


1942

*Present : Wijeyewardene and Nihill JJ.*MOHAMED *et al.* v. MOHAMED UVAIS.

277—D. C. Colombo, 10,036.

Trade Mark—Action for infringement and passing off—Distinct labels—Alleged phonetic similarity—Burden of proof—Injunction.

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 Where, in an action for the infringement of a trade mark, the label used by the defendants on their goods was distinct from and incapable of being mistaken or confused with the label of the plaintiffs, the burden is upon the latter to establish by evidence that their goods are known by some name or description of such a nature that the use of the defendants label would cause people to think that the goods having that label were the goods of the plaintiff.

THIS was an action for infringement of a trade mark and for passing off in which the District Court granted an injunction restraining the defendant from the use of his unregistered trade mark. The plaintiffs, who were carrying on business in Colombo under the firm name of Vally Noor Mohamed & Company, alleged in their plaint that the defendants by the use of their unregistered trade mark had infringed their registered Trade Mark No. 6,867, which was registered by them in September, 1937,

¹ 24 N. L. R. 158.

² 14 N. L. R. 411.

and was in use by them for ten years prior to that. The facts are fully set out in the judgment. The defendants appealed against the order of the District Judge granting the injunction.

H. V. Perera, K.C. (with him *D. W. Fernando*), for the defendants, appellant.—This action was based on two causes of action, viz., (1) infringement, (2) passing-off. The evidence led to prove both the counts is the same. If the action, therefore, for infringement fails, the action for passing-off must also fail.

In an action for infringement the burden of proof is on the person who alleges it—*Eno v. Dunn*,¹ *Kerly on Trade Marks* (5th ed.), p. 474. For meaning of “calculated to deceive” see *Kerly on Trade Marks*, p. 270. The two designs are entirely distinct. They are neither pictorially nor phonetically similar. See *In re Trade Mark of La Societe Anonyme des Verreries de l’Etoile*,² *Board & Son. v. Bagots, Hutton & Co., Ltd.*,³ *Re British Drug Houses Limited’s Trade Mark*,⁴ *St. Mungo Manufacturing Co. v. Viper & Recovering Co.*⁵ *Mohamed Noordin v. Abdul Kareem & Co.*,⁶ *Hollandia & Anglo-Swiss Condensed Milk Co. v. The Nestlé & Anglo-Swiss Condensed Milk Co.*⁷ The test of “Easy to pass off” applied by the District Judge is wrong. There should, in a case like this, be positive and particular evidence that people of a certain type were deceived—*Malayan Tobacco Distributors Ltd. v. United Kingdom Tobacco Co., Ltd.*,⁸ *Sanrus Case*,⁹ 46 Reports of Patent Cases 453, 40 Rep. Patent Cases 219, *Venkateswaram on Trade & Merchandise Marks in India*, p. 261.

The finding of fraudulent intention on the part of the defendant cannot be justified. Fraud must be pleaded and put in issue before there could be a finding on it—*Malayan Tobacco Distributors, Ltd. v. United Kingdom Tobacco Co., Ltd.* (*supra*), *Venkateswaram* pp. 275—6, 29 Rep. Patent Cases 465.

L. M. D. de Silva, K.C. (with him *N. K. Choksy*), for the plaintiff, respondent.—The nature and scope of a passing-off action are discussed in *Reddaway v. Banham*¹⁰. See also *Kerly on Trade Marks* (5th ed.), p. 563. Action for passing-off is a generalized form of the action for infringement. The principles are the same in both actions—*Kerly*, p. 471. In regard to burden of proof and weight of evidence there is no difference between the two actions. It is sufficient to prove intention to deceive—*Kerly*, p. 270. An infringement may take place by the copying of one single substantial characteristic—*Kerly*, p. 468. That is the position in the present case. The chief and only characteristic of my mark was “A. V.”, and its adoption by the defendant constituted an infringement. The resemblance between two marks must be considered with regard to the ear as well as to the eye—*Kerly*, p. 279. My legal position is shortly put in *Kerly*, p. 287, i.e., “Where the goods of a particular trader . . . calculated to deceive”. See also *Reddaway v. Banham* (*supra*), *Iron-Ox Remedy Co., Ltd. v. Co-operative Wholesale Society, Ltd.*¹¹; *Kerly*, 623, 33 Rep. Patent cases

¹ *L. R.* (1890) 15 *A. C.* 252 at p. 257.

