

# CALCUTTA HIGH COURT

Mac. Laboratories Private Ltd

Vs.

American Home Products Corporation

A.F.O.O. No. 61 of 1965

(P.B. Mukharji, J.)

14.05.1968

## JUDGMENT

### **P.B. Mukharji, J.**

1. This is a Trade Mark Appeal under Section 109 of the Trade and Merchandise Marks Act, 1958. The appellant is Mac Laboratories Private Ltd., a company with limited liability and incorporated under the Indian Companies Act and having its office at Great Social Building; 60, Sir Pherozechah Mehta Road, Bombay. The respondents are the American Home Products Corporation, a corporation incorporated in the United States of America having its office at 22, East 40th Street New York, United States of America and the Registrar of Trade Marks having his office in Calcutta.

2. The appeal arises out of the appellant's application made to the Registrar for removal of the trade mark 'Dristan' registered under No. 186511 in Class 5 from the register of trade marks. This mark 'Dristan' belongs to the American Company mentioned above. The application of the appellant before the Registrar was made under Section 56 of the Trade and Merchandise Marks Act, 1958.

3. The grounds on which the appellant made this application for removal of the trade mark 'Dristan' may be briefly stated. In the first place, the appellant's contention is that the trade mark 'Dristan' was registered without any *bona fide* intention on the part of the American Company for registration that it should be used in relation to their medicinal preparations for symptomatic treatment of respiratory ailments and that there has in fact been no *bona fide* use in India of the trade mark 'Dristan' in relation to the said goods by the American company up to a date one month before the date of the application of the appellants. The appellant's application for removal of the trade mark 'Dristan' was dated the 10th April 1961 and filed before the Registrar on the 13th April 1961. The other grounds are that the trade mark 'Dristan' was registered in contravention of Section 11 or the 1958 Act which corresponded to Section 8 of the Trade Marks Act 1940. Thirdly, it is also said that 'Dristan' "was not a distinctive mark" and could not be registered and it offends against the provisions of Section 11 of the Trade Marks Act, 1958. It has also been alleged as a ground for removal of the trade mark 'Dristan' that it is deceptively and

confusingly similar to another trade mark 'Bistan' registered under No. 122391 in Class 5 in the name of Messrs. Prof. Gajjar's Standard Chemical Works Ltd., Bombay and such trade mark 'Bistan' had been and was being used by its proprietors for several years past and in fact since the 4th June 1946. Finally, it is also a ground of the appellant that the trade mark 'Dristan' is deceptively similar to the trade mark "Tristine" which the appellant alleged to have been using since October, 1960 in respect of their medicinal preparations.

4. In fact, three marks are involved in this appeal. One is "Tristine" of the appellant; the second is "Dristan" of the American Company; the third is "Bistan". All these three marks are invented marks and are, therefore, prima facie distinctive. All these three marks are in respect of Class 5 of medicinal preparations for symptomatic treatment of respiratory ailments. The mark 'Bistan' was the earliest to be registered in the name of Gajjar's Standard Chemical Works Ltd., on the 4th June 1946. The mark 'Dristan' of the American Company was registered on the 18th August 1958 in India. The appellant's application for registration of the mark "Tristine" before the Registrar was dated the 31st May 1960.

5. Two preliminary points have been urged against this appeal by Mr. B. Das, learned counsel for the American Company. The first point is that the appeal is barred by limitation. The second point is that the appeal is not competent on the ground that the appellant is not an "aggrieved person" under Section 56 of the Trade Marks Act. Neither of these preliminary points appears to me to have any substance. I shall deal with them briefly. Regarding the first preliminary point that the appeal is barred by limitation as having been filed beyond time, the facts are these. The judgment and order of the Registrar of Trade Marks dismissing the appellant's application for rectification under Section 56 of the Trade Marks Act were delivered on the 7th December 1964. It is said that the last date for filing the appeal under Trade Mark Rule 121 was the 7th March 1965. It is contended that in fact the appeal was filed on the 25th March 1965 which is said to be a delay of eighteen days. In the application for admission of the appeal and the grounds thereof before the High Court and in paragraphs 6 and 7 of the petition of the appellant before this Court it is stated that the copy of the order and decision of the Registrar of Trade Marks dated the 7th December 1964 was sent under cover of a letter dated the 22nd December 1964 from the office of the Trade Marks Registry and was received by the Bombay Advocate of the appellant on the 26th December 1964 which was the first intimation to the appellant about the order and decision of the Registrar. It is also said there that the appellant applied for a certified copy of that order and decision on the 1st January 1965 and obtained the same on the 21st January 1965. The notice of appeal was received by the American Company on the 27th April 1965 and they entered appearance through Messrs. Orr Dignam and Co., a firm of Solicitors on the 13th July 1965. Thereafter diverse proceedings have been taken on this appeal. Draft index of paper-book was prepared on notice to the parties. Settlement of index was prepared on notice to the parties. But at no stage any objection with regard to limitation or delay was taken by the respondent American Company, nor was the statement of dates made in paragraphs 6 and 7 of the petition of the appellant for admission of appeal in this Court denied at these subsequent appearances by the respondent Rule 121 of the Trade Mark Rules provides as follows:- "An appeal to a High Court from any decision or the Registrar under this Act or the Rules shall be made within three months from the date of such decision or within such further time as the High Court may allow." In the first place, if the facts alleged by the appellant in the admission of appeal petition are admitted, as they must be, then there is no delay at all. Even if there is a delay it is at best a delay of eighteen days which in the circumstances and on the facts is such that the High Court will condone and

were it necessary, I would do so. Therefore, I shall hold that the appeal is competent and not barred by limitation.

6. The second preliminary point is that the appellant is not competent to make this application under Section 56 of the Trade and Merchandise Marks Act on the ground that the appellant is not an "aggrieved person". Section 56 (2) of the Act provides inter alia as follows:-

"Any person aggrieved by the absence or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to a High Court or to the Registrar and the Tribunal may make such order for making, expunging or varying the entry as it may think fit."

7. Therefore, it is said that the person who can make an application under this provision must be a person aggrieved".

8. The American Company contends that the appellant is not an "aggrieved person" because the appellant has not yet registered his mark "Tristine" whereas the American Company has already registered its mark 'Dristan'. The mark Dristan was registered after following the procedure laid down in the Trade and Merchandise Marks Act inviting opposition. There was no opposition either by the appellant or by proprietor of Bristan at the time when the American Company's mark was registered. It is, therefore, contended that the appellant is not a "person aggrieved" who can apply for rectification of a register and for removal of the American Company's registered trade mark "Dristan".

9. On behalf of the appellant it is contended that they have filed an application, being Application No. 196241, for registration of a trade mark consisting of the word Tristine in respect of medicinal and pharmaceutical preparations. This application of the appellant for registration of the mark Tristine was opposed by the American Company on the ground that it was deceptively similar to the mark 'Dristan'. It is said by the American Company that as a counterblast of their opposition, the appellants have filed this application for rectification and not really as a "person aggrieved" or who has any genuine or *bona fide* grievance.

10. The words "person aggrieved" under Section 56 (2) of the Trade and Merchandise Marks Act, 1958, should not be too narrowly and too artificially construed. This expression "any person aggrieved" is a well-known expression in Trade Mark Law. The consistent trend of decisions is in favor of a liberal construction of the expression "any person aggrieved". On the authorities as I find and as I read them, this expression "any person aggrieved" under Section 56 (2) of the Trade and Merchandise Marks Act, 1958, includes persons who are in some way or other substantially interested in having the mark removed and includes persons who are substantially damaged or prejudiced if the mark remained on the register. The registration of the mark "Dristan" is likely to prevent the registration of the appellant's mark "Tristine" on the ground of similarity or deception. In fact, that is the ground of American Company's objection to the registration of appellant's mark "Tristine". Then the appellant is an "aggrieved person" in the sense that if the mark "Dristan" should not have been in the register at all, then the appellant's mark "Tristine" would have a better chance of being registered. It is in my judgment, a sufficient interest which

brings him within the category of "aggrieved person" within the meaning of Section 56 (2) of the Trade Marks Act. The fact that Dristan has opposed registration of Tristine does not make the application for removal of Dristan on the ground that it infringes the requirements of the law under the Trade Marks Act anytheless bona fide. If it is a legal right, then the appellant is an "aggrieved person".

