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Court : Andhra Pradesh

Decided On : Jun-27-1972

Reported in : AIR1973AP51

Judge : Sambasiva Rao, J.

Acts : Trade and Merchandise Marks Act, 1958 - Sections 2, 27(2), 105; Evidence Act, 1872 - Sections 101 - 104

Appeal No. : C.C.C. Appeal No. 124 of 1970

Appellant : Teju Singh

Respondent : Shanta Devi

Advocate for Def. : B.V. Subbarayudu and ;N. Vasudeva Rao, Advs.

Advocate for Pet/Ap. : B.P. Jeevan Reddy and ;M. Rama Mohan Rao, Advs.

Judgement :

1. This is an appeal by unsuccessful sole defendant in an action brought for injunction restraining him from using or exhibiting himself or through his servants or agents the trade name of the business used by the respondent or any device resembling it and also to recover a sum of Rs. 400/- by way of damages and some other incidental reliefs. The respondent-plaintiff was successful only to the extent of securing an injunction at the hands of the lower court. But his relief for damages

failed. There are, however, no cross-objections brought by the respondent.

2. The plaintiff as well as the defendant are electric dry cleaners of clothes. The former had been trading under the name and style of ' One day Electric Dry cleaners' on the station Road, Kachiguda. The later started his trade a few yards away from the plaintiff's place of business on the same road under the name and style of 'Only one day Electric Dry cleaners.' Hence the present action.

3. The plaintiff alleges that she had been doing her business in the same premises ever since 1965 exclusively and openly using the name ' One day Electric Dry Cleaners'. By virtue of long user and reliable service, her business had gathered wide publicity and become popular among the public. Recently she came to know that the defendant also had been using practically the same name except refixing it by the word 'Only'. It is nothing but a colourable adoption of the plaintiff's trade name which is likely to cause confusion in the minds of the customers. The name has been adapted only to harass the cause loss to the plaintiff. The customers mistakenly believing it to be the plaintiff's place of business, have been partonising the defendant's business. The plaintiff will consequently suffer loss in her trade and her goodwill also will be adversely affected. The sign boards and the stationery used by the defendant for his business are similar to the design, decoration, sign and symbol etc., used by the plaintiff also in her trade. Such adaptation is patently calculated to cause confusion and deception in the trade. It is, therefore, just and necessary that the defendant be restrained by perpetual injunction from infringing the plaintiff's trade name of business.

4. The defendant resists the suit by saying that he had been doing his business at Nallakunta since July, 1969 under the same trade name and the plaintiff and her husband were quite aware of it. The shop at the station-road, Kachiguda is only another branch of his business. It is incorrect to say that the trade name of the defendant is the same or similar to that of the plaintiff or conveys the same idea. His family trade is clothes washing business and he and his brothers had been carrying on laundry business for more than 16 years. Under the name and style ' Shotha Laundry '. When he wanted to do electric dry cleaning of clothes he choose the name of ' Only one day Electric Dry Cleaners '. The Trade name

chosen by the defendant is not similar to that of the plaintiff either in design, decoration or in sign, symbol etc. It is not true that the plaintiff has established any reputation in the business not is it true that any reduction in the plaintiff's business, if any, could be attributed to the adaptation by the defendant of the trade name. The plaintiff's trade name is not registered and therefore she has no right for any accounts or profits by the defendant.

5. The parties went to trial on six issues. On issues 1 and 3 the Court below held that there is resemblance in the name of the business of the plaintiff and that of the defendant and there is colourable imitation of the trade name of the plaintiff by the defendant, although there is difference in design, decoration, get up shape and size. On issue No. 4 it is concluded that there is no evidence to show as to whether any loss was caused to the plaintiff and therefore, she is not entitled to claim any damages. The finding on issue No. 2 is that the plaintiff was not aware in July 1969 about the opening of the defendant's shop at Nallakunta. Since no arguments were addressed on the point whether the suit was not maintainable which is covered by issue No. 6, the issue was found in favour of the plaintiff and consequently permanent injunction from doing service under the trade name of business ' Only One Day Electric Dry Cleaners' was issued and the defendant was directed to deliver up all bill books, paper bags, letter papers and sign boards printed with the said trade name of business in his power of possession. In other respects the suit was dismissed. The parties were directed to bear their own costs.

