons with the sole object of licencing to others without any bona fide intention to use the mark by the registered proprietor himself. Let me now

see whether by applying the facts of the present case, the no objection letter given to the Central Excise authorities in Ex.R.17, Exs.R.18 and Rule

19 for the affixing of the respondent's labels, payment of the tax, and handing over such produce to the respondent would constitute trafficking

thereof; The mere permission to affix the Trade Mark labels of the respondent does not constitute trafficking. Rule 71(3) of the Central Excise

Rules, 1944. stipulates that every packet box or booklet, or the manufacturer's label affixed thereto shall bear in clearly discernible characters, the

name of the factory or a distinguishing mark, which may take the form of a special design whereby the origin of the matches can be traced, and that

specimens of all such labels shall be submitted to the Collector for his approval and record before they are brought into use. To comply with this

Rule, permission has been granted by the respondent to the agreement holders and nothing more and this would not constitute trafficking in the

respondent's Trade Mark as alleged by the petitioner. In this connection Exs.R.9 to R.14 were referred to by the learned Counsel. The moment

the permission is withdrawn by the respondent, the Central Excise Authorities would not allow the agreement holders to affix the labels on the

goods manufactured by them as per the agreements thereof. Such letters of withdrawal have been filed by the respondent as per Ex.R.15 and

Ex.R.16. Hence, in my view it cannot be construed as trafficking on the facts and circumstances of the case from any angle. The respondent

through the agreements has been trading in goods and not their Mark to constitute trafficking as alleged by the petitioner.

21. In this context, paragraph 806 of Narayanan's Trade Marks and Passing-off, Third Edition, could be usefully referred to. It says that the

licensing of trade marks may be permitted provided;

(a) the licensing does not result in causing confusion or deception among the public;

(b) it does not destroy the distinctiveness of the Trade Mark before the public eye;

(c) a connection in the course of trade continues to exist. In my view all the requirements are fully satisfied and are existing as on date and time of

filing of this Original Petition in this Court for rectification. It cannot be said that the respondent is guilty of trafficking in its trade mark as alleged by

the petitioner.

22. In American Home Products Corporation Vs. Mac Laboratories Pvt. Ltd. and Another, : the Supreme Court has held as follows:

To my mind, trafficking in a trade mark context conveys the notion of dealing in a trade mark primarily as a commodity in its own right and not

primarily for the purpose of identifying or promoting merchandise in which the proprietor of the mark is interested. If there is no real trade

connection between the proprietor of the mark and the licensee or his goods, there is room for the conclusion that the grant of the licence is a

trafficking in the mark. It is a question of fact and degree in every case whether

a sufficient trade connection exists.

For all the reasons stated above, I am of the view that the respondents not guilty of trafficking in his Trade Mark.

23. Issue No.4: Was the respondent's Trade Mark registered without any bona fide intention to use in relation to the goods for which the registration is granted?

On this question both the learned Counsel have advanced elaborate arguments. It is seen from the records that the respondent has been

manufacturing and selling its matches with its Trade Mark from the year 1955 onwards. The advertisement bills Exs. R.35 to R.44 would prove the

same. In addition, Exs. R.32, R.33 and R.34 which are sales details from the year 1956 to 1988, will also go to prove the case of the respondent

that the respondent has been manufacturing and selling the matches with its Trade Mark for all these years. I see only bona fide intention on the

part of the respondent to use the same, or else the respondent would not have manufactured the product at all. Learned Counsel for the petitioner

has argued that the respondent has not made use of its Trade Mark as per Section 46 of the Act which, in my view, is not an acceptable

proposition.

24. Whether or not a party had a bona fide intention never to use the Trade Mark as registered must be established as a fact on the material

placed on record as done by the respondent in the instant case. This has been decided in a judgment reported in Lachhman Das Bihari Lal Vs.

Bhagwan Dass etc, , wherein the Delhi High Court held as follows:

Whether or not a party had a bona fide intention never to use the trade mark as registered must be established as a fact on the material placed on

the record. It is not possible to infer it as a matter of law merely from the use of the registered trade mark by the party with an alteration in breach

of the conditions of the registration is broken, it may be open to the Assistant Registrar to remove the mark for this or any, other reason, but not on

the ground that the party never had the intention to use the registered trade mark.