11. The authorities that I have in view in coming to that conclusion, are the observations of Chagla C. J. in *Ciba Ltd. v. Rama Lingum*<sup>1</sup>, at p. 60. In fact, Lord Herschell in *In re Powell's case, reported in*<sup>2</sup> at p. 7, made the following observations which are directly relevant on the points made in this appeal :-

"Wherever it can be shown, as here, that the applicant is in the same trade as the person who has registered the trade mark and wherever the trade mark, if remaining on the register, would, or might, limit the legal rights of the applicant, so that by reason of the existence of the entry on the register he could not lawfully do that which, but for the existence of the mark upon the register, he could lawfully do, it appears to me he has a locus standi to be heard as a person aggrieved."

12. In that case Lord Watson made similar observation by pointing out as follows :-

"In my opinion, any trader is, in the sense of the statute aggrieved" whenever the registration of a particular trade mark operates in restraint of what would otherwise have been his legal rights. Whatever benefit is gained by registration must entail a corresponding disadvantage upon a trade who might possibly have had occasion to use the mark in the course of his business."

13. On the facts, the appellant has certainly a very practical grievance and is an aggrieved person within the meaning of the Act. It is not on the facts of this case a mere sentimental grievance such as is illustrated by the Quaker case in *Re. Ellis and Co.*, (1904) 21 RPC 617. See also the authority of *Neostyle Mfg. Co. Ltd.'s Trade Mark case*, (1908) 20 RPC 803. The other decision relevant on the point supporting the view I am taking is *George Angus and Co. Ltd.'s case* reported in (1943) 60 RPC 29.

14. I am, therefore, bound to hold that the appellant is a person aggrieved and has locus standi to file the appeal and also to present the application under Section 56(2) of the Trade and Merchandise Marks Act.

15. A word here may not be inappropriate to state the facts of certain proceedings in Bombay. The Assistant Registrar of Trade Marks in Bombay came to the conclusion that the words 'Dristan' and 'Tristine' were not deceptively similar. An appeal was taken to the Bombay High Court. K. K. Desai J., allowed the appeal. The appellant filed an appeal to the Division Bench of the Bombay High Court from that decision. A Division Bench of the Bombay High Court with Tarkunde and Vimadalal, JJ., on the 19th April 1968

<sup>1</sup> AIR 1958 Bom 56

<sup>2</sup>(1894) 11 RPC 4

allowed the appeal with this direction that the appellants application be amended from the mark "Tristine" to "Tristinu" and setting aside the order of K. K. Desai, J. A part of the direction of the Division Bench of the Bombay High Court was upon the Registrar to consider whether in his discretion the amended application of the applicant should or should not be advertised. The present parties before me were also parties in the Bombay High Court proceedings. In any event, whether it is the mark 'Tristine' or 'Tristina', the appellant continues to be a "person aggrieved" within the meaning of the word used in Section 56 (2) of the Trade and Merchandise Marks Act and in the light of the decisions construing that expression.

16. The main point of merit in this appeal is the appellant's contention that the mark 'Dristan' was registered without any *bona fide* intention on the part of the registered proprietor, viz., the respondent American Company to use it in relation to the goods in respect of which it had been registered. It is also contended by the appellant that there had in fact been no *bona fide* use of the mark 'Dristan' in relation to these goods prior to the appellant's application for rectification.

17. The respondent American Company contests this argument in support of its case that it had the *bona fide* intention to use the mark 'Dristan' in relation to the goods in respect of which the mark was registered and that there has in fact been such *bona fide* use of the mark in relation to these goods prior to the appellant's application for rectification. It has used certain affidavit evidence. An analysis of that evidence shows the following facts in support of the respondent American Company. "Dristan" was adopted by the American Company in January 1956 and medicinal preparations bearing that trade mark were introduced in the United States and many other countries of the world. It appears from the affidavit of the Vice-President of the respondent American Company that some time in 1957 it was decided to introduce this trade mark in India. The facts on which the American Company relies are (1) that these medicinal preparations under their trade mark should be introduced in India through a company called 'Geoffrey Manners and Co. Ltd., which is an Indian Company incorporated in India under the Indian Companies Act but in which the respondent American Company holds a substantial shareholding interest to the extent of about 40 per cent (2) that this Geoffrey Manners and Co. Ltd., was to be registered as registered users of the trade mark, (3) in fact the registered users' agreement between the respondent American Company and Geoffrey Manners and Co. Ltd., was executed on the 18th October 1961 and (4) on the basis of this arrangement Geoffrey Manners and Co. Ltd., obtained necessary license from the Government of India and commenced manufacture in India of these goods under the trade mark 'Dristan' from the 23rd October 1961 in accordance with the formula supplied by and in conformity with the standards and specifications prescribed by the respondent American Company. The agreement between Geoffrey Manners and Co. Ltd. and the respondent American Company is that the former undertakes to manufacture in India these medicinal preparations under the trade mark 'Dristan'. On the 23rd September 1960 Geoffrey Manners and Co. Ltd., made an application to the Ministry of Commerce and Industry, Government of India for a license under the Industries (Development and Regulation) Act, 1951. In fact a license was issued by the Government of India on the 19th January 1961. On the 23rd January 1961 Geoffrey Manners and Co. Ltd., applied to the Drugs Controller, Bombay for a license under the Drug Rules and such licence was granted on the 10th February 1961. It is the case of the respondent American Company that on the 22nd October, 1961 Geoffrey Manners and Co. Ltd., introduced into the market in India these medicinal preparations under the trade mark 'Dristan'. From these facts the Registrar came to the conclusion that since 1957 the respondent American Company was making efforts to introduce the mark 'Dristan' in India and that at the time when they applied

for registration of the mark they had bona fide, intention, to use the mark in India.

18. The reasons which found favor with the Registrar of Trade Marks in coming to the conclusion that the respondent American Company had *bona fide* intention to use the mark 'Dristan' in India may now be briefly stated. He comes to the conclusion that the law on this point does not mean that the applicant for the registration of a mark should intend to manufacture the goods himself and apply the trade mark to such goods, or that an applicant should be regarded as having no intention to use the mark himself if he proposed to get the goods manufactured and sold under his mark by some one on his behalf under a contract or some other arrangement and under his strict control. In coming to this conclusion on this particular branch of the controversy and upon this point, the Registrar relied on the decision of Lloyd Jacob, J. in "Bostitch's" case (1963) RPC 183, Following that decision the Registrar holds that the mere fact that at the time of making the application for registration the respondent American Company's intention to introduce the mark in India through Geoffrey Manners and Co. Ltd., by entering into an agreement with the latter for manufacture and sale of goods under their mark was no ground for holding that the respondent American Company had no *bona fide* intention to use the mark by themselves. The Registrar also rejected the argument on behalf of the appellant that the fact that the respondent American Company intended to register Geoffrey Manners and Co. Ltd., as registered user of the mark did not prejudice the respondent American Company in their contention. According to the Registrar there is no reason why the registered proprietors should be regarded as having no *bona fide* intention to use the mark themselves merely because they had an intention to employ a registered user for the mark. He came to the conclusion that the intention to use the mark by the registered proprietors themselves and the intention to license the mark are two different matters and they were not mutually exclusive. He quotes the inscription on the carton of Geoffrey Manners and Co. Ltd., in these terms :

"Made in India by Geoffrey Manners and Co. Limited, Magnet House, Dougali Road, Bombay, for the proprietors Whitehall Laboratories, New York, N.Y., U.S.A."

19. Therefore, the Registrar came to the conclusion that Geoffrey Manners and Co. Ltd., were described only as the makers of the goods for the proprietors and not as a licensee.

20. The other branch of the logic of the Registrar rested on the submission of the appellant, which he rejected, that there has been no *bona fide* use of the mark 'Dristan' in India prior to the application for rectification and that the use of samples for the particular limited purpose in the facts of this case did not amount to user in the normal trade channels. For this the Registrar relied on the Notes of Official Rulings, reported in (1944) 61 RPC 148.

