

JAMES FERNANDO  
v.  
OFFICER-IN-CHARGE, SCIB, NEGOMBO

COURT OF APPEAL.

ISMAIL, J.

C.A. NO. 281/85

M.C. NEGOMBO NO. 90696

OCTOBER 08, 1993.

*Trade Mark - Infringement of registered trade marks - Section 117(2) read with section 150 of the Code of Intellectual Property Act, No. 52 of 1979 - Tests to be applied in comparison of marks.*

The accused was charged on 2 counts. On count 1, for wilfully infringing the registered trade mark No. 38027 by using a mark resembling it so as to mislead the public and in conditions likely to be prejudicial to the owner - an offence punishable under section 117(2) read with section 150 of the Code of Intellectual Property Act, No. 52 of 1979. On count No. 02, he was similarly charged for infringement of the trade mark registered under No. 28302.

The complainant used the representation of the mark purported to have been registered on the ring label of each beedi. The words "beedi" were written in Sinhala and Tamil on a blue background on either side of a drawing of a fish in white in the centre. The word 'Mora' in Sinhalese was written on it in red letters. However the representation actually used had the word 'Thora' instead of the word 'Mora' written in Sinhalese in red letters on the drawing of the fish in the centre of the label.

Count 2 referred to the wrappers used to pack bundles of 500 beedles for retail issue to dealers. The complainant's wrapper had the figure of man in a Kandyan ceremonial dress and the figure of a lady, while the mark used by the accused has a figure of a fisherman and a fishing boat.

**Held:**

(1) The protection provided to the registered owner of the mark in section 117 of the Code of Intellectual Property extends only in circumstances where the mark actually used by him conforms strictly to the representation of his registered trade mark. The conviction on Count 1 cannot therefore stand.

(2) Two marks when placed side by side may exhibit many differences, yet the main idea left on the mind by both may be the same. A person acquainted with one mark and not having the two side by side for comparison might well be deceived, if the goods are allowed to be impressed with a similar mark, into the

belief that he was dealing with goods which bore the mark with which he was acquainted. It should not be assumed that the customer would make a careful or intelligent examination of the mark and regard must be had to the class of persons to whom the goods are sold, as to whether they are for example, illiterate persons. On a comparison of the two marks on the wrappers the conviction on Count 2 can stand.

**Case referred to:**

1. *Suby v. T. Suby Ltd.* (1980) 2 Sri LR 65, 68

**APPEAL** from convictions by Magistrate, Negombo.

*Varuna Basnayake P.C.* with *Shammil Perera* for accused-appellant.  
*S. Rajapakse S.C.* for A.G.

*Cur adv vult.*

November 19, 1993.

ISMAIL, J.

The first charge against the accused-appellant was that he did on or about 27.3.84 wilfully infringe the registered trade mark bearing No.38027 of Dombawelage Benedict Fernando by using a mark resembling it in such a way as to mislead the public, and in conditions likely to be prejudicial to the interests of the registered owner, an offence punishable under section 117(2) read with section 150 of the Code of Intellectual Property Act, No. 52 of 1979. He was similarly charged on a second count in respect of the infringement of the complainant's registered trade mark No.28302. He was found guilty after trial of both charges and was ordered to pay a fine of Rs. 10,000/- and Rs. 5,000/- respectively on each of the charges with default sentences to run consecutively. This appeal is against the said conviction and sentence.

The rights of a registered owner of a trade mark are set out in section 117(1) of the Code of Intellectual Property Act. He has exclusive rights in relation to the mark to use it, to assign or transmit the registration of the mark and to conclude license contracts. According to section 117(2) of the Code third parties are precluded from the following acts without the consent of the owner.

- (a) "any use of the mark, or of a sign resembling it, in such a way as to be likely to mislead the public for goods or services in respect of which the mark is registered, or for other goods and services in connexion with which the use of the mark or sign is likely to mislead the public; and
- (b) any other use of the mark or of a sign or trade name resembling it, without just cause and in conditions likely to be prejudicial to the interests of the registered owner of the mark".

Part VI of the Code deals with offences and penalties and according to section 150 any person who wilfully infringes the rights of any registered owner is guilty of an offence.

Learned Counsel for the accused-appellant pointed out that there was an error in the charges framed as the manner of the use of a mark resembling a registered trade mark set out in section 117(2); both in (a) and (b), relating to the use of a mark "in such a way as to mislead the public" and its use in conditions "likely to be prejudicial to the interests of the registered owner of the mark" have been incorporated together in each of the charges. The particulars of the precluded acts set out in section 117(2) (a) and (b) being incorporated together in each of the charges cannot be said to have caused prejudice to the accused and it is not an error which would have misled him in his defence.

The complainant Benedict Fernando commenced his business in the manufacture and distribution of beedis on 19.2.64 and he obtained a certificate of registration dated 19.2.65 under the Business Names Ordinance to trade in the business name Thora Beedi Factory. He was registered as the proprietor of the trade mark No. 38027 with effect from 1.10.80. A representation of the mark was affixed to the certificate (P2) dated 27.5.85 issued to him by the Registrar of Patents and Trade Marks. The complainant used the representation of the mark purported to have been registered as the ring label on each beedi manufactured and distributed by him. The representation of the trade mark registered has the words beedi written in Sinhalese and Tamil on a blue background on either side of a drawing of a fish in white in the centre. The word Mora in Sinhalese

is written on it in red letters. However, the representation actually used by the complainant and produced marked (P5) has the word Thora instead of the word Mora written in Sinhalese in red letters on the drawing of the fish in the centre of the label.