² *L. R.* (1894) 2 *Ch.* 26.

³ *L. R.* (1916) 2 *A. C.* 382 at p. 392.

⁴ 107 *L. T.* (N. S.) 756.

⁵ 27 Reports of Patent Cases 420.

⁶ *A. I. R.* (1931) *P. C.* 272.

⁷ (1923) 24 *N. L. R.* 396.

⁸ *A. I. R.* (1934) *P. C.* 167.

⁹ (1937) 54 Rep. Patent Cases 341 at p. 348.

¹⁰ 13 Rep. Patent Cases 218.

¹¹ 24 *R. P. C.* 425.

357; *Sanitas Co., Ltd. v. Condy*¹; *Mallagole Case*²; *Re Application of Pomril, Ltd.*³; *In re Dewhursts' Application*⁴; 32 *Halsbury's Laws of England* (2nd ed.), p. 617; 51 *Rep. Patent Cases* 129; 29 *Rep. Patent Cases* 21.

Our banians were known as "A. V." banians. Once that is established the law gives us vast protection. The defendant's mark is only a disguise of the plaintiff's mark.

H. V. Perera, K.C., in reply.—While in a registration case extrinsic evidence may not be necessary, in an infringement case independent evidence is necessary—*Thomas Bear & Sons, Ltd. v. Prayagan Narain*⁵; *Mallagole Case*⁶.

There is no resemblance between the two marks, whether pictorial or phonetic or with reference to the meaning by which our mark has come to be known. It cannot even be said that the two kinds of banians came from the same source—42 *Rep. Patent Cases* 63.

Cur. adv. vult.

January 5, 1942. NIHILL J.—

In this appeal the appellant who was the defendant in an infringement and passing off action in the District Court of Colombo seeks to have set aside an injunction granted by the learned District Judge restraining him from the use of his unregistered Trade Mark. The plaintiffs in the action who are the respondents to this appeal carry on business in Colombo under the firm name of Vally Noor Mohamed and Company. They do or did a large wholesale business in various lines of wearing apparel imported for the most part from Japan. In their plaint they pleaded that the defendants by the use of a certain unregistered mark had infringed their registered Trade Mark No. 6,867 which was registered by them as from September 9, 1937. It had been in use by them for at least ten years prior to that. The defendants began using their mark in January, 1939. It was admitted that the plaintiffs had used this mark particularly upon banians imported from Japan and that by its use the plaintiffs' banians had become known in the market as "AV" banians. A banian is a vest worn next to the skin by a large section of the male population of Ceylon. The defendant is a competitor of the plaintiffs in the same line of business. The "AV" banian is retailed at 50 cents each and it is doubtless safe to assume as the learned trial Judge did that they would be bought chiefly if not wholly "by the ignorant and illiterate or the poorer classes of the community".

It will perhaps be best at once to describe the two marks. The respondent's mark consists of the letters "AV" in bold relief surrounded entirely by a leafy floral design. The colouring of both the letters and the leaves is red. Underneath the mark also in red are the words "Made in Japan". The mark was impressed upon a white tab sewn on to the banian at the back of the neck in the centre. Similarly placed on the appellant's banians was his mark which consists of an orange background

¹ 1 *R. P. C.* 530.

² 33 *R. P. C.* 281.

³ 18 *R. P. C.* 181.

⁴ 13 *R. P. C.* 288.