21. On these two major reasons the Registrar of Trade Marks held that the appellants had failed to make out a case under Section 46 (1) (a) of the Trade and Merchandise Marks Act for the removal of the respondent American Company's mark 'Dristan' from the register.

22. The Registrar also dealt with the third point of submission made on behalf of the appellant. That contention was that as the Whitehall Laboratories were shown as proprietors of the mark on the carton quoted above, the respondent American Company, American Home Products Corporation, could not claim to be the true proprietors of the mark 'Dristan'. The Registrar

rejected that contention because, (1) it was a point not taken in the application for rectification and (2) because the carton in question was admittedly issued after the application for rectification was filed. He also came to the finding that Whitehall Laboratories were an operating division of the respondent American Company, American Home Products Corporation and not a separate corporate entity. There is some correspondence on the record with the Home Products International Limited, which the Registrar found to be a wholly owned subsidiary of the respondent American Company, American Home Products Corporation.

23. This in brief is the reason for the Registrar's decision for dismissing the appellant's application for rectification. He, however, made a correction in the entry by the variation which he directed amending the registered proprietors' name to read as "American Home Products Corporation (a Corporation organized under the laws of the State of Delaware, United States of America), trading as Whitehall Laboratories". It is against the entire decision of the Registrar that the present appeal has been filed before this Court.

24. Certain fundamental questions of importance in trade mark law have been raised in this appeal. They relate to the problem of bona fide, intention to use the trade mark by an applicant for registration of the trade mark and the question that use by Geoffrey Manners and Co. Ltd., in this case is not use by the registered proprietors, the American Home Products Corporation. The problem acquires a larger significance because "Bostitch's case, (1963) RPC 183, on which the Registrar relied, has lost considerably its authority by the subsequent recent decision in Pussy Galore's case, reported in (1950) 67 RPC 265. Incidentally, this appeal also raises the question of the nature of the use of samples which could be considered as normal use for the purpose of trade channel. Lastly, this appeal raises the question how far agency operates in the trade mark law.

25. The opening words of Section 18 (1) of the Trade and Merchandise Marks Act, 1958, are, inter alia, as follows :

"Any person claiming to be proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it shall apply in writing to the Registrar in the prescribed manner".

The question is that the person claiming to be the proprietor has to establish that the trade mark is used or proposed to be used by him. The words 'by him in Section 18 (1) are the crucial words in deciding the controversy in this appeal. It is the contention of the appellant that the respondent American Company, the American Home Products Corporation, did not use or propose to use itself that mark 'Dristan'. The attempted user of the mark 'Dristan' by Geoffrey Manners and Co. Ltd., by allowing them to manufacture under a license in India with the permission of the Government and then use the trade mark 'Dristan' upon such manufactured goods was not a kind of permitted user or agency justified by the Trade and Merchandise Marks Act, 1958.

26. This argument of the Appellant is supported by certain major considerations. The only agency or substitute for the registered proprietor recognized by the Trade Mark Law in India is first under Section 45 (1) of the Trade and Merchandise Marks Act which permits proposed use of trade mark by a company to be formed. It says an application for registration of a trade mark will not be refused only on the ground that the applicant does not use or propose to use the trade

mark if the Registrar is satisfied that a company is about to be formed and registered under the Companies Act 1956 and that the applicant intends to assign the trade mark to that company with a view to the use thereof in relation to those goods by the company. Section 45 of the Trade and Merchandise Marks Act 1958 is therefore, in fact, one exception to Section 18 of the Act so far as the limitation of the expression "by him" is concerned in Section 18 (1) of the Act. The second exception is in Section 48 of the Act which provides inter alia that "a person other than the registered proprietor of a trade mark may be registered as the registered user thereof in respect of any or all of the goods in respect of which the trade mark is registered otherwise than as a defensive trade mark". By this Section 48 the Central Government has control and can impose conditions for preventing "trafficking in trade marks". This permitted use of a trade mark by the registered user under Section 48 of the Act is expressly deemed to be user by the registered proprietor by virtue of the clear terms of Section 48 (2) of the Act.

27. The expression "trafficking in trade mark" under Section 48 (1) of the Act appears to indicate that the law is jealous and strict in permitting the use of the mark by persons other than the registered proprietor thereof on the ground that to be law (Sic) on that point would be to permit trafficking in trade marks. The whole procedure for registered user is so strict that the real decision to permit registered user rests with the Central Government and not with the Registrar of Trade Marks under the Indian Act. Section 49 of the Trade Marks Act makes it quite clear. In the first place, it requires that there should be a joint application between the registered proprietor and the proposed registered user in writing to the Registrar in the prescribed manner. In the second place, it requires that such application should give certain particulars about the agreement subject to the conditions or restrictions with respect to the characteristics of the goods, to the mode or place of permitted use or to any other matter. The Registrar upon receiving such an application under Section 49 (1) of the Act forwards the application together with his report and all relevant documents to the Central Government under Section 49 (2) of the Act. Thereafter the Central Government records all the circumstances of the case and the interests of the general public and the development of industry, trade or commerce in India. Upon a consideration of these factors, the Central Government may direct the Registrar to refuse the application or to accept the same absolutely or subject to conditions, it being no doubt provided that if the application is refused the applicant should be given an opportunity of being heard. All this will be clear from Section 49 (3) of the Trade Marks Act. Finally, when the Central Government has issued such direction either to refuse or to accept as above, the Registrar is directed to dispose of the application in accordance with the directions issued by the Central Government. This is a peculiar procedure adopted under the Indian Statute. What the Registrar does in the case of the registered user is to function more or less as a post office carrying out the behest of the Central Government. It is a jurisdiction very different from the jurisdiction exercised normally by the Registrar of Trade Marks. This jurisdiction is also non-appealable so far as this Court is concerned because Section 109 of the Trade Marks Act expressly provides inter alia that "no appeal shall lie from any decision, order or direction made or issued under this Act by the Central Government or from any Act or order of the Registrar for the purpose of giving effect to any such decision, order or direction.

28. The Trade Marks Rules made under the Act make elaborate provisions for dealing with application for registration as registered user. They are to be found under Rules 82 to 93 of the Trade Marks Rules. Under Rule 85, one of the first considerations which the Central Government has to take into account is whether the permitted use, if allowed, by the registered user would

contravene the policy of the Act which is to prevent "trafficking in trade marks".

29. "Trafficking in trade marks" is therefore one of the anxious concerns of the Trade Mark Law. It is one of the major concerns of the Trade Marks Act not to permit trafficking in trade marks not only in the interests of the persons directly affected but also for the larger interests of the public and the purity of the Trade Marks Register in such public interest. The whole doctrine of "Trafficking in Trade Marks" is therefore a guard against unauthorized, spurious and miscellaneous user of a trade mark by a person or authority or institution other than the registered proprietor thereof.

30. Although the Indian Trade and Merchandise Marks Act 1958 has used the U. K. Act largely as its model, yet there are important differences. There is a very important difference on this particular point in this discussion of Sections 18, 45 and 48 of the Indian Act. It will be necessary to notice that distinction because that will be material for understanding and applying certain case law in the present appeal. Section 45 (1) is broadly comparable with Section 29 (1) (a) of the British Trade Marks Act 1938. But the provision of Section 29 (1) (b) of the British Trade Marks Act, 1938, has not been enacted in Section 45 of the Indian Act. The Indian section relating to registered user in Section 48 of the Indian Act has certain broad points of comparison with Section 28 of the British Act.

31. What follows from this is that under Section 29 of the British Act no application for registration of a trade mark shall be refused on the ground only that it appears that the applicant does not use or proposes to use the trade mark in the two cases mentioned there under sub-clauses (a) and (b). Sub-clause (a) refers to the company about to be formed. Sub-clause (b) refers to the case of a registered user of the trade mark. Sub-section (2) of Section 29 of the British Act clearly provides that Section 26 of the British Act dealing with the removal from register and imposition of limitation on grounds of non-use shall have effect on the trade mark register under power conferred by sub-section (1) of Section 29 of the Act as if the proprietor was substituted by a reference to the corporation or registered user, as the case may be. The whole procedure for registered user as laid down in Section 49 of the Indian Act is different from the British Act.

