

(1962) 04 MAD CK 0027
In the Madras High Court
Case No : Appeal No. 291 of 1959

Parry and Co. Ltd.

APPELLANT

Vs

Perry and Co.

RESPONDENT

Date of Decision : 10-04-1962

Acts Referred:

Trade Marks Act, 1940 — Section 21, 84
Trade Marks Rules, 2002 — Rule 13

Citation : AIR 1963 Mad 460 : (1963) 2 MLJ 311

Hon'ble Judges : S. Ramachandra Iyer, C.J.; Ramakrishnan, J

Bench : Division Bench

Advocate : King and Partridge, for the Appellant; R. Gopalaswami Iyengar and S. Ramasubramaniam, for the Respondent

Final Decision : Allowed

Judgement

Ramachandra Iyer, C.J.—This appeal arises out of an action instituted by the appellant in the District Court, Madurai for infringement of

their trade mark. Messrs Parry and Co. Ltd. the appellant herein is a company with limited liability engaged on several lines of business activity.

They are interested in a sugar factory at Nellikuppam in South Arcot District. They have also been manufacturing confectionery. For marketing

their confectionery products they are using two trade marks which have been registered under Class 30 of the Trade Marks Act, 1940, the

registered numbers being 92, 251 and 1,24634. The first of the two marks is in the name ""Parry's"" in block letters and the second is a design

which contains the word Parry's written in script form. Both the marks were by virtue of the original registration to enure for a period of 7 years

the former being in respect of sugar and all kinds of confectionary, while the latter was confined to all kinds of confectionery.

The said trade marks have been subsequently renewed for a further period of fifteen years from 5-2-1951 and 30-2-1953 respectively. The

respondents, Messrs. Perry and Co. is a firm consisting of two partners by name K.K. Palanikumar Nadar and K.K.P.T. Periasami Nadar who

are engaged in the manufacture and sale of biscuits at Usilampatti in Madurai District. Evidence shows that they have been trading under the name

of Perry and Company since at least the year 1934. In respect of biscuits manufactured by them, they have been using labels containing the words

Perry and Co. In the year 1950, the respondent applied to the Registrar of Trade Marks, Bombay for registration of their trade marks in regard to

biscuits manufactured by them. Their applications were registered as Nos. 106242, 106244 and 121221 the trade mark being the name Perry's

written in script form and also written in block letters. The appellant protested against the use of the words Ferry as according to them they would

amount to a colourable imitation of their mark. Correspondence followed between the parties with a view to explore possibilities of settlement. The

respondents assured the appellant company that as they were going to use the labels only in respect of biscuit manufactured by them and that they

would give an undertaking not to use the mark in respect of the peppermints or other confectionery even if they were to manufacture them in future.

The appellants were not satisfied with that assurance, as they thought that as both confectionary and biscuits come under the same category, in

class 30 for purposes of registration of trade marks it was necessary to protect their property rights in their trade mark with respect to the word

Parry's in script form. The parties ultimately entered into an agreement on 4th of May, 1951 under which they, proceeding on the assumption that

Parry's were manufacturers of confectionary. while Perry's were manufacturers of biscuits, agreed that the respondents might use or adopt as their

trade mark Perry's or labels containing that word if they were to use block letters. If, however, the script form were to be adopted, the agreement,

specified the form of the script in which the name Perry could be used. The respondents further agreed to amend the application for registration of

their trade marks in accordance with the terms of the agreement. After doing so they obtained registration for their trade mark "Perry" in regard to

biscuits manufactured by them. They subsequently obtained renewal of registration for their trade mark for a period of 15 years from 19th

February, 1952.

2. In the year 1956 the respondents extended their business activity to manufacturing and putting into the market confectionery. For the sale of their manufactured products they began to use wrappers containing their registered trade mark. The appellants complained that the use by the respondents of their trade mark in connection with confectionery manufactured by them amounted to an infringement of their own trade mark and asked the respondents to desist from infringing their rights. Not finding a satisfactory response they instituted the suit out of which this appeal arises for an injunction restraining the respondents from using the name of Perry's for their confectionery products and for other allied reliefs.

The suit claim was put on an alternative basis. The first ground was that they had acquired a proprietary right by virtue of their having become entitled to the use of the word "Perry's" in relation to their products and secondly on the ground that the use of the labels with the name Perry's by the respondents on the products manufactured by them amounted to a passing off of their goods as those of the appellants. The respondents contested the suit denying the infringement and contending that by virtue of the agreement referred to above, they had acquired an exclusive right to the use of the trade mark Perry's in connection with all the goods manufactured by them whether it be merely biscuits or confectionary as well. The suit was also resisted on the ground that the word Perry was the contraction of the proper name of Periaswami one of the partners of the firm and that as such, they would be entitled to protection offered Section 26 of the Indian Trade Marks Act,

3. The Learned District Judge while he did not accept the case of the respondents that the word "Perry" is an abbreviation of the name Periasami held that there was no infringement, as the agreement entered into between the parties did not stand in the way of the respondents using the name Perry in connection with all the products manufactured by them. The Learned District Judge also held that the appellant's action could not be sustained as a passing off action, as there was no possibility of the labels used for the sale of the respondent's products creating any deception in the customers. The suit was accordingly dismissed and hence this appeal.