⁵ *A. I. R.* (1940) *P. C.* 86.

edged in red. At the top in red appears in English letters the words "Mackies" which is the trade name of the appellant. Then underneath in larger blue lettering are in Sinhalese letters the words "හෙට ඒව්" which has been translated "Coming to-morrow". Underneath that again are the words in English "Made in Japan". The tab used by the appellant is at least twice the size of that used by the respondent. To the eye alone therefore no possibility of confusion between the two marks could arise. The root of the trouble however lies in the words printed in Sinhalese characters. To one who can read them and understand the Sinhalese language these words when romanized become "Heta Ave". It was the plaintiffs' case in the action that the use of the word "Ave" even although in conjunction with the words "Heta" was calculated to deceive and would facilitate the passing off of the defendant's goods for those of the plaintiff.

A comparison of the two marks leads at once to certain conclusions. First, this is not a case where any Judge could without some evidence say that the appellants' mark was calculated to deceive. Secondly it is clear that a customer who had become familiar with the respondent's mark could not be deceived. Really the class of customer who might fall a prey to the alleged wiles of the appellant's mark would be restricted to persons who had been told to buy the "AV" banians and who on seeing or hearing of "Heta Ave" jumped to the erroneous conclusion that he must have been told to buy "Heta Ave", or alternatively that when he was advised to buy "AV" his informant must have used an economy of speech and have meant to refer to "Heta Ave" or there might be a class of customer who hearing or seeing "Ave" as a prefix would conclude that the defendant's goods came from the same source as the "Ave" banians.

During the course of a lengthy argument many cases have been cited to us. Some of these concerned actions in which as in the present case there had been an injunction for an infringement, others arose out of objections made prior to the registration. Although the principles which would guide the Registrar of Trade Marks in making up his mind whether a mark proffered for registration was "calculated to deceive" and clash with a mark already on the register must be the same as would actuate a Judge trying an issue of infringement, there is a difference between the two types of proceedings which it is important to bear in mind in studying these cases. In a registration case the burden of proof is on the applicant to satisfy the Registrar that his mark is not calculated to deceive. In an infringement action the burden is on the person who says his rights in his mark have been infringed. That is a burden that can only be discharged by evidence. In cases of close pictorial or phonetic similarity there will be little difficulty, for the thing will speak for itself.

On the other hand as was said by Viscount Maugham in the Privy Council case of *Thomas Bear and Sons (India), Limited v. Prayag Narain*¹,—"There are many trade mark and passing off cases which cannot be decided by a visual comparison of the rival marks or names

¹ (1940) *All India Rep.*, p. 56.

and must depend on the evidence of witnesses. That indeed is nearly always the case where there are factors involved other than the mere resemblance of the marks or words”.

In another Privy Council case, *Mohamed Noordin v. Abdul Kareem and Company*¹, it was held that, where the labels used by the defendants were distinct from and incapable of being mistaken for or confused with the labels of the plaintiffs, in an action for infringement of trade mark that they should establish by evidence that their goods were known by some name or description of such nature that the use of the defendants' label would cause people to think that the goods bearing that label were the goods of the plaintiff. I cite these cases not because a review of the facts in either case will assist us in the determination of the matter before us but because they bring out the principle that where there is material dissimilarity it is by evidence, difficult as that may be to come by, that a Judge must decide the issue. What then is wanted in the present case to establish the infringement is evidence on which a Judge can reasonably determine that the mark objected to is calculated to deceive.

In the absence of such evidence it will not do for him to indulge in speculation intelligent as it may be as to the possibilities of deception and confusion arising. As a Registrar considering an application he might very well do so placing the burden on the applicant to resolve his doubts, but as Judge of an issue of fact as to whether there is an infringement, if the material placed before him by the evidence of the plaintiff and his witnesses is insufficient for him to reach a conclusion, it follows that the plaintiff must fail.