In this connection I would like to refer to the arguments advanced by the learned Counsel for the petitioner that conduct and intention of the parties

are irrelevant in these proceedings. In my opinion the said argument cannot be

accepted because the words, "intention of the parties" find a place in Section 46 itself. Hence the intention of parties should have been looked into to find out what they have contracted among themselves and if the contract is looked into (Exs.R.2 to R.7), Clause 4 reads as follows:

The second party hereby expressly covenant and acknowledges the absolute proprietorship of the First party over their National park label trade mark which are the subject matter of these presents, and undertake not to use the said label in respect of safety or any other kind of matches except exclusively for supply of safety matches to the first party. The second party also covenants, agrees and undertakes not to use at any time any colourable imitation of the said labels on a safety or any other kind of matches manufactured by them. The second party also covenants that it will on all the labels as aforesaid acknowledge clearly that it has manufactured the matches on behalf of the first party.

Clause 4 of the agreement extracted above clearly shows that the intention of the petitioners third parties is to go back on the said terms to remove the respondent's mark could only mean the ulterior motive on the part of the petitioners and nothing else. Thus, I hold that the respondent had only

a. bona fide intention to use the registered trade mark in relation to the goods for which the registration is granted. Hence I answer this issue in favour of the respondent.

25. Issue No.5: Has the petitioner discharged his onus of proof by invoking Sections 32(c) and 46 of the Act in respect of the respondent's trade mark? Submissions made by the learned Counsel for the petitioners and the respondent on this point are considered as under. On the point that the respondent has not used National Park for over five years and one month on the date of application for rectification, Learned Counsel for the petitioners submits that the petition was filed on 25.11.1988 by the petitioners and also placed reliance on page 29 of the plaintiffs typed set to show that on the request of the respondent Central Excise cancelled the authorisation given under Rule 73 of the Central Excise to affix National Park on 1.3.1983. 25. According to the learned Counsel for the petitioners the respondent has not produced any document to show that he has applied afresh for the approval of National Park, which would lead to an irresistible conclusion that from 1.3.1983 the respondent had no legal

authority to manufacture the matches with label, ""National Park"". Learned Counsel further submits that vouchers which were shown by the counsel

for the respondent to indicate clearance of National Park Match Boxes from the factory of the respondent cannot be accepted as evidence of user

of National Park in the absence of authority under Excise Rules to use the mark. I am unable to countenance the above arguments. The concept of

burden of proof has been effectively laid down by the Supreme Court in a judgment reported in Narayan Bhagwantrao Gosavi Balajiwale Vs.

Gopal Vinayak Gosavi and Others, wherein the Supreme Court has held as follows:

The expression ""burden of proof"" means one of two things (I) that a party has to prove an allegation before it is entitled to a judgment in its favour,

or (2) that the one or the other of the two contending parties has to introduce evidence on a contested issue. The question of onus is. material only

where the party on which it is placed would eventually lose if it failed to discharge the same. Where issues are, however, joined, evidence is led

and such evidence can be weighed in order to determine the issues, the question of burden becomes academic.

In this context paragraph 498 of Narayanan's Trade Marks and Passing-off, Third Edition can also be looked into:

Onus of proof: The question whether a mark is common to the trade being a question of fact, the onus of proof is on the party alleging this fact.

The mere presence of a number of trade marks containing a common feature on the register in the name of different persons is not proof that the

feature is common to the trade. The presence of a mark on the register does not prove its user.

In Corn Products Refining Co. Vs. Shangrila Food Products Ltd., the Supreme Court held as follows:

Where there are a ""series"" of marks, registered or unregistered, having a common feature or a common syllable, if the marks in the series are

owned by different persons, this tends to assist the applicant for a mark containing the common feature. But before the applicant can seek to derive

assistance for the success of his application for registration from the presence of a number of marks having one or more common features which

occur in his mark also, he has to prove that these marks had acquired a reputation by user in the market.

The presence of a mark in the register does not prove its user at all. It is possible that the mark may have been registered but not used. It is not

permissible to draw any inference as to their user from the presence of the marks on the register.

Thus it is to be seen whether the petitioners have discharged their onus of proof and proved the non-user on the part of the respondent in respect

of its registered Trade Mark without a bona fide intention to use the same, and actually has not at all used the said trade mark after its registration.