4. We are of the opinion that the claim of the appellants who have exclusive use

of their registered trade mark ""PARRY""S"" cannot be disposed of merely on the ground that under the agreement entered into between the parties, the user of the mark Perry's on confectionary by the respondents was not expressly prohibited. The more important point to be considered in deciding the case is to see whether in law it can be said that there has been an infringement of the appellant's trade mark by reason of the respondents using the labels with their trade name ""Perry's"" on the confectionery manufactured by them. It must be remembered that the respondents too have registered their trade mark, "Perry's" in respect of biscuits manufactured by their concern. They would, therefore, be entitled to use that trade mark on the biscuits manufactured by them.

But whether they can do so even in regard to the confectionery manufactured and sold by them is the main matter that has to be considered.

Before we do so we feel that we must indicate our view as to whether under Ex. A.9 the agreement, it can be said that the respondents have reserved to themselves the right to use their trade mark ""Perry's"" with reference to all the goods or products manufactured by them including confectionery. Undoubtedly the terms of the agreement have to be understood in the light of the surrounding circumstances. It is clear on the evidence that at the time when the respondents applied to the Registrar of Trade Marks at Bombay for registration of their trade mark, ""Perry and Co."" their intention was to confine that trade mark only for the sale of their biscuits By their letter addressed to the appellants on 17th February 1951 (Ex. B13) the respondents categorically stated that they were using the labels with the words ""Perry and Co"" in respect of biscuits only and that they were even prepared to give an undertaking not to use that word in respect of peppermints and other confectionary even if they were to manufacture them in future. The preamble to Ex. A.9 in a way confirms this when it says:

Whereas "Parry" and "Perry" have had discussions and in view of the fact that the former are confectionery manufacturers and the latter biscuit manufacturers, both have decided to settle the matter amicably"".

5. There can thus be no doubt, that there was no intention on the part of the respondents at the time of the agreement, Ex. A.9, to use their trade mark "Perry" on goods other than biscuits which alone they were then

manufacturing. This trade mark itself was registered only with respect to biscuits.

6. Mr. R. Gopalaswami Iyengar learned counsel, appearing for the respondents contends that the objection of the appellants throughout was

confined only to the use by the respondents of the words "'Perry and Co'", in script form on their products and not with reference to any particular

class of goods and that the agreement merely intended to regulate the user of the script form of the word Perry, as the trade name of the

respondents. We are unable to accept this contention. The parties to the agreement proceeded on the footing that the respondents were to use

their trade mark "'Perry'" only with reference to biscuits of their manufacture. Even in regard to biscuits the agreement stipulated that the script form

employed by the appellants in connection with their goods should not be copied by the respondents. It cannot, therefore, be held that the

agreement impliedly authorised the respondents to use the trade mark "'Perry'" to goods other than biscuits manufactured and sold by them.

7. But as we stated earlier, the substantial question to be decided is whether there has been an infringement in law by the respondent's using the

words "Perry" on the products manufactured and sold by them. The respondents have registered their trade name "Perry" under the Indian Trade

Marks Act but that was with reference to biscuits. Whether such registration will give them the right to use labels bearing that mark on

confectionery manufactured and sold by them, is a matter that has got now to be considered. But before we take up that question for

consideration, it is necessary first to decide whether the use of the word "Perry's" by the respondents (forgetting for the moment that the

respondents are the registered proprietors of the mark) on their goods would amount to an infringement of the word "Perry's" used by the

appellants in respect of their goods. In other words, are the respondents using a mark which is the same or a colourable imitation of the trade mark

used by the appellants?

Section 21 of the Indian Trade Marks Ad confers an exclusive right on the Proprietor who has registered his trade mark to the use of the trade

mark in relation to the goods in respect of which it is registered. The Section also indicates what amounts to an infringement, thus if the two marks

are so nearly resembling each other as to be likely to deceive or cause confusion in the course of trade in relation to any goods in respect of which

it is registered by the plaintiff, then the defendant's mark will be deemed to have infringed the plaintiff's. In the present case, both the appellants as

well as the respondents are respectively using the words "'Parry's'" and Perry's in relation to the same goods manufactured by them namely,

confectionery. We feel no doubt that the marks so closely resemble each other that there is a real danger of deception or of causing confusion if

they are used in respect of the same goods. The words used are strikingly similar when pronounced and they are also deceptive to the eye

particularly if looked at from a distance.