32. In order to appreciate this distinction, which will be relevant to bear in mind in applying the law to the facts of this appeal a short reference will be necessary to explain why this distinction was made in India. The Trade Marks Enquiry Committee's Report, 1954 recommended certain amendment of the old Section 39 of the previous Indian Act. That recommendation is to be found in paragraph 53 of that report. In paragraph 54 of the report of the Trade Marks Enquiry Committee, 1954 a suggestion was made by means of citation of an example in these terms :

"Section 36 contains no provision similar to that embodied in paragraph (b) of Section 29 (1) of the United Kingdom Act. We can think of no good reason for this omission, but on the contrary can readily visualise the considerable hardship it has caused and if unrepaired could continue to cause, to commercial interests in India. For instance, financing corporations and other bodies holding a controlling interest in subsidiary companies e. g., J. K. Industries, have not been able validly to register marks in their own name as the law stands. A further example would be a case in which a foreign concern desired to conclude

arrangements with an Indian firm to manufacture certain goods in India on behalf of the foreign concern. As the Act stands, the latter would be unable validly to register its trade mark in India, having no intention itself to use the mark in this country and would probably and naturally be unwilling to allow its own valuable trade mark to be registered here in the name of a manufacturer. The difficulty which thus exists under the Act in its present form would be removed if the provisions of paragraph (b) of Section 29 (1) of the United Kingdom Act were incorporated in Section 36 of the Indian Act and we recommend that the latter section should be so amended and should otherwise be brought into light with Section 29 of the United Kingdom Act".

33. This was the origin of the Indian departure from the British Act. The proposal was made clearly to introduce provisions of Section 29 (1) (b) of the U. K. Act into India. It is equally clear that this proposal was rejected. This was followed by a report of Mr. Justice Raja Gopala Ayyangar on Trade Marks Law Revision in 1955. This Ayyangar Committee rejected the proposal of the report of the Trade Marks Enquiry Committee. In paragraph 218 this is what Mr. Justice Raja Gopala Ayyangar observed:

"I am against the proposal of the Committee. In my opinion the question is whether in the context of the conditions prevailing in this country such a provision would not really lead to a trafficking in marks. The questions which arise in this regard are two. (1) Is it necessary to confer a right to register a mark on a person who does not intend to use it himself but contemplates merely permitting others to use it? (2) Whether it is in the public interest that such permission should be granted to enable a person to be registered in such circumstances? The Committee in their report have referred to the evidence tendered on behalf of Messrs. J. K. Industries in support of their recommendation. Having gone through the memorandum submitted on behalf of this group as well as oral evidence tendered on their behalf, I am unable to agree with the conclusion of the Committee. In my opinion any such provision is likely to encourage and indeed provide legislative sanction for a trafficking in marks. There is no real analogy between the case covered by the present Section 36 (1) and what is proposed by the Committee because in the former case the entire property in the mark would vest in the company on its registration and remain with them and there is no intention on the part of the registered proprietor to retain in himself any interest after the company comes into existence and obtains the assignment. In the latter case, however, the registered proprietor never intends to use it himself but merely desires to capitalize and derive profit from the reputation which he believes he has acquired in other fields than in the trade in goods in respect of which he desires the mark to be used. Notwithstanding that the law is different in the United Kingdom I do not consider that there is any justification or necessity to have a provision corresponding to Section 29 (1) (b) of the English Act in our Act".

34. It was Mr. Justice Raja Gopala Ayyangar's report which was accepted on this point. The conclusion to be derived from the history of this branch of Trade Mark Law in India is that the

Indian Law is jealously guarding against trafficking in trade mark. This is a question of grave public importance in this country. India as an economic market, both present and prospective, has to be legally protected so far as trade mark is concerned. To allow trafficking in trade marks in any shape or form or under any cover would be disastrous for Indian economy. That is the reason as I read it why the Indian Act of 1958 did not introduce this specific provision of Section 29 (1) (b) of the U. K. Act but made a departure from it.

35. Apart from these two cases of agencies or quasi-agency, namely, (a) a company to be formed and (b) in the case of registered user, the Indian Trade Marks Act also provides for assignment of a trade mark. Section 2 (1) (a) of the Indian Act defines assignment as an assignment in writing by act of the parties concerned. Chapter 5 containing Sections 36 to 44 of the Indian Act sets out the provisions for assignment and transmission of trade mark. Section 36 gives the power to the registered proprietor to assign the trade mark and to give receipt for any consideration for such assignment. Section 37, inter alia, provides that the registered trade mark shall be assignable and transmissible whether with or without the good-will of the business concerned. Sections 39 and 40 deal with restrictions on assignment and deal, inter alia, with such questions of resemblance, deception and confusion. Section 41 inter alia deals with the conditions of assignment otherwise than in connection with the goodwill of a business. Section 44 inter alia provides for registration of assignment. With appropriate safeguards, therefore, the Indian statute is liberal enough to provide for assignment of trade marks.

36. It is therefore contended on behalf of the Appellant that the Indian Trade Mark law recognizes only three well-known methods of use of the trade mark by persons other than the proprietor in the case of (1) a company to be formed, (2) a registered user and (3) an assignment. There are no other methods of agency recognized by the Trade Mark Law in India by which other persons could be appointed as an agent to use the trade mark of the proprietor. This argument raises a very important principle. The preamble of the Trade and Merchandise Marks Act 1958 emphasizes that it is "An Act to provide for the registration and better protection of trade marks and for the prevention of the use of fraudulent marks on merchandise".

37. In the light of these observations it will be necessary now to examine some of the decisions and authorities on the point. In discussing such authorities it will be proper to bear in mind that the law requires certain conditions to be fulfilled before registration of a trade mark. Secondly, the law also requires certain conditions to be fulfilled after registration, the non-observance of which might lead to the removal of the trade mark from the Register.

38. Now, taking the law before registration is made it is clear from Section 18 (1) of the statute that he must satisfy the condition that the proprietor of a trade mark inter alia must use or propose to use the mark himself by reason of the expression "by him" appearing in that section. Does the expression "by him" include somebody else "other than he" who is neither a company nor a registered user nor an assignee? The older English cases are relevant on the point before the new U. K. Trade Marks Act came into operation.

39. The leading case on that branch is *In re Batt (John) and Co.'s Registered Trade Marks and In re Carter's Application for a Trade Mark*<sup>3</sup>, It lays down the principle that "a trader cannot properly register a trade mark for goods in which he does not deal or in which he has not, at the time of registration, some definite and present intention to deal". The Court of Appeal in affirming the decision of Romer J. in that case observed as follows :

"Where there had been no real user of a trade mark before or since its registration and it had been registered in a particular class, without any *bona fide* intention to use it in that class, the Court, on an application made under Section 90 of the Act of 1883 by another trader to register a nearly identical mark in respect of that particular class, rectified the Register by expunging the existing mark as an entry made without sufficient cause; and directed the Comptroller to proceed with the registration of the applicant's mark".

40. Romer J. at p. 436 in the above decision lays down the principle: "I take it to be clear that if persons register new trade marks, which they say they intend to use, they must, at the date of registration, have a *bona fide* intention of using those trade marks in respect of the goods for which they register them. The learned Judge, therefore, clearly lays down that this *bona fide* intention to use the trade mark must be existing at the date of the registration of the trade mark and not subsequently.

41. In discussing the principle behind this law, the learned Judge at the same page 436 points put as follows :

"One cannot help seeing the evils that may result from allowing trade marks to be registered broadcast, if I may use the expression there being no real intention of using them, or only an intention possible of using them in respect of a few articles. The inconvenience it occasions, the cost it occasions, is very large and beyond that I cannot help seeing that it would lead in some cases to absolute oppression and to persons using the position they have obtained as registered owners of trade marks (which are not really *bona fide* trade marks) for the purpose of trafficking in them and using them as a weapon to obtain money from subsequent persons who may want to use *bona fide* trade marks in respect of some classes in respect of which they find those bogus trade marks registered. Indeed, it appears from the evidence of several experts that a system of trafficking in trade marks appears to be carried on at the present day".

