

Ruston & Hornsby Ltd.

Vs

The Zamindara Engineering Co.

Civil Appeal No. 1274 of 1966

(J. C. Shah, V. Ramaswami-I JJ)

08.09.1969

JUDGMENT

RAMASWAMI, J. –

1. This appeal is brought by special leave from the judgment of the Allahabad High Court, dated November 23, 1965 in First Appeal No. 208 of 1958.
2. The appellant is a limited liability company incorporated under the English Companies Act with its registered officer at Lincoln, England. It carries on business in the manufacture and sale of diesel internal combustion engines and their parts and accessories. Ruston Hornsby (India) Ltd., a company registered in India under the Companies Act, 1956 is a subsidiary of the appellant. The respondent is a firm carrying on business in the manufacture and sale of diesel internal combustion engines and their parts. The appellant was a registered proprietor of the registered trade mark Ruston bearing Registration No. 5120 in Class 7 in respect of internal combustion engines. Ruston and Hornsby (India) Ltd., is the registered user of the said trade mark and manufactures in India and sells in India internal combustion engines under the trade mark "RUSTON". Sometime in June, 1955 the appellant came to learn that the respondent was manufacturing and selling diesel internal combustion engines under the trade mark "RUSTAM". On July 8, 1955 the appellant wrote through its attorneys a letter to the respondent and called upon it to desist from using the trade mark "RUSTAM" on its engines as it was an infringement of the registered trade mark "RUSTON". The defendant replied that "RUSTAM" was not an infringement of "RUSTON" as the words "RUSTAM INDIA" was used. On February 17, 1956 the appellant instituted a suit praying for a permanent injunction restraining the respondent and its agents from infringing the trade mark "RUSTAM". On January 3, 1958 the Additional District Judge, Meerut, dismissed the suit holding that there was no visual or phonetic similarity between "RUSTON" and "RUSTAM". The appellant took the matter in appeal in the Allahabad High Court. By its judgment, dated November 23, 1965, the High Court held that the use of the word "RUSTAM" by the respondent constituted infringement of the appellant's trade Mark "RUSTON" and the respondent should be prohibited from using the trade mark "RUSTAM". But the High Court proceeded to hold that the use of the words "RUSTAM INDIA" was not an infringement because the plaintiff's engines were manufactured in England and the defendants engines were manufactured in India. The suffix "India" would be a sufficient warning that the engine sold was not a "RUSTON" engine manufactured in England and the respondent may be permitted to use the combination "RUSTAM INDIA".

Section 21 of the Trade Marks Act, 1940 states :

"Subject to the provisions of Sections 22, 25 and 26 the registration of a person in the

register as proprietor of a trade mark in respect of any goods shall, give to that person the exclusive right to the use of the trade mark in relation to those goods and, without prejudice to the generality of the foregoing provision, that right shall be deemed to be infringed by any person who, not being the proprietor of the trade mark or a registered user thereof using by way of the permitted use, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered, and in such manner as to render the use of the mark likely to be taken either -

(a) as being used as a trade mark; or

(b) to import a reference to some person having the right either as a proprietor or as registered user to use the trade mark or to goods with which such a person as aforesaid is connected in the course of trade."

3. The distinction between an infringement action and a passing off action is important. Apart from the question as to nature of trade mark the issue in an infringement action is quite different from the issue in a passing off action. In a passing off action the issue is as follows :

"Is the defendant selling goods so marked as to be designed or calculated to lead purchasers to believe that they are the plaintiff's goods ?"

But in an infringement action the issue is as follows :

"Is the defendant using a mark which is the same as or which is a colourable imitation of the plaintiff's registered trade mark."

4. It very often happens that although the defendant is not using the trade mark of the plaintiff, the get up of the defendant's goods may be so much like the plaintiff's that a clear case of passing off would be proved. It is on the contrary conceivable that although the defendant may be using the plaintiff's mark the get up of the defendant's goods may be so different from the get up of the plaintiff's goods and the prices also may be so different that there would be no probability of deception of the public. Nevertheless, in an action on the trade mark, that is to say, in an infringement action, an injunction would issue as soon as it is proved that the defendant is improperly using the plaintiff's mark.

5. The action for infringement is a statutory right. It is dependent upon the validity of the registration and subject to other restrictions laid down in Sections 30, 34 and 35 of the Act. On the other hand the gist of a passing off action is that A is not entitled to represent his goods as the goods of B but it is not necessary for B to prove that A did this knowingly or with any intent to deceive. It is enough that the get-up of B's goods has become distinctive of them and that there is a probability of confusion between them and the goods of A. No case of actual deception nor any actual damage need be proved. At common law the action was not maintainable unless there had been fraud on A's part. In equity, however, Lord Cottenham, L.C., in *Millington v. Fox* (3 My & Cr 338) held that it was immaterial whether the defendant had been fraudulent or not in using the plaintiff's trade mark and granted an injunction accordingly. The common law courts, however, adhered to their view that fraud was necessary until the Judicature Acts, by fusing law and equity, gave the equitable rule the victory over the common law rule.

6. The two actions, however, are closely similar in some respects. As was observed by the Master of

the Rolls in Saville Perfumery Ltd. v. June Perfect Ltd. (58 RPC 147 at 161) :

"The statute law relating to infringement of trade marks is based on the same fundamental idea as the law relating to passing-off. But it differs from that law in two particulars, namely (1) it is concerned only with one method of passing-off, namely, the use of a trade mark, and (2) the statutory protection is absolute in the sense that once a mark is shown to offend, the user of it cannot escape by showing that by something outside the actual mark itself he has distinguished his goods for those of the registered proprietor. Accordingly, in considering the question of infringement the Courts have held, and it is now expressly provided by the Trade Marks Act, 1938, Section 4, that infringement takes place not merely by exact imitation but by the use of a mark so nearly resembling the registered mark as to be likely to deceive."

7. In an action for infringement where the defendant's trade mark is identical with the plaintiff's mark, the Court will not enquire whether the infringement is such as is likely to deceive or cause confusion. But where the alleged infringement consists of using not the exact mark on the register, but something similar to it, the test of infringement is the same as in an action for passing-off. In other words, the test as to likelihood of confusion or deception arising from similarity of marks is the same both in infringement and passing-off actions.

8. In the present case the High Court has found that there is a deceptive resemblance between the word "RUSTON" and the word "RUSTAM" and therefore the sue of the bare word "RUSTAM" constituted infringement of the plaintiff's trade mark "RUSTON". The respondent has not brought an appeal against the judgment of the High Court on this point and it is, therefore, not open to him to challenge that finding. If the respondent's trade mark is deceptively similar to that of the appellant the fact that the word 'INDIA' is added to the respondent's trade mark is of no consequence and the appellant is entitled succeed in its action for infringement of its trade mark.

9. We are accordingly of the opinion that this appeal should be allowed and the appellant should be granted a decree restraining the respondents by a permanent injunction from infringing the plaintiff's trade mark "RUSTON" and from using it in connection with the engines, machinery and accessories manufactured and sold by it under the trade mark of "RUSTAM" or "RUSTAM INDIA". The appellant is also entitled to an injunction restraining the respondent and its agents from selling or advertising for sale of engines, machinery or accessories under the name of "RUSTAM" or "RUSTAM INDIA". The appellant is also granted a decree for nominal damages to the extent of Rs. 100/-. The appellant is further entitled to an order calling upon the respondent to deliver to the appellant "price-lists, bills, invoices and other advertising material bearing the mark "RUSTAM" or "RUSTAM INDIA". The appeal is allowed with costs to the above extent.

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