It is also to be further proved that whether the respondent has been guilty of trafficking in its trade mark and hence should be removed from the

register. In my view the petitioners have failed to establish through proper evidence his allegations made in his petition for removal of the

respondent's registered trade mark. The petitioners have not proved anything to justify their action for invoking the said concept of "burden of

proof through the Trade Marks Act to rectify the Register thereof by removing the respondent's registered mark. Learned Counsel for the

respondent further submits that unless and until a prima facie case of non-use is established, the onus would shift to the respondent who is the

registered proprietor to prove the actual use, if any. The petitioner in my view, has not proved beyond doubt that the respondent never used his

Trade Mark in his business for five years and one month prior to the date of the application. But, on the contrary, the respondent has proved

through Exs. R.33 and R.34 that during the five years and one month period prior to the date of the application for rectification, there had been

continuous use of Trade Mark in the course of his business.

26. Mr. U.N.R. Rao, learned Counsel for the petitioners has raised another point that as per the respondent's request to the Central Excise

authorities the Trade Mark of the respondent's label was cancelled and after that, not approved. To meet the said contention of the learned

Counsel for the petitioner, the learned Counsel for the petitioner, the learned Counsel for the respondent placed reliance on Exhibits R.33 and

R.34 series and a look at the said Exhibits would go to prove that the respondent was manufacturing and selling the matches with its Trade Mark

National Park." My attention was drawn to Exhibit R.34 which would prove that the Central Excise gate passes duly signed by the authorities

were issued indicating collection of Central Excise duty during the years 1986, 1987 and 1988 for the matches that were manufactured by the respondent with his Trade Mark as National Park. Hence, on this ground also, the petitioners' case has to be rejected, since the petitioners have failed to establish their case by acceptable evidence.

27. It is seen from the records that the respondent does have the label with its Trade Mark duly approved in March, 1982 itself after it had requested for a cancellation of its mark to change the colour scheme to satisfy the demand of one of its customers. In this connection the respondent's counsel has also submitted that the Trade Mark of the respondent was not restricted to any colours, and hence he was free to change its colours on the Mark and sell, It is also submitted that whenever change is effected, a fresh approval as per the Rules has to be obtained from the authorities, which is imperative. At any rate, I have to accept the contentions of the counsel for the respondent that the gate passes would only reveal manufacture on the part of the respondent and that the manufacturing operation was being carried on by the respondent with his trade mark. In my view, that would suffice to show that there was manufacturing operation on the part of the respondent. Thus I hold that the petitioners have not discharged their burden of proof.

28. Issue No.6: Should the Trade Mark usage be taken into account while deciding matters of this nature under the Act?

The normal usage in a particular Trade has very much relevance when deciding whether there has been a misuse of one's registered trade mark in the course of Trade. Exhibit R.1 filed by the respondent is an agreement signed by Golden Matches in favour of WIMCO and further. Exhibit R.36 are labels of various other traders who have given them to other manufacturers to affix their labels as done in the instant case. By doing so the right in the Trade Mark of the respondent is not lost and there cannot be any motive as attributed by the petitioners.

29. It is now to be seen whether the petitioner is an aggrieved person entitled to file the rectification proceedings in this Court. Learned Counsel for the petitioners submits that anyone who is adversely affected by the existence and retention of the registration of the trade mark is an aggrieved person. Learned Counsel further submits as follows:

(a) Petitioner is in the same trade.

(b) Petitioner is prevented from using National Park because of registration.

(c) Respondent has filed an infringement proceedings against the petitioner.

30. Per contra, the counsel for the respondent submits that the petitioner is not an aggrieved person to file this rectification proceedings and drew

my attention to Paragraph 860 of Narayanan's Trade Marks and passing-off, Third Edition, wherein it is stated that persons whose trading

interests are affected are aggrieved persons. According to the learned Counsel, an application for rectification can only be made by a person

aggrieved. The expression ""persons aggrieved"" has been construed liberally by English Courts while dealing with the corresponding provisions

under the English Acts. Thus persons who are aggrieved are persons who are in some way or other substantially interested in having the mark

removed from the register, or persons who would be substantially damaged if the mark remained. Though the petitioner has not clearly spelt out his

grievance on this issue in detail in the petition for rectification, the counsel for the petitioners at the time of the arguments submits that the petitioner

is also in the same trade as the person who has registered the Trade Mark and wherever the Trade Mark, if remaining on the register, would limit