42. The above case went up before the English Court of Appeal on the Bench of Lindley M. R., Chitty and Collins L. JJ. Lindley M. R. at pp. 489-40 poses the question and gives the answer in this way :

<sup>3</sup>1898-2 Ch 482

"A question of law then arises which may be stated shortly as follows: Can a man properly register a trade mark for goods in which he does not deal or intend to deal meaning by 'intending to deal' having at the time of registration some definite and present intention to deal in certain goods or descriptions of goods and not a mere general intention of extending his business at some future time to anything which he may think desirable. This question we answer in the negative".

43. The next case is of *In re, Neuchatel Asphalte Co.'s Trade Mark*, as reported in 1913-2 Ch 291. This case is important because it emphasizes Lindley M. R.'s observation in *Bait's* case

about the "present intention at the time of registration". Sargant J. at p. 302 of the Report in 1913-2 Ch. D. 291, observed as follows :

"Applying this test I am constrained to say that there is not a present intention to deal, though I think there is a desire to deal, if and so far as the Val de Travers Company do not prevent it, with the goods under this Trade Mark. I think it may well be that in the year 1926 steps will be taken by the Neuchatel Company to deal with the goods in that way, but that seems to me to be too far off and too remote".

44. The learned Judge in Neuchatel Company's case quotes Lord Halsbury's interlocutory observation in Batt's case which is not to be found in the Report of 1898 but in (1899) 16 RPC 411, where at p. 413 Lord Halsbury observed : "The Trade Marks Acts are not for copy right in marks, they are to protect trade marks. If you have no case you are claiming only copy right, you are not claiming for the purpose of protecting your trade". Sargant J. observed at pp. 302-3 in 1913-2 Ch 291, observed as below :

"Here, although the goods of the applicants have in fact been sold in this country, they do not seem to me to have been sold in any way in connection with any trade or business as belonging to the applicants, or in such a way as to create a trade or business on their behalf, or a good deal in any trade or business which is protected under the Trade Marks Act".

45. The last of this series of cases relevant on this point is *In re, Ducker's Trade Mark*, (1928) 1 Ch 405. It is a direct authority on the proposition that the *bona fide* intention to use a trade mark in connection with the goods for which it is registered, as required by Section 37 of English Trade Marks Act of 1905, means a definite and present intention on the part of the proprietor so to use it and the section is not satisfied by a precautionary registration with a contingent intention of using the mark if occasion required. Nor is that section satisfied by an intention to assign the mark to a limited company for the purpose of such user. This is a case which supports the appellant's submission on the point. Tomlin J., delivered the judgment in this case. At page 409 the learned Judge observed :

"I am quite satisfied that at the time of registration Mrs. Ducker had no intention of using the mark herself and that neither she nor her husband Noel would ever have dreamed of going into business for the purpose of marketing hair-dyes in their own names or otherwise than through the hand of a limited company". This the learned Judge held was not enough. The learned Judge also observed at the same page :

"Although no doubt there was an intention of some sort of use the mark; that is to say, that the mark was thought to be something which some day might be useful, I do not think that there was at the time of the registration any definite and present intention to use it within *In re, Bart's Trade Marks*, (1898) 2 Ch 432, the language of which is as appropriate today as when that case was decided".

46. Tomlin J., also at pages 409-10 indicated what the position was before the statutory

amendment came in the United Kingdom by making the following observations :

"Moreover on the construction of Section 37 (Trade Marks Act, 1905) the intention to use means an intention to use by the person who registers. It is not open to a man to register a mark and say : 'I do not intend to use this mark myself, but I intend at some later stage or shortly to form a company and transfer the mark to them with a view to their using it'. That is not the *bona fide* intention to use or user by the applicant for registration which Section 37 requires".

47. Now that is a very pertinent observation of Tomlin J. Tomlin J. was construing Section 37 of the 1905 Trade Marks Act in U.K. when that exception in favor of the company to be formed had not been introduced and he came to the conclusion that the intention to use must be by the person who registers. Now that the statutory amendment in 1938 in the U. K. Act has permitted an exception to be made, inter alia, in favor of a company to be formed, such exception can only be limited to what is created by the statute and no more.

48. In that view the submission of the appellant before me in this appeal should be accepted on the ground that except to the extent and manner permitted by the Trade and Merchandise Marks Act, 1958 in India the *bona fide* intention to use the mark must be of the person registering and not of somebody else other than those for whom the statute has made express exceptions. It is a personal right, requiring a personal intention present at the time of registration of the trade mark. It gives many legal facilities. It cannot be the intention of the Law of Trade Marks that that *bona fide* intention to use instead of being in the person registering could be expressed by a proxy which is not a statutory proxy recognized by the statute. That is exactly what opens the doors of trafficking in trade mark, which the trade mark law intends to prevent. It also creates the difficult situation that such agents are not within the control of the Registrar or any other public control. Unauthorized agents in trade mark would be beyond such public control and will be only controlled by such private arrangements that they may have with the registered proprietor. That is precisely what I think was intended to be avoided and to permit such a course would be to encourage trafficking in trade marks, the very mischief the law wanted to remedy. For such an agent, who is not recognized by the statute the Trade Marks Act will not apply at all, there will be no protection of the public in that event and there will be no purity of the trade mark register in public interest in that case. It will be left purely to the chances of a private agreement or terms between the proprietor of a trade mark and his agents, secret between themselves and undisclosed to the public register. I do not think that such a consequence was contemplated by the Trade and Merchandise Marks Act in India. Registration of trade mark is a creature of statute. It is a special statutory right which must be confined within the four corners of the statute itself which creates and cannot be allowed to travel beyond. The common law of trade mark never provided for registration of trade mark and is based on the common law right to use one's name and the reputation that a trade name or mark has built up by user and is covered by the ordinary common law action for passing off whose essence is deception or confusion. It cannot be allowed to have the best of both the worlds of common law of contracts and agency and private arrangement on the one hand and also on the other hand the benefit of the statutory law under the Trade Marks Act, regarding registration of trade marks. If anyone could appoint an agent outside the Act to substitute for the registered proprietor of the trade mark, then there would be no need for making any provisions such as Section 18, Section 45, Section 48 and Section 44.

Registration under these sections in that case would not disclose the correct state of the use of trade mark in the country at all because unregistered agents will be operating in the entire field of trade using the trade mark and whose position will not be reflected in the Trade Mark Register under the Act.

49. Ducker's case, 1928-1 Ch 405 at any rate makes three propositions plain, (1) there must be definite and present intention of the person registering the trade mark, (2) that no precautionary registration is enough for this purpose and (3) that assigning the mark to a limited company is also not enough. Ducker's case, 1928-1 Ch 405 was affirmed on appeal reported in (1929) 1 Ch 113. Lord Hanworth at page 121 of that report expressed the view, "I think that the words proposed to be used' mean a real intention to use, not a mere problematic intention, not an uncertain or indeterminate possibility but a resolved or settled purpose which has been reached at the time when the mark is to be registered". The observations of Tomlin J. and of the Court of Appeal in Ducker's case are against the rather loose expression used in the decision of the Registrar of Trade Marks in the matter of an application by John Taylor Peddie reported in (1944) 61 RPC 31 at page 38 where the Registrar said :

"I think that in determining whether an applicant for the registration of a trade mark intends to use the mark in relation to the relevant goods in such a way as to justify registration, regard must be had to the difficulties and uncertainties of the present time and that a *bona fide* intention on the part of the applicant for registration to use as soon as conditions allow may under present conditions well be sufficient to support the application".

The time considered in that case was the year 1943, when the last World War was on. But in any event there the fact, that sufficient intention on the part of Peddie to use the mark was established and who had in fact purchased the good-will of the business also.

50. The learned Editor of the 9th Edition of Kerly on Trade Marks at page 50 notices the fact that foreign companies often desire that an extension of their business to other countries should be effected by a subsidiary company or some other party with whom they are contractually associated, but do not wish to run any risk of the right to the trade mark being vested in other hands and that this was exactly the reason why in the English Act Section 29 (1) (b) was introduced in the Trade Marks Act of 1938. In fact, this was what the respondent American Company in this case wanted to do and have done. It has signed an agreement for registered user and it is pending registration.

