

**SUMANARATNE AND OTHERS  
VS.  
RUPATUNGA**

SUPREME COURT.  
JAYASINGHE. J.  
DISSANAYAKE.J.  
RAJA FERNANDO.J.  
SC 56/2004.  
HC AVISSAWELLA 58/2002.  
MC AVISSAWELLA 2254.  
FEBRUARY 9, 2005.  
OCTOBER 25,2005.

*Code of Intellectual Property 52 of 1979- Section117 (2), Section 150.  
Penal Code Section 72- Convicted - Protection given to registered owners  
of trade marks- Is it necessary to establish the actual use of the registered  
trade mark?- What has to be proved in a charge under Section 117?*

The appellants' father was the registered owner of an Ayurvedic drug manufactured and marketed under the registered trade mark. After the death of their father the trade mark was transferred to the appellants and the same was registered. The appellants became aware that in 1998 the respondent was manufacturing and marketing an Ayurvedic drug under a similar name and in a packet very similar to the one manufactured and marketed by the appellants.

On a complaint lodged in the Magistrate's Court the Respondent was convicted on the count framed under Section 117 read with section 150 of the Code of Intellectual Property Act. The High Court set aside the conviction and sentence.

In appeal, the question arose, whether it is necessary to establish the actual use of the registered trade mark in order to seek the protection given to the registered owner of such trade mark under section 117.

**HELD:**

- (1) The charge against the accused-respondent was that he was using a trade mark similar to that which was registered by the petitioner - from a plain reading of section 117 (2) and section 150 it is clear that the rights accrued to the registered trade mark.
- (2) What needs to be proved in a charge under section 117 is that  
(1) One is the owner of the registered trade mark (2) and the other has infringed his rights to the registered trade mark.

*Per Raja Fernando J.*

"For a charge under section 117 which relates to registered trade marks, what the prosecution has to prove is the registration of the trade mark and that the accused-respondent uses a mark that closely resembles the registered trade mark, and that such mark is likely to mislead the public".

- (3) The High Court was in error in that the Court was misled in coming to the finding that in order to violate section 117 one

must prove that one has used the registered trade mark. If one does not use the registered trade mark there is provision to have the Registrar of Trade Marks to remove such trade mark from the register.

So long as the trade mark remains in the register the imitation of such mark likely to mislead the user public is prohibited.

**APPEAL** from an order of the High Court of Avissawella.

**Case referred to :**

(1) *Jamis Fernando vs. Officer-in-Charge SC1B (Negombo)* - 1994 3 Sri L. R. 35.

*Bimal Rajapakse with Udeni Gunasekera and Ravindra Anawaratne* for petitioner-appellant

*Parinda Ranasinghe* SC for complainant-respondent-respondent.

*Cur. adv. vult.*

May 5, 2006

**RAJA FERNANDO J.**

This appeal is by the aggrieved party (hereinafter referred to as the Appellant) against the Order of the High Court of Avissawella dated 24.11.2003 by which the learned High Court Judge set aside the conviction by the learned Magistrate of Avissawella of the Accused-Appellant Respondent (hereinafter referred to as the Respondent) of the charge under Section 117(2) read with Section 150 of the Code of Intellectual Property Act No. 52 of 1979.

The facts relating to this appeal in brief are as follows :

The appellants' father was the Registered owner of an Ayurvedic drug manufactured and marketed under the Registered Trade mark depicted in P2.

After the death of their father the same Trade mark was transferred to the Appellants and the same was registered in their names on 09/08/1997.

The Appellants became aware in 1998 that the Respondent was manufacturing and marketing an Ayurvedic drug under a similar name and in a packet very similar to the one manufactured and marketed by the Appellants under the Trademark P2.

On a complaint made to the Police by the Appellants the Respondent was charged in the Magistrate's Court of Avissawella on two counts:

- i. under Section 72 of the Penal Code;
- ii. under Section 117 read with Section 150 of the Code of Intellectual Property Act No. 52 of 1979.

At the conclusion of the trial in the Magistrate's Court the Respondent was initially convicted under both counts but at the stage of sentencing was discharged of count 1 and on count 2 sentenced to a fine of Rs.10,000/=.

The Respondent appealed against his conviction and sentence on count 2 to the High Court and his conviction and sentence were set aside by the High Court Judge.

The present appeal was filed by the aggrieved party with leave from this court challenging the order of the High Court.

