

V. S. Subbiah Nadar, Administrator of Estate of
T. P. Sokkalal Ram Sait - - - - - *Appellant*

v.

E. P. Kumaraval Nadar (deceased) and others - - - *Respondents*

FROM

THE SUPREME COURT OF THE ISLAND OF CEYLON

JUDGMENT OF THE LORDS OF THE JUDICIAL COMMITTEE OF
THE PRIVY COUNCIL, DELIVERED THE 11TH APRIL, 1946

Present at the Hearing:

LORD PORTER

LORD DU PARCQ

SIR JOHN BEAUMONT

[*Delivered by* SIR JOHN BEAUMONT]

This is an appeal by special leave from a judgment and decree dated 19th June, 1939, of the Supreme Court of the Island of Ceylon which reversed a judgment and decree dated 17th June, 1938, of the District Court of Colombo.

The suit out of which this appeal arises was brought on the 11th November, 1936, in the District Court of Colombo by T. P. Sokkalal Ram Sait (who is hereinafter called the plaintiff) against E. P. Kumaraval Nadar, who was defendant No. 1, his partners the respondents Nos. 2-4 who were defendants 2-4, and respondent No. 5, who was defendant No. 5, and was the manager in Ceylon of the other defendants. The plaintiff died pending the appeal to His Majesty in Council, and the appellant, as administrator of his estate, has been brought on record as appellant. The said E. P. Kumaraval Nadar also died pending the appeal, and his widow and children have been substituted for him as respondent No. 1.

By his plaint, the plaintiff alleged that he was the manufacturer of beedies (a small and cheap type of cigarette) and carried on business in Colombo; that in connection with such business he was the proprietor of a trade-mark consisting of the device of a portrait of the plaintiff in a turban surrounded by rays of light and other distinctive features, and that the trade-mark was registered in the Register of Trade-marks in Ceylon under No. 4919 in class 45 in respect of beedi on the 15th June, 1930; that the plaintiff was also the proprietor of a trade-mark consisting of the device of a circle containing the portrait of the plaintiff in a turban and that the said trade-mark was registered in the said Register of Trade-marks under No. 5929 in the said class on the 26th September, 1934; that the plaintiff had extensively used the said trade-marks on packets of beedies manufactured and sold by him since the years 1926 and 1934 respectively; that by reason of the said use the plaintiff's beedies marked with the said trade-mark and figures had become known to purchasers and intending purchasers as "Photo Mark beedies," "Ram Sait beedies" and "Sokkalal beedies," and that in the beedie trade, "Photo Mark beedies," "Ram Sait beedies" and "Sokkalal beedies" meant the beedies made

and sold by the plaintiff; that the defendants had infringed the plaintiff's said trade-marks and had advertised and sold at Colombo beedies not of the plaintiff's manufacture as "photomark beedies". The plaintiff claimed an injunction to restrain such infringement and passing-off.

The defendants in their answers denied infringement and passing-off, and further pleaded that they had used the marks complained of by the plaintiff in connection with their trade in beedies from a date anterior to either the date of user or the date of registration of the marks Nos. 4919 and 5929 by the plaintiff.

On the 8th February, 1937, the plaintiff with the leave of the Court amended his plaint by alleging user of the trade-mark No. 4919 from the year 1915 in place of the year 1926, and on the 30th June, 1937, the plaint was further amended by leave by substituting the year 1912 for the year 1915. In view of these amendments which put back from 1926 to 1912 the alleged date of the first user by the plaintiff of his trade-mark No. 4919, the defendants on the 1st July, 1937, obtained leave to amend their answer by praying that the first four defendants be declared entitled to have their trade-marks registered in the Register of Trade-marks and that the Registrar of Trade-marks be directed to register the same in the Register of trade-marks. This amendment enabled the defendants to raise the issue of honest concurrent user, which will be dealt with later in this judgment.

At the commencement of the trial, the position with regard to registration as found by the trial judge, whose finding on this point has not been challenged, was as follows. The plaintiff had registered in Ceylon his trade-mark No. 4919 on the 18th January, 1930, and his trade-mark No. 5929 on the 2nd March, 1934. (These were in fact the dates of application for registration.) On the 6th February, 1934, the defendants made an application No. 5903 to register a trade-mark containing a portrait of E. P. Kumaraval Nadar in a dress very similar to that worn by the plaintiff in the portraits on his trade-marks, surrounded by features closely resembling those surrounding the plaintiff's portrait in Trade-mark No. 4919. The Registrar refused registration on the ground that the mark so closely resembled the plaintiff's mark, as to be calculated to deceive, and the application was withdrawn by the defendants without prejudice to their rights on the 29th June, 1936. Subsequently, the defendants made application to register a label in connection with their "Falcon" brand, which contained a portrait said to be a portrait of one of the defendants. On objection being taken by the plaintiff, the defendants undertook to delete the portion of the mark which contained a portrait in a round label, and to pay any costs, which might be directed by the Registrar-General to be paid to the plaintiff. A further application was made by the defendants on the 11th January, 1936, to register another trade-mark, but on opposition from the plaintiff the matter was not proceeded with. On 1st July, 1937, during the pendency of this action the defendants made applications No. 6778 (Ex D. 69) 6779 (Ex D. 70) and 6780 (Ex D. 71) for registration of marks containing portraits and other features alleged to resemble those in the trade marks of the plaintiff. These are the marks which are alleged to be an infringement of the plaintiff's two trade-marks. In 1915 the defendants registered their trade-mark with the Chamber of Commerce in Madras, and in 1917 the plaintiff registered his trade-mark with the same Chamber of Commerce. In 1925 the defendants registered their trade mark with the Chamber of Commerce in Calcutta.