In re Magdalena Securities Ltd., (1931) 48 RPC 477 a question arose with regard to the registrability of the word "'Ucolite'" for partially coked

coal as trade mark by a particular firm. The registration of this expression was opposed on the ground that this mark would conflict with the

opponent's registered trade mark "Coalite". Maugham, J. rejected the application for registration holding that the applicant failed to show

affirmatively that the word in question was not calculated to deceive the purchaser. The Learned Judge observes:

If you pronounce "ucolite" with the accent substantially on the second syllable you get a resemblance to "coalite" which it is perfectly plain might

conceivably lead to confusion and coming from the mouths of ignorant people or people who were not particularly well educated it might well lead

to regrettable mistakes".

8. In Re Electrix Application Ltd., 1959 RPC 283 the House of Lords upheld the decision of the Court of appeal disallowing an application to

register the word "Electrix" as it was identical in sound with "electrux" which had been earlier registered with respect to the same kind of goods. In

Societe Monsavon 1'Oreal and Golden Ltd. v. Coiffeur Supplies Ltd., 1961 RPC 219 it was held that the particular mark "'Plix'" would be

infringed by the word "Pilexa" as the latter very closely resembled the former and as the dealers might use the names verbally in such a way as to

cause confusion. Similarly In re: Velva Glo's Trade mark, 1961 RPC 255 the mark Velvaglo was held to be too similar to the mark Velglo which

had earlier been registered in respect of the same goods and therefore

registration was refused. In *Ciba Ltd. Vs. M. Ramalingam and S.*

Subramaniam trading in the name of South Indian Manufacturing Co. and Another, the word "Cibol" was considered as closely resembling the

word "Ciba" which had previously been registered and, therefore, the registration of cibol was refused. It was held that the resemblance between

the two words might be visual or phonetic and the only test that had to be applied by the Court, would be the test of identity of resemblance in

relation to the goods to which they were to be applied.

9. There can be no doubt that the probability of confusion and deception has to be considered with reference to the nature of the goods of the

question of phonetic similarity will have to be kind which a customer would be likely to buy in the market. In *Corn Products Refining Co. Vs.*

Shangrila Food Products Ltd., the Supreme Court uttered a note of caution in relying on English decisions as they proceeded on the way of

pronouncing an English word by Englishmen which might not always be the same in this country and that therefore, the judgment was given with great care. The

Learned Judges observed :

Again in deciding the question of similarity between the two marks, we have to approach it from the point of view of a man of average intelligence

and of imperfect recollection. To such a man the over-all structural and phonetic similarity and the similarity of the idea in the two marks is

reasonably likely to cause confusion between them.

10. In that case the respondent applied for registration of the mark *glunita* used with reference to biscuits manufactured by him. The appellant who

opposed the application for registration of that mark was using the mark (registered) *Gluco vita* with reference to Glucose, with vitamins. The

Supreme Court held that the commodities concerned were so connected with each other as to lead to confusion or render deception likely in view

of the similarity of the two trade marks. It is clear from the principle underlying all the cases referred to above, that there will be infringement if

there is a probability of deception or confusion in the mind of a customer by reason of either visual or phonetic similarity between the two words

one of which has been registered as a trade mark. In the present case the words *Parry's* and *Perry's* are so similar to each other when seen while

displayed on the labels or wrappers or heard when pronounced, that it must be

held that the use of the word "'Perry's'" will be an infringement of the trade mark "'Parrys'.

11. It is contended for the respondents that the mark having been registered they would have the exclusive right of using the word on all their

goods whether it be biscuits or confectionary. Section 5 of the Indian Trade Marks Act declares that a trade mark may be registered only in

respect of particular goods or class of goods. Section 84 (2) confers on the Central Government power to make rules and prescribe classifications

of goods for purposes of registration of trade marks. In exercise of such powers, the Central Government has framed rules. Rule 13 of the Rules

states that application for registration of trade mark should be in respect of goods in one class only, the classes being specified in Schedule IV to

the Rules. Rule 30 of Schedule IV gives the names of the classes of goods. It runs :

Coffee, tea, Cocoa, sugar, rice, tapioca, sago, coffee substitutes, flour and preparations made from cereals, bread, biscuits, cakes, pastry and

confectionary, ices, honey, treacle, yeast, baking powder, salt, mustard pepper, vinegar, sauces, spices, ice.