6. Sri Jeevan Reddy, learned counsel for the defendant-appellant puts forward the following five arguments in support of the appeal.

(1) The suit was filed in the district Court which has no jurisdiction

(2) A passing off action like this does not lie in regard to service. Its scope is only in regard to goods.

(3) the plaintiff has not been successful in establishing that her business had acquired reputation and that the public had come to associate her trade name with ' One Day Electric Day Cleaners',

(4) The words ' One day' is of common usages and has no distinctive feature about it. So much so, the words cannot become a trade name of mark. They are merely descriptive of the nature of services rendered by the business; and

(5) In any case the plaintiff has failed to establish that the public had been deceived by the similarity in the names and consequently loss or damages had been caused to her.

7. This is not an action for infringement of a registered mark, for the simple reason that the plaintiff's trade mark or name had not been registered by the time the suit was filed. The suit brought by the plaintiff is only a passing off action. Section 27 of the Trade and Merchandise Marks act, 1958 (hereinafter referred to as the act), while precluding actions for infringement of unregistered trade marks, declares in sub-section (2) that nothing in the act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof. It is manifest that the present action belongs to the category of passing off actions, for the gravamen of the plaintiff's charge is that the defendant has been trying to pass off his electric dry cleaning services of those of the plaintiff. Section 105 of the Act provides that suits for infringement etc., shall not be instituted in any courts inferior to Dist. Courts, having jurisdiction to try the suit. Clauses (a) and (b) of the Section relate to actions for infringement of rights relating to registered trade marks, while cause (c) relates to passing off action whether the trade mark has been registered or unregistered. The present suit clearly comes with the purview of clause (c) of Section 105. Consequently it has to be instituted in a court which is not inferior to a District Court having jurisdiction to try the suit. Since the present action has been brought in a District court, it follows that it has been instituted in a court of competent jurisdiction . The first argument put forward by the defendant is thus without any substance.

8. Then coming to the contention that a passing off action or for that matter any action for infringement of a registered trade mark also, is limited only to trade in goods and cannot be extended to trades or business dealing with services. Electricity dry cleaning is only a service and does not produce any articles or goods. While pressing this feature, learned counsel refers to S. 27(2) of the Act

and emphasises on the words ' action against any person, for passing off goods of another person' and maintain that only when goods are attempted to be passed off actions are contemplated and not otherwise. I am afraid that this is a fallacious argument and overlooks the wide meaning given to the expression ' goods' under Section 2(g) of the Act. That word is defined as to mean anything which is the subject of trade or manufacture.

It will be very significant to note that the definition now here refers to any articles as subject of trade. Anything which is subject of trade or manufacture is ' goods' within the meaning of he act. Since the services like washing clothes or dry cleaning them are subjects of trade, they clearly come within the ambit of the expression ' goods' . In fact it cannot be otherwise. An action for infringement of a trade mark or for passing off cannot be limited only to articles, for trade and business can be and in fact deal in services also. The act shows that it takes within its ambit all marks relating to trade and merchandise. The object of the act is to prevent use of fraudulent marks on merchandise. Therefore clearly the amplitude of the act is wide enough to include services also and that is clearly brought into focus by the definition of the word ' goods'. Therefore, the contention that there cannot be any action in regard to services should fail.