Now the evidence adduced for the plaintiff in this action consisted of three witnesses. The first Mohamed Vally Noor Mohamed, is a partner in the plaintiff's firm. This witness deposed to the fact that his firm's banians had become known in the market as “AV” banians. He explained that the letters “AV” were the initials of the senior partner in his firm, a man who had established himself in the banian trade many years ago and who was known by big business people as A. V. Noor Mohamed. He also said that his firm used other marks in other lines of banians but in none of these did the initials “AV” form a component part. This evidence does not touch the retail trade but it proved that the plaintiff's banians had become known as “AV” banians. In cross-examination of this witness the interesting fact was elicited that the defendant had continued to buy “AV” banians from the plaintiff even after he had put the “Heta Ave” mark on the market.

This hardly seems consistent with a fraudulent intent to pass off but I will consider this aspect of the case at a later stage.

The second witness, Ismail Kareem, is a partner in a firm of retailers doing business in Kandy. He stated that many of his customers who comprised both Sinhalese and Tamils were in the habit of asking for “AV” banians. Some of these people could read and some could not. Some of them looked at the banians and some did not. He thought that it would be easy to cheat those who did not examine the banians by passing off the defendant's banians as “AV” banians but he was quick to add that his firm did not in fact do so. The last witness, A. S. Sakoor, a wholesale and retail trader from Matara, certainly did not carry the

¹ 1931 All India Rep., 272.

plaintiff's case any further. He also said that his customers asked for "AV" banians but he added that the "AV" mark was well known to such customers. He knew the "Heta Ave" mark as pertaining to the defendant's goods. He had never himself been deceived into believing that "Heta Ave" pertained to the goods of the plaintiff.

It seems to me that put at its highest this evidence establishes only that the plaintiff's banians were known in the trade as "AV" banians and that in the opinion of one retailer the defendant's mark was capable of being used for purposes of deception.

The two retail witnesses were not able to say that they knew of an instance where a customer had made the mistake of thinking that the defendant's goods were the plaintiff's nor was a witness called who knowing of the plaintiff's mark had been deceived on seeing the defendant's.

Kerly on Trade Marks at page 270 of the fifth edition says—"Calculated to deceive" may mean either "intended to deceive" or "likely to deceive" but the learned author adds "the words are not equivalent to capable of being used to deceive, for it must be assumed, until the contrary is shown, that the applicant will make an honest use of his mark".

Let it be conceded then that the plaintiff has shown that his mark in the English letters "AV" has resulted in the sound name "Ave" becoming attached to his goods. Does this fact bring the present within that class of case where the Court have held that the use of a well known name in conjunction with another word either as suffix or prefix or with more than one other word is calculated to deceive in the sense that it suggests it to a customer who is well acquainted with the name that the goods must come from the same source?

An instructive case of this class is that known as the *Sanrus Case*¹. Here the Trade Mark alleged to be infringed and which was held to be infringed was the word "Rus" which had become attached to a good quality brick manufactured by the plaintiff company. The defendants put on the market a facing brick with the mark "Sanrus". In the course of his judgment at page 348 Simonds J. said:—

"Now the evidence before me is cogent to this effect. Witnesses of candour, experience and obvious integrity have come before me to tell me this. that if they saw the word "Sanrus" in connection with a brick they would come to the conclusion that it was a manufacture of the plaintiff company, that it was a word invented by the plaintiff company to describe some new manufacture of theirs and, no doubt, some new manufacture upon the lines of the "Rus" brick which was already very familiar to the trade. Necessarily their opinion was based upon that hypothesis, because except, I think, in the case of one of them, the word "Sanrus" had not, until they were invited to express an opinion in these proceedings, been brought to their notice. But there was one of them, a Mr. Marshall, who had actually heard of the word "Sanrus" outside these proceedings. He was a gentleman of very large experience, a Fellow of the Royal Institute of British Architects, and a lecturer in Liverpool in the School of Architecture,

¹ (1937) 54 Rep. Patent Cases, p. 311.