51. Having discussed the authorities on the *bona fide* intention to use the trade mark on the part of the owner of the trade mark at the time of registration, I shall now discuss the two main authorities on post-registration cases. Before I do so, it will be necessary to refer broadly to the relevant sections of the Trade and Merchandise Marks Act, 1958 on the point. Rectification and correction of the register are provided by Chapter VII of the Indian Act and covered by Sections 56 to 59 of the statute. Section 56 of the Act provides, inter alia, that on application made in the prescribed manner to a High Court or to the Registrar by any person aggrieved, the tribunal may make such order as it may think fit for cancelling or varying the registration of a trade mark on the ground of any contravention, or failure to observe a condition entered on the register in

relation thereto. The grounds there are contravention or failure to observe a condition entered on the register. This is sub-section (1) of Section 56 of the Act. But sub-section (2) of Section 56 provides that any person aggrieved by the absence or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to a High Court or to the Registrar and the Tribunal may make such order for making, expunging or varying the entry as it may think fit. Obviously, this sub-section (2) of Section 56 of the Act is much wider. Any person aggrieved can complain against any entry in the register either on the ground (i) that it is there without sufficient cause, (ii) that it is wrongly remaining on the register, (iii) any error and (iv) any defect.

52. Now, apart from rectification and correction under Chapter VII of the statute which I have just mentioned, there is another relevant provision for the purposes of this appeal and that provision is contained in Section 46 of the Act. Section 46 of the Act appears in Chapter VI of the statute dealing with "Use of Trade Marks and Registered Users". Section 46 of the Act deals particularly with the removal from register and imposition of limitations on ground of non-use. Section 46 provides, inter alia, as follows : -

"(1) Subject to the provisions of Section 47, a registered trade mark may be taken off the register in respect of any of the goods in respect of which it is registered on application made in the prescribed manner to a High Court or to the Registrar by any person aggrieved on the ground either -

(a) that the trade mark was registered without any *bona fide* intention on the part of the applicant for registration that it should be used in relation to those goods by him or in a case to which the provisions of Section 45 apply, by the company concerned and that there has, in fact, been no *bona fide* use of the trade mark in relation to those goods by any proprietor thereof for the time being up to a date one month before the date of the application."

53. This Section 46 permits a registered trade mark to be taken off the register, upon an application being made. The grounds on which the trade mark can be taken off the register are : (a) that it was registered without any *bona fide* intention on the part of the applicant for registration and (b) that there has, in fact, been no *bona fide* use of the trade mark in relation to these goods by any proprietor thereof for the time being up to a date one month before the date of the application. A glance at this Section 46 (1) (a) will at once show that it speaks of the *bona fide* intention on the part of the applicant for registration and that it speaks of the *bona fide* use of the trade mark in relation to those goods by the proprietor thereof. The emphasis on the words "applicant for registration" and "proprietor thereof" appears to indicate the intention that it is the proprietor or the applicant himself and no one else. This Section 46 (1) (a) has really two limbs joined together by the word 'and'. In other words, there must be, in the first place, a 'bona fide intention on the part of the applicant for registration that it should be used in relation to those goods by him' and, secondly, that such "bona fide use of the trade mark in relation to these goods by any proprietor thereof for the time being up to a date one month before the date of the application". The question here arises also whether the use by the subsidiary company Geoffrey Manners and Co. Ltd., in whom, it is said, that the respondent American Company has forty per

cent share capital and who is a separate legal entity altogether, could be said to be a use by the proprietor thereof. Use by such a company who is neither an assignee nor a registered user cannot in my judgment come within the use by the proprietor of the mark within the meaning of Section 46 (1) (a) of the Trade and Merchandise Marks Act, 1958.

54. Having cleared the grounds about the statutory position in India on this point, I shall now refer to the two cases, the Bostitch's case and Bowden's case, reported respectively in 1963 RPC 183 and (1913) 30 RPC 580.

55. In Bostitch Trade Mark case, reported in 1963 RPC 183, a foreign owner of a trade mark sold his goods in U.K. through a distributor. When war-time conditions made import impractical, the trade mark proprietor assisted the distributor to manufacture some of the goods locally and in advertising the goods and the distributor indicated that they were part of the trade mark owner's range. In course of time, the distributor produced other goods which he sold under that trade mark. When a disagreement arose between the parties, the trade mark owner withdrew his consent to the distributor making any further use of the trade mark. The distributor contended that as there had been no registered user agreement and as the mark had come to signify to the public goods of the distributor's manufacture, the mark was now distinctive of the distributor, he moved to have the existing registration expunged.

56. Lloyd-Jacob J. who decided the case came to the following conclusion, namely, a that the failure to enter into a registered user agreement was immaterial because such agreement would not provide a protective cover for a use of the trade mark which would otherwise be deceptive, or confusing; (2) that by advertising themselves as being distributors of the trade mark owner's goods, the distributors maintained a connection in the course of trade between the goods and the trade mark owner; (3) that the mark had not been used in a deceptive or confusive manner and, therefore, should not be expunged. The learned Judge observed that nothing under Section 28 of the U. K. Trade Marks Act, 1938, justified the view that an arrangement between the trade marks user and its owner needed to be registered, still less that failure to register had any effect on the validity of the mark. The view was expressed by the learned Judge that a trade mark owner could modify the way his goods reached the market such as by changing the locality of manufacture or employing the sub-contractor to produce the goods and his mark only became vulnerable if he permitted its use in a manner which was calculated to deceive or cause confusion. A particular observation of Lloyd Jacob J. on which the Registrar of Trade Marks relied before me appears at p. 197 of the Report and is in these terms :

"There is nothing in the Trade Marks Act or in the principles of Trade Mark law which have been developed thereunder which requires a proprietor of a registered trade mark to refrain from introducing modifications or variations in the goods to which he applies his mark or in the manner in which they read the mark. If he should find it convenient to transfer manufacture from one locality to another, or procure his supplies from sub-contractors, or arrange for assembly of completed articles by someone of his choice in lieu of doing it himself, these and a vast number of other possible changes in procedure are his sole concern. His mark only becomes vulnerable in this connection if he permits its use in the manner which is calculated to deceive or cause confusion."

57. This observation really has been the sheet-anchor for the respondent American Company in this appeal. The facts of Bostitch's case, 1963 RPC 183, therefore require careful examination, for, without such scrutiny of the facts in that case, it will not be possible to appreciate the observation quoted above. In Bostitch's case, 1963 RPC 183, the interest of McGarry and Cole Ltd., the English Company was expressed in advertisements to be as distributors in the U.K. of Bostitch, the world's largest range of staplers and stapling machines. All such machines bore a representation of the trade mark and an indication of the American origin. Samples of the machines and all the containers in which they were distributed as well as of publicity materials made available in the U.K. were exhibited. In certain instances, stapling machines so procured from America were resold not precisely in the condition in which they were received but they were associated with the frame or set-up by which their stapling efficacy was made available for use in a particular manner. It is also on record in that case that the American Company supplied detailed operating instructions, blueprints of machine set-up and full particulars of staple shapes and dimensions and that McGarry and Cole were not able to put the machines into effective production until after one of the mechanics of the American Company had journeyed from America to England.

58. The outstanding fact remains in Bostitch's case, 1963 RPC 183, that the British concern was a distributing agent for the American concern. The second outstanding fact is that the case dealt only with Section 28 of the British Trade Marks Act relating to registered users. The third distinguishing feature of Bostitch's case, 1963 RPC 183, is that there was no actual registered user agreement as there is in the present case before me. The most distinguishing feature is that Bostitch's case does not at all deal with other sections in the U.K. Act which are comparable to Section 18, Section 45 and Section 48 of the Indian Act subject no doubt to its special variations and departures.

59. It has been contended on behalf of the respondent American Company that here also the respondent American Company has permitted the use by Geoffrey Manners and Co. Ltd. of its trade mark on the goods to be manufactured by Geoffrey Manners and Co. Ltd. and the trade mark and the sale of the goods should clearly show that they are using the trade mark of the American Company. That fact is supposed to give similarity between Bostitch's case and the present appeal. But the similarity ends there. The similarity also is deceptive because the nature of arrangement between the American Company and the British Company in Bostitch's case was very different from the arrangements here between the respondent American Company and Geoffrey Manners and Co. Ltd.

