

1918.

Present : Ennis J. and Shaw J.

KAPADIYA *v.* MOHAMAD.

120—D. C. Colombo, 47,953.

Trade mark—"Passing off" action—Mark not registered—Action by importer to restrain another importer from selling goods with a similar mark.

The plaintiff imported flour from Jumna mills in bags which were marked with two green crossed keys. This devise was not registered in Ceylon as a trade mark. The defendant imported flour from another mill marked with one green key. The plaintiff alleged that the defendant had been "passing off" his flour as plaintiff's and prayed for an injunction restraining him from selling bags of flour marked with a green key.

Held, that although "passing off" actions are not specifically reserved in our Trade Marks Ordinance, such an action can be maintained under our law. In such an action it is not necessary to prove actual fraud; all that is necessary is to show that the defendant has represented his goods to be the goods of the plaintiff.

SHAW J.—"The Courts of this Colony are Courts of equity as well as of law, and I see no reason why our law should not be sufficiently elastic to expand with the times, and restrain a wrong committed by one trader against another, such as the English Courts of equity found necessary to restrain."

Held further, that as the mark was not plaintiff's mark, but that of the Jumna Flour Mill Company, plaintiff cannot maintain this action. An importer has no right to the trade mark of the manufacturers, nor can he restrain persons from using it, or register the mark as his own.

THE facts are set out in the judgment.

A. St. V. Jayawardene (with him *Bartholomewsz* and *Tyagarajah*).
for appellant.

Bawa, K. C. (with him *F. M. de Saram*), for respondent.

Cur. adv. vult.

July 26, 1918. ENNIS J.—

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This was a "passing off" action. The plaintiff claimed an injunction against the defendant restraining him from selling bags of flour marked with a device of a green key, and damages. It appears that the plaintiff imports flour from the Jumna mills in India. The bags are marked with the name of the mills and two crossed keys in green. The defendant imported flour in bags from another mill marked with the name of that mill and one key in green. The plaintiff contended that the flour imported by him has become known as the "green key" flour of his importation, and that the defendants have been selling their goods as his. The learned Judge found in favour of the plaintiff, and the defendant appeals. It was argued for the appellant:—

- (1) That the plaintiff cannot maintain this action without proof of fraud.
- (2) That he is barred by section 20 of the Ordinance No. 14 of 1888.
- (3) That as an importer only he cannot maintain the action on the marks of the millers without an assignment from them of their rights or authority to act for them.

The Ordinance No. 14 of 1888 is based on the English Act of 1883, and section 20 of the Ordinance is identical in terms with section 77 of the Act. It is to be observed that the English Act of 1883 and the Ceylon Ordinance make no mention of "passing off" actions, but the later English Act of 1905 expressly saves them. The earlier English Acts, 1875 to 1877, also make no reference to "passing off" actions, although they contain provision similar to that in section 20 of the Ceylon Ordinance. In a series of English cases it has been held that the English Acts, 1875 to 1883, did not affect the jurisdiction of the Courts of equity in "passing off" actions, notwithstanding the prohibition, apparently because that jurisdiction was based on the fundamental rule that no person was at liberty to represent his goods (pass them off) as the goods of another, *e.g.*, *Mitchell v. Henry*¹ and *Reddaway v. Banbury*.²

The Courts of Ceylon are Courts of equity, and the English decisions would apply to the construction of the Ceylon Ordinance. Following those decisions, the argument for the appellant on the first two points fails. Those decisions show that, not only can the action be maintained, but that it is not essential to prove actual fraud; all that is necessary is to show that the defendant has represented his goods to be the goods of the plaintiff.

On the third ground, however, I am of opinion that the appellant is entitled to succeed. The green keys are not the plaintiff's mark, but the mark of the Jumna mills, and he

¹(1880) 15 Ch. Div. 181

²(1896) App. Cases 199.

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cannot attach their marks and say they are his business marks (*The Dental Manufacturing Co., Ltd., v. De Trey & Company*¹. In other words, the plaintiff cannot contend that the defendant is passing off the goods as the plaintiff's goods, because the latter are not the plaintiff's, but the goods of the Jumna mills, which those mills sell in the Island, through the plaintiff, with their own mark, and not the plaintiff's mark. There is no evidence that the flour is known by any mark of the plaintiff as his flour, or put up by him or selected by him, and there is no evidence that he is authorized by the millers in India to bring the action. In the absence of such evidence his action fails. The appellant is entitled to succeed. I would allow the appeal, with costs.