9. Before I take up the other points for consideration, it would be useful to consider the nature of a passing off action and what a plaintiff is required to prove before he succeeds. Sec. 27(2) of the Act broadly indicates the nature of such an action. According to it, it is an action against any person for passing off goods as the goods or another person or the remedies in respect thereof. Clause (c) of Section 105 further amplifies this aspect. It says that passing off arises out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered. Reading the two provisions together, it is evident that if the defendant's trade mark is identical with or deceptively similar to the plaintiff's trade mark then there is an attempt at passing off goods as the goods f another person. I have already stated that goods includes services. The crucial words in these provisions that are to be understood are ' Identical', ' deceptively similar' and 'trade mark'.

The meaning of the expression ' identical ' is clear and needs no definition. It means that one trade mark is the same or exactly similar as the other trader mark. The words 'deceptively similar' are defined in Section 2(d). That definition says that a mark shall be deemed to be deceptively similar to another mark if it is so nearly resembles that other mark as to be likely to deceive or cause confusion. It would be sufficient for the plaintiff to show that the defendant's mark has near resemblance to his mark and is likely to deceive or cause confusion in the mind of the customer. It follows that it is not necessary to establish actual deceit or confusion. True, it actual deceipt or confusion is established, it would reinforce and strengthen the case of the plaintiff. For the likelihood of deceit or confusion would be demonstrated by actual occurrence of deceit and confusion. At the same time, proof of actual deceit or confusion, is not obviously required and it would be sufficient for the plaintiff to succeed if he succeeds in proving the likelihood of deceit and confusion.

10. The expression ' trade mark' is defined in section 2(v) and means in relation to Chapter X, other than section 81, a registered trade mark and in relation to the other provisions of the act a mark used for the purpose of indicating the connection in the course of trade between the goods and some person having the right as proprietor to use the mark. So, a trade mark is an indication of the connection in the course of trade between the goods and the person having the right either as proprietor or as registered user to use the mark. If some other person uses an identical or deceptively similar mark for his trade, it would lead to the conclusion that he is trying to pass off his goods as the goods of that person who has a right to use the trade mark. There are one of two other definitions which may be useful in understanding the scope of a passing off action and may consequently be noticed here. One such definition is that of the expression ' false trade description' contained in Clause (b) of Sec. 2.

For the present purpose, sub-clause (v), (b) alone is pertinent; It says that false trade description also means any name or initials of a person applied to goods in such manner as if such name or initials were a trade description in any case where the name or initials is or are identical with or deceptively similar to the name of initials of a person carrying on business in connection with goods of the same

description and who has not authorised to use of such name or initials. Thus if the trade mark used by the defendant is identical with our deceptively similar to the name or initials of a person carrying on business in connection with the goods of the same description. The identity or deceptive similarity may occur either in seeking or hearing. It need not necessarily be a visual impression as to identity or deceptive similarity., It to the hearing of a customer an impression of identity or deceptive similarity is created, it should logically follow that there is an attempted passing off. Therefore, it cannot be said that unless the identity or deceptive similarity strikes the eye of the customer, there is no attempted passing off.

11. Now an examination of a few relevant rulings may help in further clarification of the scope of a passing off action and the proof that is required therein.

12. The decision of the Judicial committee is T.B. and sons v. Prayag Narain,. AIR 1940 PC 86 may be noticed first. While observing that English decisions can be applied to Indian cases only with care and circumspection Viscount Maugham who spoke for the committee observed that the test of comparison of the marks side by side is not a sound one, since a purchaser will seldom have the two marks actually before him when he makes his purchase; the marks with many differences may yet have an element of similarity which will cause deception, more especially if the goods are in practice asked for by a name which denotes the mark or the device on it. The vital element in a case of this nature is the probability of deception, which may depend on the number of matters as well as the question of similarity of the marks or of the get up. Whether there is such similarity or not is a question of fact to decided on the evidence adduced.

13. The Supreme Court in Registrar, Trade Marks, V., Ashoke chandra Rakhit Ltd., : [1955]2SCR252 observed that where the proprietor has acquired any right by long user of those parts or matters in connection with goods manufactured or sold by him or otherwise in relation to his trade, he may on proof of the necessary facts, prevent an infringement of his rights by a passing off action or a prosecution under the Indian Penal code.