60. But the greater difficulty is created by the more recent decision of Pussy Galore Trade Mark case, reported in 1967 RPC 265. This is a case which dealt directly with the question before me in the present appeal relating to the meaning and interpretation of the expression "by him" used in Section 17 (1) of the U.K. Trade Marks Act, 1938 and also used in Section 18 of the Trade and Merchandise Marks Act, 1958, in India, a point which distinguishes Bostitch's case. It was decided in Pussy Galore's case that there the Registrar's decision where he said at p. 266 : "In my view the words proposed to be used 'by him' in Section 17 (1) would ordinarily be taken to mean proposed to be used by the proprietor himself or by his servant or agent whose actions would in law be regarded as his own and not proposed to be used by someone else merely under the control of the proprietor", was upheld by the Judge, Mr. Tookey, Q.C., at p. 269 of that report in

these terms : -

"Having carefully considered the relevant sections of the Act, I conclude that the Registrar's decision is right. In my view, Section 17 has the limited meaning attributed to it by the Registrar. There is no difficulty about the case of servants and agents, because although various executive acts may be performed by them on behalf of their principal who is the applicant for the mark, the use of the mark vis-a-vis the public is by the applicant and no one else.

61. The learned Judge Mr. Tookey, Q.C., in *Pussy Galore's case*, 1967 RPC 265, further observes on the point of construction at p. 269 of the report as follows : -

"Whatever alternative course might have been open to the Legislature to cover such a situation, it is plain in my view that the course actually taken in the Act is to deal with intended use by a body corporate about to be constituted or by a registered user as particular cases which are made the subject of special dispensation from the effect of Section 17. This dispensation which is provided by Section 29 (1) is based on the assumption that, but for its provisions, there would be an objection to an application on the ground of lack of intention to use the mark on the part of the circumstances with which the section deals. Section 29 (2) contains a complimentary provision to protect the proprietor of a mark from a similar objection in rectification proceedings under Section 26 after registration has been effected.

The foregoing interpretation of the Act appears to me to be in conformity with the general tenor of the Act which does not anywhere contemplate legitimate use of a registered trade mark otherwise than by the registered proprietor or by a registered user. I leave aside, of course, possible cases of concurrent user and the like. Therefore, I can see no ground for giving Section 17 the broad meaning for which the applicants have contended.

62. These observations are directly contrary to the observations of Lloyds-Jacob, J., in *Bostitch's case*. No doubt *Pussy Galore's case* does not exclude the case of 'servant or agent', but then the *Pussy Galore's case* makes it clear that such servant or agent must be a person whose actions in law will be regarded as those of the proprietor himself "and not proposed to be used by some one else merely under the control of the proprietor". The question directly arises then, is *Geoffrey Manners and Co., Ltd.*, a servant or an agent within the meaning of the decision of *Pussy Galore's case*? The answer can only be in the negative. *Geoffrey Manners and Co. Ltd.* is a company incorporated in India under the Indian Companies Act. It is a legal entity, independent and self-sufficient. It will not be possible to pierce the veil of this independent legal entity and enter the speculation about the fact that forty per cent of the share capital of *Geoffrey Manners and Co. Ltd.*, is controlled by the respondent American Company. See *Tata Engineering and Locomotive Co. Ltd. v. State of Bihar*, reported in<sup>4</sup> at pp. 46-47. Even if that fact is taken into consideration, that does not improve matters for the respondent American Company, for, in that case, *Geoffrey Manners and Co. Ltd.* is only a person who is under the 40 per cent control of the proprietor at best, which is not sufficient according to *Pussy Galore's decision* to make *Geoffrey*

Manners and Co. Ltd. a servant or an agent. Besides, if Geoffrey Manners and Co. Ltd. is really a kind of an alter ego or substantial ego of the respondent American company, then in that case Geoffrey Manners and Co. Ltd. cannot be a servant or an agent but the principal or master himself in another garb. The fact remains that it is not pleaded expressly anywhere even by the respondent American Company that Geoffrey Manners and Co. Ltd. is its agent.

63. On reading the Trade and Merchandise Marks Act, 1958 of India as a whole and particularly the sections, I have discussed above, I respectfully agree with the learned Judge Mr. Tookey, Q.C., in Pussy Galore's case when he said in 1967 RPC 265 at p. 269 that "the foregoing interpretation of the Act appears to me to be in conformity with the general tenor of the Act which does not anywhere contemplate legitimate use of a registered trade mark otherwise than by the registered proprietor or by a registered user". I come to the same conclusion on a reading of the Indian Act. To permit other kinds of agencies apart from the agencies of a registered user or assignment of the trade mark to a company to be formed or in cases of permissible assignments under the statute, the Indian trade mark law does not recognise any other common law of agency, for, to do so would be to permit traffic in trade mark and to introduce person who will be beyond the control of the trade mark authorities in India. The words 'agent or servant' in Pussy Galore's case obviously mean one who is truly in fact and in law an agent or a servant. A principal or a master certainly need not do everything by his own hands but may employ a servant or an agent to do the work for him and in case of a company or corporation who is the principal or master, it must necessarily act through a servant or agent. But neither in fact nor in law Geoffrey Manners and Co. Ltd. is a servant nor an agent of the respondent American Company.

64. It is necessary to point out here that Bostitch's case, 1963 RPC 183, was also distinguished in Pussey Galore's case, 1967 RPC 265, where at p. 267 the Registrar to Trade Marks there observed : Mr. Began referred me to the judgment in Bostitch Trade Mark, 1963 RPC 183. But this case, the facts of which are very special, seems to me to show no more than that in certain circumstances use by a licensee of a registered trade mark under proper control by the registered proprietor will not destroy the distinctiveness of the mark in relation to that proprietor. It does not in my view have any bearing on the construction of Section 17 (1) relating as it does to an application to register a mark." This observation marks the crucial distinction in this case. Bostitch's case had turned on the question ultimately of deception and confusion and it was held that there was no deception or confusion, because the goods were expressly notified to be of the origin belonging to the registered proprietor. That was the real ratio of that decision. Bostitch's case, 1963 RPC 183, was not a decision at all on the expression 'by him' used in Section 17 of the U.K. Trade Marks Act of 1938 and comparable to Section 18 of the Indian

<sup>4</sup> AIR 1965 SC 40

Trade and Merchandise Marks Act of 1958. In fact, Pussy Galore's case followed the settled authorities in Re. John Batt and Co., (1899) 16 RPC 411 and Re. Ducker's Trade Mark, (1928) 45 RPC 397, on this point. I see no reason to depart from that view in the present appeal before me.

65. In Bowden's Trade Mark case, reported in (1913) 30 RPC 580, the Court decided that both the trade marks should be removed from the register as not being distinctive and as being calculated to deceive is not a case which is directly relevant to the point in issue in this appeal before me. This was a decision on the old U.K. Trade Marks Act of 1905 and was not concerned with the question of *bona fide* intention of the proprietor himself to use the trade mark.

66. Mr. Das on behalf of the respondent American company drew my attention to the decision of the House of Lords in *Aristoc Ltd. v. Rysta Ltd*<sup>5</sup>. The point of decision of that case was that a mark used on or in relation to goods to indicate the fact that they had been "repaired" by a particular person is not a trade mark within the definition of Section 68 (1) of the U.K. Trade Marks Act of 1938 and was accordingly not registrable under the provisions of that Act. I fail to see how Aristoc's case has any application to the facts of the present case. Aristoc's case no doubt has discussion about "course of trade" but that is not the point raised on the interpretation of Sections 18, 45 or 48 of the Indian statute. On the other hand, there, as Viscount Maugham indicates at p. 87 of the report, the word 'Rysta' nearly resembles the sound 'Aristoc' and that if it is admitted in the register and used in respect of stockings, it was likely to deceive or cause confusion.