SHAW J.—

This is an action to restrain the defendant from passing off his goods as the goods of the plaintiff, and for damages. The plaintiff has since the year 1910 been importing into this Island a brand of flour manufactured by the Jumna Flour Mills of India, bearing a device or trade mark of two green keys crossed. The plaintiff states that he is sole agent here for this flour, but no agreement between himself and the manufacturers has been put in evidence, and we do not know the terms of the contract, or for how long it has been in force, or how long it is to continue. The evidence called on behalf of the plaintiff is to the effect that this flour has acquired a considerable reputation in Ceylon, and has got to be known as "green key flour," and the plaintiff's name has got to be identified with it as the importer.

For the last six or seven months the defendants have been importing a brand of flour manufactured by the Monarch Flour Mills of Calcutta, bearing a device of one green key, which the plaintiff claims is an infringement of the mark on the flour imported by them, and which has become associated with his name, and amounts to a "passing off" of the flour imported by the defendant as the flour imported by the plaintiff. The District Judge has found in favour of the plaintiff, and has granted the injunction sought, and an inquiry as to damages. The defendant appeals.

The right to a trade name or trade mark, and its protection against other traders, does not appear to have been considered by the writers on Roman-Dutch law, probably because the necessity for such consideration had in those days not arisen. Neither does it appear to have been considered in England until comparatively recent times, and it is not until the commencement of the nineteenth century that we find the English Courts of equity interfering at the suit of one trader against another to prevent a person from "passing off" his goods as the goods of another.

¹ 29 Rep. of Patent Cases 617.

The Courts of this Colony are Courts of equity as well as of law, and I see no reason why our law should not be sufficiently elastic to expand with the times, and restrain a wrong committed by one trader against another, such as the English Courts of equity found necessary to restrain. I therefore think that a "passing off" action is applicable here as it is in England. It was suggested that an action for "passing off" does not lie here, because a right to bring such an action is not specifically reserved in our Trade Marks Ordinance as it is in the English Statute of 1905. It was, however, not so reserved in the earlier English Trade Marks Acts of 1875 and 1883. Yet we find numerous instances where such actions were successfully maintained in England between the years 1875 and 1883, so the contention appears to have no substance.

The device of two green keys crossed is not registered as a trade mark in Ceylon, and in view of the opinion to which I have come on another point, I need not consider whether the device on the flour sold by the defendant is so like that on the flour sold by the plaintiff as to be calculated to deceive; nor need I consider whether it has acquired a sufficient notoriety to entitle it to protection at the suit of the proprietor of the mark, or, indeed, whether it was even a distinctive mark of the Jumna Flour Mills Company used exclusively by them to distinguish a particular brand of their flour. As to all these points there appears to me to be considerable doubt on the evidence. One point, however, seems to be absolutely fatal to the plaintiff's case, namely, that the mark is not his mark, but that of the Jumna Flour Mills Company.

It is well-established law that an importer, even an importer with a contract from the manufacturers for the sole rights of importation, has no right to the trade mark of the manufacturers, nor can he restrain persons from using it, or register the mark as his own (*Hirsh v. Jones*,¹ *Appollinaris Company's Trade Mark*,² *European Blair Camera Company's Trade Mark*,³ *Dental Manufacturing Co., Ltd., v. De Tray & Company* ⁴). The cases show that if the get-up of the article is that of the importer, or if the mark is put upon it to signify that the article has been selected or imported by the importer, then he can prevent any other person from imitating the get-up or mark so as to induce purchasers to believe that the goods are those selected and imported by him. If, however, it is merely the get-up or the mark of the manufacturer, then the importer acquires no rights to it from the fact of his importation, neither can he register the mark as his own.

There is no suggestion in the present case that the two green crossed keys are anything but an ordinary mark of the Jumna Flour Mills, and in reality signifies anything more than that the flour is

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manufactured by that Company. It was, however, suggested on behalf of the plaintiff that notwithstanding this, the mark has, amongst buyers of flour here, become associated with the plaintiff, and was looked upon as indicating that the flour is his, or specially imported by him, and that he has consequently acquired a right to the mark as his own. The evidence does not appear to me to sufficiently support such contention in fact, but even if it did, any such mistaken belief could not, in my opinion, enable the plaintiff to obtain the exclusive right to some one else's mark. In my opinion the appeal must succeed, and the plaintiff's action must be dismissed, with costs.

Appeal allowed.