14. In Durga Dutt Sharma v. N.P. Laboratories, : [1965]1SCR737 , the Supreme court pointed out the difference between an action for passing off and an action for

infringement of a trade mark. It was pointed out that an action for passing off is a common law remedy being in substance an action for deceit, that is a passing off by a person of his own goods as those of another. But that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor or a registered trade mark for the vindication of ' the exclusive right to the use of the trade mark in relation to those goods'. The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off, but is the sine quo non in the case of an action for infringement. In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's marks is so close either visually, phonetically or otherwise and the Court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated.

Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; where as in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff. It was also held that the onus would be on the plaintiff to establish that the trade mark used by the defendant in the course of trade in the goods in respect of which his mark is registered, is deceptively similar. The persons who would be deceived would be, of course, the purchasers of the goods and it is the likelihood of their being deceived that is the subject of consideration. The resemblance may be phonetic, visual or in the basis idea represented by the plaintiff's mark.

15. In C. Krishna chettiar v. Ambal & Co. : [1970]1SCR290 , the question arose was whether a trade mark could be registered because of the objection taken on its similarity with an existing mark. There was an existing trade mark for a snuff by name Ambal. The proposed name for the new trade mark was Andal. Bachawat J., speaking for the court laid down that -

' Where a dealer sells snuff under a registered trade mark and the word ' Ambal' is the distinctive and essential feature of that trade mark and that word fixed itself in the recollection of an average buyer with imperfect recollection, another dealer also dealing in snuff cannot be allowed to get the trade mark registered of which the word ' Andal' is a distinguishing feature as there is a striking similarity and affinity of sound between the words 'Ambal' and ' Andal'.

The resemblance between the two marks must be considered with reference to the ear as well as the eye and ocular comparison is not always the decisive test. Therefore, even if there be no visual resemblance between the two marks, that does not mater when there is a close affinity of sound between the words which are distinctive features of the two marks.'

' Merely because the distinctive words used in both the marks have distinctive meanings it cannot be said that the phonetic resemblance does not lead to confusion, when it is likely that majority of the customers are not capable of understanding the fine distinction between the meanings of the two words.'

16. This is the decision which is very apposite to the facts of the present case. Just like there was phonetic resemblance in the names that were under consideration in the Supreme Court case there is also grate similarity I the names adopted by the plaintiff as well as the defendant in the case before me.

17. Ruston & Hornby Ltd., v. Z. Engineering Co. : [1970]2SCR222 once again pointed out the distinction between passing off and infringement of trade mark actions. The pertinent observation in this decision is -

'The test as to likelihood of confusion or deception arising from similarity of marks is the same both in infringement and passing off actions.'

18. Therefore, it is the likelihood of confusion or deception that has to be considered and found out, in passing of action also. If and when such scope for confusion or deception is established, then it would not be further necessary to establish actual occurrence of confusion or deceit.

19. The Supreme court in Roche & Co., v. G. Manners & Co., : [1970]2SCR213 , though ultimately came to the conclusion that the two marks were not deceptively similar, laid down the guiding principle that the marks must be compared as a whole. It is not right to take portion of the word differs from the corresponding portion of the word in the other case there is no sufficient similarity to cause confusion. The true test is whether the totality of the proposed trade mark is such that it is likely to cause deception or confusion or mistake in the minds of the persons accustomed to the existing trade mark. It follows from this that by mere addition of one word here or deletion of another word from there would not really alter the situation. If on a broad comparison of the totality of the names or marks it is found that the similarity is likely to cause deception or confusion in the minds of persons accustomed to the particular goods then it is an attempt at passing off.