At the trial the learned judge raised twenty issues, many of which were sub-divided, but only a few of such issues are relevant on this appeal. Shortly summarised, the relevant issues are: (1) Whether the plaintiff's trade-marks Nos. 4919 and 5929 have been infringed by the defendants; (2) Whether the plaintiff is entitled to restrain the defendants from selling their beedies under the designation of "Photo Mark beedies"; (3) Whether the defendants used their marks from a date anterior to either the date of user by the plaintiff or the registration of the marks 4919 and 5929, so as to entitle them to the use of their said marks; (4) Whether there has been an honest concurrent user by the defendants of their said marks so as to

entitle the first four defendants to procure such marks to be registered in Ceylon. The learned judge also raised an issue as to whether registration of the plaintiff's said trade-marks entitled them to prevent the user by the defendants of the features and devices surrounding the portraits of the plaintiff, and he answered that issue in the affirmative. In their Lordships' view, this issue raised a purely hypothetical question which the learned judge ought not to have raised or attempted to answer. The question of infringement must be answered in relation to the plaintiff's trade-marks as a whole, and not to particular parts of them. There is no evidence that the defendants have made use of a mark containing the features surrounding the plaintiff's portrait either without any portrait, or with a portrait in no way resembling that of the plaintiff, and the question whether such a mark if and when adopted by the defendants will involve infringement of the plaintiff's marks does not arise.

The learned judge held that the defendants had infringed the plaintiff's trade-marks, that there had been no anterior user as alleged by the defendants and no honest concurrent user, and that the defendants had passed off beedies not of the plaintiff's manufacture under the description of "Photo Mark beedies," and he granted the injunctions asked for. On appeal the Supreme Court, whilst not disputing that the defendants' marks so closely resembled the plaintiff's registered trade-marks as to be calculated to deceive, considered that the defendants had proved anterior user as alleged by them and that they had also proved honest concurrent user, though it was unnecessary to rely upon that. The Court therefore allowed the appeal, dismissed the plaintiff's action, awarded the defendants Rs.300 damages in respect of an interim injunction which had been granted to the plaintiff, and directed the Registrar to proceed with the applications to register the defendants' marks regardless of the opposition of the plaintiff.

There being no evidence of actual deception the issue of infringement, which is the first issue to be decided, turns primarily upon a comparison of the trade-marks registered by the plaintiff with those used and sought to be registered by the defendants as aforesaid. The similarities between the rival marks were summarised by Mr. Justice Wijewardene in his judgment in the Supreme Court in these terms: "The trade-mark No. 4919 . . . contains in the centre a portrait of the plaintiff, who is a man of South India, wearing a North Indian turban and an open coat without a tie. There is a halo serving as a background. On either side of the figure is a pillar above which is draped a curtain. At each of the four corners of the coloured design surrounding the portrait, the pillars and the curtain, is a plane, and between each set of planes is a figure like an elongated dumb-bell. The outstanding colours used to complete the picture are black and yellow. On all sides of the portrait there are legends in Marathi and Tamil.

"The trade-mark No. 5929 . . . consists of the device of a circle containing a portrait as depicted in trade-mark 4919.

"The trade-mark No. 5903 of the defendants contains in the centre a portrait of the first defendant, who is himself a man of South India, wearing a North Indian turban and an open coat without a tie. There are also the halo serving as a background, the pillars, the drapery, the planes and the elongated dumb-bells placed in the same position as in the plaintiff's trade-mark 4919. There are also some legends on all sides of the portrait in Marathi and Tamil. The predominating colours are black and yellow."