legal rights of the petitioner so that by reason of the existence of the entry on the register the petitioners could not lawfully do that, and if but for the

existence of the mark upon the register he could lawfully do, the petitioner has a locus standi to be heard as a person aggrieved. In the instant case,

the petitioner has been manufacturing the same product for some time and subsequently has been prevented from using the mark National Park

because of registration. The mere fact that the petitioner is engaged in the same trade is not sufficient to make him a person aggrieved. In order to

show that he is a person aggrieved the petitioner must establish in a practical sense that he may be damaged or injured if the Trade Mark is

allowed to stand. He is not an aggrieved person or a person substantially interested in having the mark removed from the register. The petitioner

has not proved what is his substantial interest in having the mark removed nor has he made out a case that he is substantially damaged by the

respondent's registered mark remaining on the register. The petitioner has his own mark as stated by him in Ex.R.45 and he could in now way be

prejudiced by the respondent's mark remaining on the register. Hence I hold that the petitioner is not an aggrieved person as per the yard sticks

adopted by the various rulings and passages referred to above and hence could not sustain this petition for rectification, and could not be granted

the prayers asked for. Mr. U.N.R. Rao has also referred to Section 29 of the Act and submits that as per the said Section lawful use of a Trade

Mark can be done either by the registered proprietor or by registered user, if any. According to the learned Counsel, the use of the Trade Mark

by third parties on behalf of the respondent amounts to infringement. He further submits that consent given by the respondent through unregistered

agreement cannot alter the legal act of infringement, and do not belong to the category of permitted user. By concluding his argument, the learned

Counsel further submits that when a mark suffers simultaneously by infringement by various persons to the knowledge of the proprietor, the original

petition filed by the petitioner for rectification has to be ordered as the mark has become publici juris. I am unable to agree with the said contention

for the reasons already stated in the paragraphs supra. I hold that the respondent has not violated Section 29 of the Act and the agreements

entered into by him with various parties is lawful and valid and hence I am unable to order the prayer for rectification as prayed for by the

petitioners.

31. I cannot also ignore one important factor which forced the petitioners to come forward with this present Original Petition for rectification.

According to the respondent, the petitioner contacted the respondent and offered to manufacture and supply safety matches with the label of the

respondent. The respondent agreed for the same but cautioned the petitioner that if the goods manufactured and given are not upto the

specification and quality of the respondent, the agreement would be cancelled. The petitioner did manufacture on three or four occasions and

affixed the respondent's label and sold the same to the respondent. This could also be seen in the evidence given by the petitioner in the

proceedings before the District Munsifs Court at Gudiyatham, marked as Ex. R.45 in this proceedings, (O.P.No.627 of 1987) wherein the

petitioner has categorically admitted that the ""Running Deer"" trade mark belongs to the respondent herein (defendant) in O.P.No.627 of 1987 and

that it belongs only to the respondent herein. As the matches supplied by the petitioner were of a sub-standard quality, the respondent requested

the petitioner to conform to the given specification to maintain quality. The respondent to make sure that the quality is maintained took a sample to

the Department of Industries and Commerce. The same was tested and a report was sent under Ex.R.29 (Chemical testing and analytical

Laboratory Test Certificate continuation sheet). As per Ex.R.29 the quality of the petitioners' matches was far from satisfactory and hence the

respondent was compelled to withdraw the consent given to the Central Excise Authority to permit a fixture on the respondent's label forthwith.

But, inspite of such withdrawal the petitioners without the knowledge of the respondent and that of the Central Excise authority were manufacturing

their matches by affixing the trade mark label of the respondent, which was objected to by the respondent. Since the petitioners continued to

manufacture and sell its matches with the Trade Mark label of the respondent, the respondent filed a suit for infringement of its Trade Mark on the

file of the District Court at Vellore and the same is said to be pending before the said Court. In the meanwhile this petition has been filed by the

petitioner under Sections 32(c), 46 and 107 of the Act As the O.P.No.182 of 1988 was taken on file by this Court, the proceedings pending

before the District Court, Vellore were stayed automatically u/s 111 of the Act. Thus the ultimate motive of the petitioner will be seen from his

conduct of initiating various proceedings in different courts.