The issue for determination by this court is:

**“whether it is necessary to establish the actual use of the Registered Trade Mark in order to seek the protection given to the registered owner of such Trade mark under Section 117 of the Code of Intellectual Property Act”.**

In the Magistrate's court, evidence was led to prove that the Trade mark P2 was registered under the name of the Appellants

(aggrieved party) It was also proved that the Accused Respondent was marketing his Ayurvedic produce in the packet marked P4 which was very similar to P2.

The accused-respondents' s position was that drugs marked "Krimiraja" was found in Ayurvedic Literature and that the Petitioner can not have an exclusive right to it. The Defence further cross-examined the prosecution witnesses to show that the packet actually used by the Petitioners at the relevant time was slightly different to the one depicted in the registered mark P2.

The difference being that in the Registered Trade mark P2 the Owner's name is given as "Vaidyacharya M.D. Liveris Amaratunga"

whereas the packet actually used depicts the owner's name as M.D. Liveris Amaratunga Saha Puthrayo. Besides this difference in name, the two products were identical in other respects.

The learned Magistrate found the accused Respondent guilty of the charge under Section 117 read with Section 150 of the Code of Intellectual Property Act.

On appeal to the High Court the High Court Judge set aside the conviction on the ground that the Trade mark actually used by the Petitioner was different to that which was Registered and therefore the Petitioners are not entitled to the protection given to their Trade Mark under Section 117(2).

The learned High Court Judge seems to have totally misunderstood the charge against the Accused-Respondent.

The charge against the Accused - Respondent was that he was using a Trade mark similar to that which was **registered** by the Petitioner.

The learned High Court Judge has confused the Registered Trade mark with the Trade mark that was used by the Petitioners:

Section 117(2) of Act No. 152 of 1979 reads as follows:

***“Without the consent of the registered owner of the mark third parties are precluded from the following acts:***

- (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 goods or services in connection with which the use of the mark or sign is likely to mislead the public.***
- (b) any other use of the mark or of a sign or trade name resembling without just cause and in conditions likely to be prejudicial to the interest of the registered owner of the mark.***

Section 150 of the Code of Intellectual Property reads: ***“Any person who infringes the rights of any registered owner, assignee or licensee of a mark shall be guilty of an offence ...***

From the plain reading of the section it is clear that the rights accrue to the registered Trade mark

Therefore what needs to be proved in a charge under Section 117 of the Code of Intellectual Property Act No. 52 of 1979 is that one is the owner of the registered Trade mark and the other has infringed his rights to the Registered Trade mark.

The learned High Court Judge in arriving at his decision has sought to rely on the decision in *Jamis Fernando Vs. Officer-in-Charge, SCIB, Negombo* <sup>(1)</sup>

The facts in that case are materially different. In that case the complaint was that the accused were imitating in such a way as to mislead the public the Trade mark which the complainants were using and not the one registered. It was the opposite of this case and the court in that case held that the trade mark used by the complainants was considerably different to the one they have registered.

The learned Magistrate has correctly held that in the present case the packets used by the Accused-Respondent closely resemble the registered Trade mark of the petitioners.

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The question that the petitioner was using a Trade mark that was different to the one Registered may be a factor that will have a bearing on the damages that may be claimed from the Accused-Respondent by the Petitioners.

But for a charge under Section 117 of the Code of Intellectual Property Act which relates to registered trade marks what the prosecution has to prove is the registration of the Trade mark and that the Accused -Respondent uses a mark that closely resembles the registered trade mark; that such mark is likely to mislead the public.

For the foregoing reasons the conviction by the learned magistrate is in keeping with the provisions of Section 117 of the Code (Act No. 52 of 1979) and the evidence in the case.

The learned High Court Judge was in error in that he has misled himself in coming to the finding that in order to violate section 117 of the Code, one must prove that one has used the Registered Trade mark. If one does not use the Registered mark there is provision in the Code to have the Registrar of Trade Marks remove such Trade mark from the register. So long as the Trade mark remains in the Register the imitation of such mark likely to mislead the user public is prohibited.

Therefore the order of the learned High Court Judge quashing the conviction and sentence imposed by the learned Magistrate is set aside and I affirm the order of the learned Magistrate convicting the Accused-Respondent and the sentence imposed.

The appeal of the complainant-appellants is allowed.

I make no order for costs.

**JAYASINGHE, J.** — I agree.

**DISSANAYAKE, J.** — I agree.

*Appeal allowed  
Conviction and sentence affirmed.*