The learned trial Judge had also noted another point of similarity, namely, that the defendants' mark contained in Tamil characters words importing that E. P. Kumaraval was the true or original Sait, whilst on the plaintiff's mark No. 5929 were the words "Ram Sait Beedie" both in English and Tamil characters. Their Lordships do not attach significance to the similarity in colours between the mark of the plaintiff and the defendants since they understand that the labels were issued in a large variety of colours. But the other points of similarity are very marked. There are, of course, minor points of difference in the devices or features surrounding the portraits, but the only substantial difference

between the marks is that the plaintiff's marks contain a portrait of the plaintiff, whilst the defendants' marks contain a portrait of E. P. Kumaraval Nadar. It is not disputed that the plaintiff has no monopoly in the right to display a portrait as part of a trade-mark. The defendants have a perfect right to display a portrait of one of themselves on their own mark so long as their portrait itself or their portrait together with the surrounding devices does not so closely resemble the plaintiff's portrait and devices as to lead to confusion. The defendants' portrait is of E. P. Kumaraval Nadar in a Marathi dress and head-dress similar to the dress and head-dress in the plaintiff's photo and surrounded by a series of almost identical features. It is in evidence that most of the people who purchase beedies are illiterate and are unlikely to make a close examination of labels on the beedies which they purchase. Their Lordships have no hesitation in holding that the general effect on the mind of anybody dealing in beedies would be to confuse the beedies sold under the marks and labels of the defendants with those sold under the plaintiff's trade-mark, and both Courts in Ceylon appear to have been of that view. In their Lordships' opinion the marks are plainly calculated to lead to confusion and deception and the similarities are so close as to make it impossible to suppose that such marks were devised independently of each other. In the absence of any evidence of a common origin, the conclusion must be that one party copied the mark of the other. The evidence on record shows that the plaintiff's case was that he left his native place of Mukkudal in the Tinnevely District in the Madras Presidency in his 14th year and went to Bombay to learn the manufacture of beedies with an uncle. He remained in Bombay for six years and then returned to Mukkudal where he commenced the manufacture of beedies. He first adopted the labels with photograph in 1913, the design being made by a man in Madras and the labels being printed in Bombay. On his return from Bombay he adopted the names of Sokkadal Ram Sait, and he adopted the dress and head-dress shown in his registered trade-marks as a result of his sojourn in Bombay. On the other hand the defendants, who also manufacture beedies in Mukkudal, have offered no explanation of the circumstances in which they adopted their device, and particularly why, though E. P. Kumaraval Nadar was a man of South India, he chose to display a portrait of himself in Marathi dress and head-dress closely resembling that in the plaintiff's photos; nor why he referred to himself as the only original Sait, when Sait was not his name, though it was a name adopted by the plaintiff.

The only conclusion their Lordships can come to on the evidence is that the defendants copied the design of the plaintiff.

The issues which next arise for consideration are those of anterior user, and honest concurrent user, by the defendants, and on these issues the burden is upon the defendants.

In considering these issues it is necessary to notice the relevant provisions of the Trade-marks Ordinance dated 1st January, 1927, being Chapter 121 of the Legislative Enactments of Ceylon. Section 9 of the said Ordinance provides "It shall not be lawful to register as a trade-mark or part of a trade-mark any matter, the use of which would by reason of its being calculated to deceive or otherwise be disentitled to protection in a Court of Justice". Section 19 provides "In case of honest concurrent user or of other special circumstances which in the opinion of the Court or Registrar make it proper so to do, the Court or Registrar may permit the registration of the same trade-mark, or of nearly identical trade-marks, for the same goods or description of goods by more than one proprietor, subject to such conditions and limitations, if any, as to mode or place of user or otherwise as the Court or Registrar may think it right to impose". Section 38 provides "Subject to the provisions of Section 40 of this Ordinance, and to any limitations and conditions entered upon the register, the registration of a person as proprietor of a trade-mark shall, if valid, give to such person the exclusive right to the use of such trade-mark upon or in connection with the goods in respect of which it is registered". Section 40 provides "In all legal proceedings relating to a registered trade-mark . . . the original registration of such trade-mark shall, after the expiration of 7 years from the

be set aside; that the appellant is entitled to an injunction to restrain the respondents, their servants and agents from infringing the appellant's trade-marks Nos. 4919 and 5929 by the marks of the respondents sought to be registered under applications Nos. 6778, 6779 and 6780 dated 1st July, 1937, being Exhibits D.69, D.70, D.71 or by the use of any other mark or device being a colourable imitation of the appellant's said trade-marks or either of them and that the respondents be ordered to deliver to the appellant upon oath or affirmation all labels, bills, invoices, letters, forms or other documents in the possession or under the control of the respondents bearing the said marks sought to be registered by the respondents or any of them for erasure or cancellation.

The respondents must pay to the appellant two-thirds of the costs of the appellant and the plaintiff of the trial, of the appeal to the Supreme Court and of the appeal to His Majesty in Council.

In the Privy Council

V. S. SUBBIAH NADAR, ADMINISTRATOR
OF ESTATE OF
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AND OTHERS

DELIVERED BY SIR JOHN BEAUMONT