32. To another point urged by Mr. U.N.R. Rao that the agreements sought to be relied upon by the respondent with various parties filed as

Exs.R.2 to R.7 are void for the reason that they contravene Sections 33(a) and 48 of the MRTP Act, Mr. David, learned Counsel for the

respondent, would submit that the said argument is outside the ambit and scope of the relief sought for in the petition by the petitioner. A reading of

the definition of restrictive trade practice in Section 2(o) of the MRTP Act would mean trade practice which has or may have the effect of

preventing, distorting or restricting competition in any manner in particular -

(i) which tends to obstruct the flow of capital or resources into the stream of production, or (ii) which tends to bring about manipulation of prices or

conditions of delivery or to effect the flow of supplies in the market relating to

goods or services in such manner as to impose on the consumers unjustified costs or restrictions.

33. We may now refer to Section 2(a) which defines Trade Practice, which means "any practice relating to the carrying on of any trade" and includes -

Anything done by any person which controls or affects the price charged by, or the method of trading of any Trader, or any class of traders. On a

careful scrutiny of Exs.R.2 to R.7 it could be seen that the respondent has no control as such over the other agreement holders in their activity of

manufacturing and selling any brand of matches, The agreement only stipulates that on the safety matches manufactured for the respondent by

affixing the Trade Mark of the respondent the same should not be exploited and sold in the market without the knowledge of the respondent. The

respondent at no point of time has in any way prevented, distorted or restricted competition in the manufacture and sale of matches by the other

manufacturers who have agreed to manufacture and supply safety matches by affixing the respondent's Trade mark label. A mere reading of the

agreements will only go to establish that the other manufacturers have the unfettered liberty to manufacture their brand and compete with the

respondent notwithstanding the agreement with the respondent to manufacture and affix the respondent's label and sell such goods to the

respondent themselves or to anybody whom the respondent may direct There is no Restrictive Trade Practice whatsoever as alleged by the

petitioner.

34. To determine whether a Trade Practice is restrictive in nature or not, three matters are to be considered. First, what facts are peculiar to the

business to which the restraint is applied; second, what was the condition before and after the restraint is imposed; and Third, what is the nature of

the restraint and what is its actual probable effect. This has been enunciated by the Supreme Court in its judgment reported in Tata Engineering and

Locomotive Co. Ltd., Bombay Vs. The Registrar of the Restrictive Trade Agreement, New Delhi, , and it has been held as follows:

The definition of restrictive trade practice is an exhaustive and not an inclusive one. The decision whether trade practice is restrictive or not has to

be arrived at by applying the rule of reason and not on the doctrine that any

restriction as to area or price will per se be a restrictive trade practice.

Every trade agreement restrains or binds persons or places or prices. The question is whether the restraint is such as regulates and thereby

promotes competition or whether it is such as may suppress or even destroy competition. To determine this question three matters are to be

considered. First, what facts are peculiar to the business to which the restraint is applied. Second, what was the condition before and after the

restraint is imposed. Third, what is the nature of the restraint and what is its actual and probable effect.

If the aforesaid tests are applied to the present case it could be seen that the agreement entered into by the respondent with the various other third

parties as per Exs.R.2 to R.7 does not constitute any restrictive Trade Practice as alleged by the petitioner, Merely because it falls within one or

the other clause of Section 33(1), a trade practice does not become a restrictive trade practice. It should also satisfy the definition of restrictive

trade practice contained in Section 2(O) and it is only then that agreement relating to it would require to be registered u/s 33. This being so I will

have to reject the argument of Mr. U.N.R. Rao on Section 48 of the Act. This being so, Section 48 of the Act has no relevance whatsoever. On a

careful consideration of the facts and circumstances, the pleadings filed by both parties and the arguments advanced by the respective counsel, I

hold that the petitioner has not made out any case for removal of the entry in the register in respect of registered Trade Mark No.170403 in Class-

34 in Part-A in the name of the respondent K.B. Venkatachalam trading as Golden Match Works, Guidyatham, dated 13.8.1985. Thus, I dismiss

the Original Petition. However, in the circumstances of the case, there will be no order as to costs.

35. Before parting with this case, I have to place on record that I have had the benefit of very able arguments from Mr. U.N.R. Rao, learned

Counsel for the petitioners and Mr. David of M/s. Kurian & Associates, learned Counsel for the respondent, which enabled me to grasp the

questions at issue between the parties in the proper perspective. I place on record my deep appreciation of the manner in which both the counsel

have argued the matter in this case.