and he was in charge of the Materials Gallery, so that he would be brought into close touch and clearly would have intimate knowledge of, the materials used by builders. He had known the plaintiff company for a large number of years and was familiar with the "Rus" brick which had long been manufactured by them, and he was asked one day, after a lecture, by a student who came to him, whether he knew the name "Sanrus" brick and where it came from. I am not giving his exact words, but he replied in effect that he did not know. But at once he associated it with the plaintiff company. Now that is evidence which I am not entitled to disregard; indeed it is evidence which I must regard as of the greatest assistance in coming to a conclusion as to whether or not the use of the word "Sanrus" by the defendant company in connection with an article manufactured by them is likely to cause confusion and to lead to the belief that the article bearing that name is an article manufactured not by the defendant company but by the plaintiff company."

"What Mr. Marshall said out of his actual experience is corroborated by those other witnesses whom I have described, who expressed the view that they would have come to the same conclusion if the matter had been put before them for conclusion."

I have quoted this lengthy passage in full because it seems to me clearly to indicate the quantum and kind of evidence that is required in such a case, and if one compares the evidence there offered with the evidence adduced by the plaintiff in the case before us the weakness of the latter becomes to my mind very strikingly apparent.

As my analysis of the evidence will have shown the evidence of no witness came within any measurable distance of the evidence which the well known architect was able to give in the *Sanrus Case* (*supra*).

Was then the learned District Judge right in coming to a conclusion in the absence of any such evidence that the appellants' mark was calculated to deceive? In my opinion he was not. It seems to me from a perusal of the judgment that he reached that conclusion largely because the possibility occurred to his mind that if the words "Heta Avee" were pronounced at normal talking speed there would be a tendency for the "Heta" to be slurred or clipped and the accent to be placed on the "Ave". Not having a knowledge of the Sinhalese language this is a point on which I would gladly defer to the opinion of the trial Judge although I confess I find it difficult to see how the sound "Heta" would be lost in speech when the speaker was saying "Coming to-morrow" in Sinhalese. However, in this matter my learned brother will correct me if I am wrong. The learned District Judge in his judgment has quoted the *Pianola and Neola Case*¹, but apart from its usefulness in laying down the general principles which should guide a Registrar in accepting or refusing registration it does not seem to me to be of assistance in application to the facts of this case. To an English ear the sounds Pianola and Neola are very close and with clipping or slurring it is evident that the two might quite easily be confused. Yet Parker J. held, having regard to the fact that customers who were buying expensive musical instrument are likely to know what they are about and no man

¹ (1906) 23 *Rep. Patent Cases* p. 774.

of ordinary intelligence was likely to be deceived, the marks to be distinct. in the present case we must of course keep in mind that the class of customer likely to buy cheap Japanese banians may be illiterate and unintelligent, but I do not think that that consideration will bridge the gap between the real dissimilarity of the sounds "Heta Avee" and "Ave". At any rate I do not think the trial Judge was justified in arriving at that assumption in the absence of any evidence. If the word had been "Cave" with evidence of a Latin pronunciation the matter might be entirely different.

I think also that the learned District Judge's judgment is open to criticism also on another ground. He reached the view that the defendant had deliberately made the marks to differ widely "hoping that the similarity thereby in the sound of the two words would escape detection". Now that in effect is a finding of fraud against the defendant although there was no issue of fraud raised by the plaintiff. No doubt if there had been evidence of passing off by the defendant an inference of fraud would be unescapable, but there was no such evidence, there was not even evidence of passing off by a retailer and if there had been that would not have fastened fraud on the defendant.

In the Privy Council case of *Malayan Tobacco Distributors, Limited v. United Kingdom Tobacco Company, Limited*¹, their Lordships held that a finding of fraud could not be upheld where no plea of fraud was properly raised on the pleadings and no fraud was opened and no question put to the witnesses as to suggest that fraud was being charged. Mr. de Silva has contended that a plea of fraud can be implied from the first issue "Is the mark used by the defendant calculated to deceive?" but I cannot agree.