20. The same principle has been reiterated by the Supreme Court in a recent decision of Parle Produces v. J.P. and C. : [1972]3SCR289 , Mitter J., stating the view of the court observed that in order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any difference in the design and if so whether they are of such character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him. It is of no use to note on how many points there is similarity and in how many others there is absence of it.

21. I will now proceed in the light of the above well established legal guidelines to consider wither the action brought by the plaintiff seeking a declaration is justified. It brings me to questions 3, 4 and 5 posted by the learned counsel for the appellant. He brought to my notice the two visual marks adopted by the parties and pointed out the distinction between the two and consequently urged that the two marks were distinct from each other and could not create any confusion or deception in the minds of the customers. But, the similarity need not necessarily be to the eye. It can as well be to the ear and similarity in the names can create confusion in the minds of the customers. Phonetic similarity can create as much

confusion and scope for deceit as a visual similarity. The decision which I have referred to and the principles I have gathered from the provisions of the act itself clearly show this.

22. Even so, it is urged for the plaintiff that there is no distinctive word in the trade name of the plaintiff's business which can be said to have been borrowed by the defendant. ' One day dry cleaners', as the argument goes, are merely descriptive words and are of common occurrence. They merely describe the nature of the services and the promptitude with which they are rendered by the trader. They have no distinctive significance about them. Since the defendant also renders similar services he has preferred to describe his services also in similar terms. That cannot by any stretch of imagination be called an attempt at passing off.

23. In this connection reliance has been placed on a decision of the Delhi High Court in Mohd. Rafiq, v. Modi Sugar Mills. : AIR1972 Delhi46 , Explaining the meaning of the word ' distinctive' that the court observed that' ' the word ' distinctive' when used in the relation to goods in respect of which a trade mark is registered, is that the trade mark should be ' adapted to distinguish' the goods of the proprietor from the goods of other persons'.

24. Since such is not the case with the words used by the plaintiff in naming his trade the defendant was at liberty to borrow the same words. Thus submitted learned counsel for the appellant.

25. The trade name of the plaintiff is ' One day dry cleaners', that of the defendant is ' only one day dry cleaners'. There is no gainsaying the fact that the two strike the mind of the listener as similar. It is not difficult to postulate that the two names can be confused with each other as they are practically identical but for the first word. Even educated people are likely to take one for the other. It is undoubted that the confusion would be much more if uneducated or illiterate people are the customers. It is to be remembered that it is a dry cleaning service that the parties are rendering and clothes are sent to their shops by the customers more often than not through their servants. When sending clothes is done through the servants the confusion is accentuated and the possibility for deceit becomes larger. As it is well established the two names should not be compared word by

word. It is the over all impression that is important and in this case such impression certainly leads to confusion and possibility of deceit. Added to this the newly started business of the defendant is in the very neighbourhood of the plaintiff's business, only a few shops away, and consequently, the position becomes much worse.

Whether or nor the plaintiff had acquired a greater reputation for his service all over the city or in the particular area where hereunders his service, the fact remains that he had started his services much earlier than the defendant and has been doing his business for some years. The defendant who was come into the locality much later is likely to create confusion I the minds of the customers in the locality that is services were similar to those of the plaintiff. It is not necessary that actual deceit has been perpetrated and on that account loss or damage has been caused to the plaintiff. Since a clear possibility for doubt, confusion or deceit exists, the plaintiff is entitled to succeed in his claim for declaration. In this view, points 3 to 5 raised for the plaintiff should be repelled .

26. The evidence on record also lends support to the plaintiff's claim.

27. P.W. 1 is the plaintiff's husband. His claim is that the plaintiff's business was established at Kachiguda in the year 1965. It was a flourishing business which attracted a great number of customers. The defendant opened a shop in March, 1970 adjacent to the plaintiff's premises. Both the premises bear the same municipal number. Clothes are generally sent through the servants are their children. Many customers have produced the receipts given by the defendant out of confusion. One such receipt is Exhibit A-5. Many customers complained about the confusion arising out the adoption of the trade name by the defendant.