The accused himself was a manufacturer and distributor of beedis and he used the ring label, produced marked (P7), on each beedi which was alleged to be similar to the ring label used by the complainant. The first charge relates to the use by the accused of the mark resembling the registered representation of the mark of which he was certified to be the proprietor in the certificate (P2). Before proceeding to consider whether the accused used a mark resembling the mark of the complainant, it was pointed out that the prosecution must firstly establish that the mark actually used by the complainant himself was in fact the representation of his registered mark. The word Mora appears on the fish in the centre of the label on the registered representation while the word Thora appears on the mark actually used by the complainant. The protection provided to the registered owner of the mark in section 117 of the Code extends only in circumstances where the mark actually used by him conforms strictly to the representation of his registered trade mark. I am of the view that the accused cannot be found guilty of an offence when the mark used by him resembles the mark used by the complainant, if the mark used by the complainant is not exactly the same as the representation of his registered trade mark. The conviction and sentence on count 1 is therefore set aside.

The complainant was also registered as the proprietor of the trade mark No. 28302 with effect from 28.2.69. The representation of this mark was affixed to the certificate dated 27.5.85 (P1) issued to him. This mark is used by the complainant on the wrapper of beedis packed and marked in bundles of 500 beedis. It is common ground that the accused himself uses a similar wrapper for the packaging and distribution of beedis manufactured by him. The charge in count 2 relates to the use by accused of a mark resembling this registered mark of the complainant. The registered mark (P4) used by the complainant on the wrapper has the figure of a man in a Kandyan ceremonial dress and the figure of a lady, while the mark used by the accused (P6) has a figure of a fisherman and a fishing boat. It was

contended on behalf of the prosecution that though the figures are different, the mark used by the accused resembles the mark used by the complainant in regard to the colour scheme, the get up of the rectangles within which the figures appear, the similarity of the words used and the placing of the figures in similar positions on the respective wrappers. It was also pointed out that while the names and addresses also appear in the same position on the two marks, the name and address of the complainant is given as D. B. Fernando, Thora Beedi Factory, Pitipana, Negombo, and the name and address of the accused is J. Fernando, S. D. Beedi Factory, Pitipana, Negombo. The accused has given the address of the factory as Tilagama Road, Negombo in English, while in the Sinhala version it has the address Pitipana, Negombo, which is identical to that of the complainant.

It is not possible to lay down any standard as to the amount of resemblance which may suffice to mislead the public or cause confusion in their minds. Two marks when placed side by side may exhibit many differences, yet the main idea left on the mind by both may be the same. A person acquainted with one mark and not having the two side by side for comparison might well be deceived, if the goods are allowed to be impressed with a similar mark, into the belief that he was dealing with goods which bore the mark with which he was acquainted. A critical comparison of the two marks might disclose numerous points of difference and yet the idea which would remain with any person seeing them apart at different times might be the same.

Learned Counsel for the accused-appellant submitted that the prosecution failed to lead the evidence of any member of the public to show that the mark used by the accused resembled the registered mark of the complainant and as such that he was either confused or misled into thinking that the mark of the accused was the mark of the complainant. The complainant stated in his evidence that he is a retail dealer and hence does not deal with the public. The bundles of beedis are distributed to retail dealers for resale to the public. It may be that retail dealers themselves may fraudulently or carelessly make use of the ambiguous character of the trade mark to deceive the customers or allow the customers to deceive themselves. It should

also not be assumed that the customer would make a careful or intelligent examination of the mark and regard must be had to the class of persons to whom the goods are sold, as to whether they are for example illiterate persons. the question whether a mark is likely to mislead the public is a question of fact and a Court is entitled to exercise its own mind on this question in the absence of witnesses, representative of the public, to give evidence on this matter. On a comparison of the two marks it is clear that the leading characteristics of the mark used by the accused resembled that of the registered mark of the complainant.

Besides a third party is also precluded from using a mark resembling the registered mark of the owner in conditions likely to be prejudicial to the interests of the registered owner. As was noted in *Suby v T. Suby Ltd.* <sup>(1)</sup>, "The foundation upon which the law relating to trade marks and trade names developed is found in the dicta of James, L.J. that: No man is entitled to represent his goods as being the goods of another man; and no man is permitted to use any mark, sign or symbol, device or means, whereby, without making a direct false representation himself to a purchaser who purchases from him, he enables such purchaser to tell a lie or to make a false representation to somebody else who is the ultimate customer. *Kerly on Trade Marks* (9th Ed.)"

The accused has himself not given evidence in this case but it was shown that his application to register the mark used by him both as a ring label and on the wrapper was refused by the Registrar of Patents and Trade Marks before the date of this offence.

The complainant has been using his registered mark on the wrapper for a considerable period of time since 1969 and the use by the accused of a mark resembling his registered mark is clearly prejudicial to his business interests. I am therefore of the view that there was sufficient evidence to establish the charge against the accused on count 2 and I see no reason to interfere with the conviction on this count. The conviction and sentence on count 2 is therefore affirmed.

*Conviction & sentence on count 1 set aside.*

*Conviction & sentence on count 2 affirmed.*