The effect of Rule 13 read with Schedule IV is only to regulate the application for registration by insisting that it should be confined only to goods in

respect of which the mark had been actually used or proposed to be used. Section 21 gives an exclusive use of the right in respect of a trade mark

only in relation to the goods in respect of which it has been registered. That section cannot be read as giving an exclusive right to a registered

proprietor to use the mark not only in respect of the goods in relation to which it is registered but also in respect of other goods which are found in

the same category or classification. If a registered owner wants to use a mark in respect of several goods in a particular class, he will have to apply

for registration in respect of all those goods, what Rule 13 enables him to do in such cases is to file one application for one class of goods.

12. But it is contended on behalf of the respondents "" that registration of the goods under class 30 will entitle a registered proprietor of the mark

to use such mark with respect to any of the goods specified therein or in respect of all goods specified in the class. That contention cannot be

accepted.

13. Classification of the goods under Rule 13 read with Schedule IV is only for the purpose of applications i. e. for the purpose of registry but the

operation of the protection given by the Act is confined to the goods in respect of which registration is made. Section 21 of the Act gives

protection for the use of marks with respect to the goods for which it is registered. In Kerly's Law of Trade Marks (8th Edn. by R. C. Lloyd at

page 63) it is stated :

Classification is primarily a matter of convenience in administration (e. g.) in facilitating the search which is necessary to ascertain whether

application is objectionable u/s 12. What is of real importance in determining the rights of parties, as has been pointed out, in the specification of

the goods entered on the register and the validity of the registration. The fact that certain goods may fall within the same class is no evidence that

they are goods of the same description which is the important criterion in considering restrictions on registration imposed by Section 12 and the

provisions relating to rectification on the ground of non-use contained in Section 26.

In the Upper Assam Tea Company v. Herbert and Co., (1889) 7 R. P. C. 183 a certain person registered the trade mark of an elephant as

applicable to tea sold by him. Sometime later the defendants in the case became owners of a trade mark of elephant as applied to coffee. Later on

the defendants began to sell tea also with the trade mark, of elephant. The former thereupon instituted an action to restrain the latter from infringing

the trade mark and from selling in tea by the description as Elephant Tea of tea with elephant brand. The Court of appeal upheld the view of

Sterling I. granting the injunction.

14. The contention in the present case is that confectionary and biscuits fall under the same classification under Schedule IV of the Rules and that

registration in respect of the latter goods would entitle a registered owner to the exclusive and lawful use of the mark even with respect to

confectionary. That cannot be accepted.

15. It is next contended that biscuits would include confectionary. In shorter "Oxford Dictionary" "biscuit" is defined as a kind of crisp dry bread

more or less hard made generally in thin flat cakes. The essential ingredients are flour and water or milk without leaves. In U. S. a small soft cake

usually fermented. Confectionery is defined as a "sweetmeat.

16. In *Fund all Wagnalls New Standard Dictionary* biscuit is defined as a small soft cake generally shortened with lard or butter and unsweetened while a confectionery is defined as a sweetmeat. Collectively, that a confectioner makes or sells as candy or other articles made of sugar, sirup honey or the like.

17. Confectionery therefore, is sweetmeat, while biscuit is in the nature of dry bread which has the characterstic of being baked. It cannot therefore be said that biscuit and confectionary are identical But there can be fancy biscuits in which confectionary can be put on the top of them. But the essential characteristic of biscuit is different from that of confectionery. When therefore registration is granted under Trade Marks Act with respect to biscuit it cannot obviously give a right to its proprietor of the mark to use that trade mark for confectionery. If he does so and there is already a registered owner of the same or similar mark with respect to confectionery the latter can sustain an action for infringement.

18. Mr. Gopalaswami Iyengar appearing for the respondents then sought to support the judgment of the lower court on the ground that the respondents were protected u/s 26 of the Trade Marks Act, when they use the word Perry's on their products it was done as a result of a bona fide use of their name. The argument is this : One of the partners of the respondent's firm is Periaswami Nadar, the abbreviated form of whose name is "Peri or Pery" and when that word Perry is used, it tantamounts to use of the partner's own name. The Learned District Judge has rejected this contention.

Section 26 of the Act gives protection only in respect of the full name of an individual. An abbreviated name or expanded name of the individual cannot obviously come within the terms of the Section. In *Shorts Limited v. Short*, 1914 31 P. P. C. 294 a company called Shorts Ltd. obtained an injunction against the defendant Greer Louise Short starting a new firm under the name of Shorts. There is therefore no substance in the contention advanced on behalf of the respondents. The result is that the appellants will be entitled to a decree restraining the respondents from selling their Confectionery under labels containing the words Perry's or Perry and Co. An injunction will issue accordingly. But it is made clear that

this will not prevent the respondents from using that name in relation to biscuits manufactured by them or even in relation to biscuits in which there is superficial coating of confectionery. The appeal will stand allowed with costs.