This is evidence shows that there were at least some customers who were deceived by the similarity in the trade name . In cross examination he states that they have named their business to notify and intimate the public that the clothes would be delivered within one day. From this learned counsel has tried to argue that it is only a descriptive name. But it should not be forgotten that even similarity in descriptive names would be misleading and cause confusion. As the witness admits, there are many laundries in Hyderabad and Secunderabad giving delivery

on the same day. The customers may choose any of them. But, the point about the plaintiff's complaint is that confusion and scope for deceit arise in his case on account of the similarity in the trade names.

28. P.W. 2 is a customer of the plaintiff. He testifies to the fact that some time back when he sent his soiled clothes to the plaintiff's shop through his servant for dry cleaning the servant took them by mistake to the defendant's shop. That was on account of the confusion occasioned by the similarity in names and also by the existence of the two shops adjacent to each other. In his opinion if a servant takes the clothes, it would be difficult to differentiate one from the other. Person of his acquaintance were the customers of the plaintiff's shop. It was suggested to him that he was related to the plaintiff but it is denied. The witness says that he is not even a friend of the plaintiff but is merely a customer. He also calls the plaintiff's shop as a popular one. This evidence of a customer shows that there is scope for confusion in the minds of the customers arising out of similarity in the trade names of the two shops.

29. P.W. 3 is the husband and father of the owners of the premises in which the plaintiff is carrying on her business. He testifies to the fact that the plaintiff has been a tenant from 1965. There was a rental agreement executed in May, 1965. Even since then she has been carrying on the dry cleaning business with the trade name. This lends support to the claim of the plaintiff that she has been doing the business since 1965.

30. The above evidence adduced for the plaintiff would show that the plaintiff has been doing the business for a long time, that the defendant has come to his business in the same locality recently adopting a similar trade name and on that account confusion is being caused in the minds of the customers between the two shops.

31. The defendant has examined himself as D.W.1. He admits having opened his shop in Kachiguda only on 5th march, 197-. There is also another laundry in between those of the plaintiff and the defendant which delivers cloths in a day. But, its name is different. It is called Pardeshi Laundry. He admits that the plaintiff's shop is seven shops away from his shop. Even according to him the

plaintiff has been having her shop since two years. This statement brings out clearly that the plaintiff has been doing her trade at least two years before the defendant. He denies that P.W. 2's servant had delivered any soiled clothes by mistake. P. W. 2 himself comes and gives soiled clothes in the plaintiff's shop. This statement lends support to the testimony of P.W. 2 that he is the customer of the plaintiff's shop. But it is difficult to believe when he says that P.W. 2 does not send his cloths for cleaning through servant but take them himself. He admits that the word ' only' was written on his sign board in small letters. He further agrees that servants and children also brings cloths to the shop.

It is also his statement that the plaintiff's shop had been opened much earlier than the defendant's shop at Nallakunta. According to him there are no other shops excepting the plaintiff's shop and his shop carrying the names one day dry cleaners and only one day dry cleaners. It thus follows that the confusion is possible only between those two shops. This evidence of the defendant does not detract from the value of the oral evidence adduced by the plaintiff's witnesses. It emerges from a reading of the entire evidence that the plaintiff's shop had been opened much earlier than the defendant's shop, that there are no other shops in the locality which use trade names similar to those of the plaintiff and the defendant and that there is definite scope for confusion of the defendant's shop with that of the plaintiff's shop which had been started much earlier . The lower court is, therefore, fully justified in issuing the injunction.

32. At the same time there is no acceptable proof of any loss or damage actually caused to the plaintiff on account of the attempted passing off by the defendant. The conclusion of the court below that no damages can be awarded is accordingly upheld.

33. In the result, I find that there are no merits in the appeal, which is consequently dismissed and the lower court's decree affirmed. The respondent will have her costs of the appeal from the appellant.

34. Appeal dismissed.

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