Although "calculated to deceive" may mean either "intended to deceive" or "likely to deceive", I consider that the Privy Council decision means that where "intent is relied on, it should be specifically pleaded or in some way made clear to the other side. A mark "likely to deceive" may be put on the market with a perfectly innocent intention.

A better point may be that the plaintiff had no opportunity of suggesting fraud to the other side because they called no witnesses. That is so, but the defendant might well answer that in the absence of an issue imputing a dishonest intention to him there was no reason for him to go into the witness-box. From the correspondence between the two parties which preceded the action it emerges that the defendant has always contended that the marks are so dissimilar that under no circumstances could they be calculated to deceive. That was the position taken by him at the trial. Neither was a dishonest intent put to him at any time in the letters sent to him.

If then the learned District Judge should not have inferred a dishonest intention without fraud being in issue or at least emerging from the evidence it is a matter of consequence because it must have affected his decision as to the deceptive character of the defendant's mark. For where fraud is present there is not much else required to establish the proposition that a mark is calculated to deceive.

¹ (1934) *All India Rep. (PC)*, p. 167.

Of the various English cases cited to us by Mr. de Silva in the course of his learned and helpful argument there are two which I think should be mentioned, for they are cases on which the respondent placed some reliance. They are the *Mallagole Case*¹ and the *Iron Ox and Iron Oxide Case*². In the former case the Registrar refused to register the words "Mallagole" in the pen class on the grounds that it was calculated to deceive purchasers to believe that they were buying the goods of a well known French pen manufacturer whose name was J. B. Mallat. This manufacturer was the proprietor of several Trade Marks in which the name "Mallat" was the essential element. In appeal Astbury J. upheld the decision of the Registrar.

The Registrar based his objection on his belief that the word "Mallegole" would suggest the name "Mallat" at least to Englishmen who were in the habit of pronouncing French names in the French way and he refused registration because the applicants on their evidence failed to convince him that there was no chance of confusion arising. The case is a valuable one for demonstrating where the burden of proof lies in a registration case. Although I think "Heta Ave" and "Ave" are not so near as "Mallagole" and "Mallat" when pronounced as "Malla" I am far from saying that this Court would be right to interfere with the discretion of the Registrar if he had rejected "Heta Ave" on an application to register.

The *Iron Ox Case* (*supra*) was a passing off action in which the proprietors of medicinal pills they called "Iron Ox Tablets" succeeded in obtaining an injunction against certain retailers who had bought "Compound Iron Oxide Tablets" from the Co-operative Wholesale Society, Limited, and sold them in response to orders for "Iron Ox Tablets".

After a very careful study of the facts of that case as reported, and the judgment of Parker J., I have reached the conclusion that the learned Judge's decision in this case was based not so much on, or at least not alone on, the fact of the possibility of the unwary customers being deceived but on the fact that the learned Judge, from the evidence, was able to draw a clear and unmistakable inference that the defendants had chosen the description "Iron Oxide" for their tablets precisely because they knew that it would lead to confusion and because they knew that the plaintiffs, by an expensive advertising campaign, had created a wide demand for "Iron Ox" tablets. In concluding his judgment the learned Judge said "Under these circumstances it seems to me that the plaintiffs have discharged the onus which was upon them and are entitled to an injunction."

As I have already indicated I have reached the view that the plaintiffs in the action now before us did not discharge the onus which lay on them and that therefore the appellants must succeed.

I would allow this appeal and set aside the injunction. The defendants are entitled to their costs here and in the Court below.

WIJEYWARDENE J.—I agree. I wish to add that I am unable to accept the view of the learned District Judge that "if the Sinhalese

¹ (1916) 33 Rep. Patent Cases, p. 281.

² (1907) 24 Rep. Patent Cases, p. 425.

words Heta Avee (හෙට් ඒව්) are pronounced at normal talking speed one is apt to slur or clip the "heta" (හෙට්) and place the accent on the "avee" (ඒව්) I do not think there is a "marked similarity in the two sound pictures" as stated by the District Judge.

Appeal allowed.