67. Mr. Ginwalla, learned junior following Mr. Das, made an attempt to distinguish Pussy Galore's case, 1967 RPC 265. His two submissions are first that Section 29 (1) of the U.K. Trade Marks Act of 1938 was not a "dispensation" of Section 17 as observed by the learned Judge Mr. Tooke, Q.C., whose observations I have already quoted above and his second submission is that Section 28 of the U.K. Act was not prospective but retrospective. Valiant as these efforts of Mr. Ginwalla are, I do not think they make any difference on the decision of this appeal or on the correctness of the decision in Pussy Galore's case. I have already indicated the difference between the English law and the Indian law on the basis of Section 29 (1) (b) of the U.K. Trade Marks Act, 1938 and the Indian law on the subject. The fact that Section 28 (2) of the U.K. Trade Marks Act, 1938, is retrospective and not prospective does not also help Mr. Ginwalla. All that it says is that the permitted use of a trade mark shall be deemed to be use by the proprietor thereof. The sections of an Act have to be read as a whole and not piecemeal stage by stage.

68. For the reasons stated above and on the authorities discussed, I am of the opinion that the respondent American Company at the time of registration in 1951 of its trade mark 'Dristan' had no *bona fide* intention of using the trade mark by itself within the meaning of Section 18 (1) of the Trade and Merchandise Marks Act, 1958, read with Section 46 (1) (a) thereof and I hold accordingly. It necessarily follows that under Section 46 (1) the trade mark 'Dristan' should be taken off the register on the grounds stated in sub-clause (a) of Section 46 (1) of the Act.

69. The second part of Section 46 (1) (a) of the Trade Marks Act raises the further

<sup>5</sup>1945 AC 68

question whether there has been *bona fide* use of the trade mark in relation to those goods by the proprietor of the mark 'Dristan' "for the time being up to a date one month before the date of the application". As already indicated by me, both the tests are conjunctive. In other words, there must be both (a) a *bona fide* intention by the proprietor himself to use the mark and that (b) it shall be used for that particular period. I have already held that the respondent American Company has failed in the first test of the statute. That is enough for the purposes of this appeal.

70. I shall, however, deal with the other question under Section 46 (1) (a) of the Trade and Merchandise Marks Act, 1958, relating to the question whether there has been a *bona fide* use of the trade mark in relation to those goods by the proprietor for the time being up to a date one month before the date of the application because that was argued at length from the Bar.

71. The application for rectification by the appellant was made on or about April 13, 1961. There is to be, therefore, use for the time being "up to one month" before that date on the application within the meaning of Section 46 (1) (a) of the Act. That fixes the time as March 13, 1961. What is to be found is that there has been use of the trade mark up to a time prior to March 13, 1961. The fact is that the goods under the trade mark 'Dristan' were introduced into the market on October 22, 1961. In paragraph 6 of the affidavit of Madan Gopal Maheshwari, the Director of Geoffrey Manners and Co. Ltd., filed on 21-4-1962, it is stated that "on 22-10-1961 my company introduced into the market in India medicinal preparation under the trade mark "Dristan". Prima facie, therefore, this second test is also not satisfied by the respondent American Company. If the goods were not introduced into the market in India before 22-10-1961, then it cannot obviously be said that there has been "bona fide use of the trade mark in relation to those goods" within the meaning of Section 46-A of the Trade Marks Act.

72. What is being said on behalf of the respondent American Company in this regard is that there has been "use by samples". It will be necessary to examine the facts on which the respondent American Company relies to enable it, through the samples, to satisfy the test laid down in Section 46 (1) (a) of Trade and Merchandise Marks Act, 1958. I have already said that the Registrar of Trade Marks in this appeal relied on the Notes of Official Rulings reported in (1944) 61 RPC 148 and also the fact of the samples and medicines imported into India and the invoice dated 14-3-1960. But he did not express any opinion on this point having regard to his views on the other point. I think it will be necessary to express an opinion on the point because this is a matter which had been directly raised and argued in this appeal. It does also arise on the actual language and words used in the latter part of Section 46 (1) (a) of Trade and Merchandise Marks Act, 1958.

73. I shall first examine and scrutinize the facts on record appearing in correspondence. In a letter dated 22-1-1960 from Messrs. Geoffrey Manners and Co. to not the respondent American Company, but Home Products International Ltd. on the question of samples it is stated that "we should continue to receive the samples of your products so that we could study the possibilities of developing the same". This letter says: "Each unit may please be over-stamped - 'samples for test purposes free of charge value for custom purposes only'. The invoice of Home Products International Ltd., dated 14-3-1960, shows Dristan tablets but sent as "samples sent free of charges for test purposes on commercial value: value for Customs only". In October 11, 1960 letter Geoffrey Manners and Co. Ltd. is repeating its request to the Home Products International Ltd. for "samples free of costs". The letter of 8-12-1960 from Geoffrey Manners and Co. Ltd. to Home Products International Ltd. speaks of "samples of Phenindamine Tartrate" together "with "a small quantity of Phenyllephrine Hel" but not of Dristan itself.

74. That is all the evidence on the point of samples. It will be clear from this that except the invoice dated 14-3-1960 sending only three Dristan de-cogestant tablets and that only as samples free of charge for test purpose and with no commercial value, there has been no actual use of even these samples in normal trade. No other invoice is on record. Except this solitary invoice with quantities shown as "three only" for Dristan tablets, nothing else appears on record. It is expressly said to have been sent to enable Geoffrey Manners and Co. Ltd. to examine this for testing purposes. There is no evidence that these samples were distributed among the public or among doctors or in the medical profession for use on trial. The question of law that arises is that on these facts and in these circumstances, can such samples answer the requirements of law expressed by the words 'bona fide use of trade mark in relation to those goods by any proprietor

thereof for the time being up to a date of one month before the date of the application" within the meaning of Section 46 (1) (a) of the Trade and Merchandise Marks Act, 1958? According to the respondent American Company, that is enough. Reliance is placed on Notes of Official Rulings reported in (1944) 61 RPC 148. These notes are rather cryptic and what they say is that for the purpose of resisting an application under Section 26 of the U.K. Trade Marks Act, 1938, for the rectification of the register on the ground of non-use of the mark, the registered proprietors (an Australian company) tendered evidence that they had, with the object of establishing a mark for their goods in the U.K. exported thereto certain samples in relation to which the mark was used. The samples were supplied to an associated company in U.K. in accordance with the negotiations for marketing of the goods by them. That is all the facts stated there. It appears that in that case the samples were actually supplied to the associated company and for the purpose of "marketing of the goods" and not for the purpose of testing in the laboratory and finding out the possibility whether they could be manufactured. That is a very crucial question of fact on which the decision was given in that case and which I am presently going to quote. The plain issue is whether or not the use in relation to those samples was such as could be called "bona fide use of the mark in relation to the goods" as used in paragraphs A and B of Section 26 (1) of the U.K. Trade Marks Act of 1938. On that, the Registrar Sir Frank Lindley gave the following ruling : -

"Further, use in relation to these samples was, I think, use in the course of trade within the meaning of Section 4 and Section 68 (1) and (2) of the Act. It is not, in my view, necessary for this purpose that the goods on or in relation to which the mark is used shall be goods that are themselves being at the time directly offered for sale in this country. It is enough, it seems to me, if the mark is used upon, or in physical or other relation to, samples which are supplied by the proprietors of the trade mark to another firm with a view to obtaining some channel, such as an agency or wholesale purchase, for the supply of goods to this market."

75. Now, this ruling is a very limited ruling with many qualifications. No doubt it says that the samples need not be directly offered for sale; that is the point on which the respondent American company relies. But the fact remains that there are other qualifications of this ruling. The dominant qualification that this ruling indicates is that it must be a sample which is supplied by the proprietor of a trade mark to another with a view to obtaining some channel. That channel is illustrated to be an agency or wholesale purchaser for the supply of goods to the market. Here there is no agency. Here Geoffrey Manners and Co. Ltd. is neither an agent nor a wholesale purchaser within the meaning of that ruling. Secondly, this ruling is based on the specific Sections 4 and 68 (1) and (2) of the U.K. Trade Marks Act of 1938. The expression there was 'in the course of trade'. The actual language used in Section 68 (2) of the U.K. Trade Marks Act, 1938, speaking of use of a mark, expressly refers to the use "in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to goods". The same appears in Section 2 (2) (a) and (b) of the Indian Trade and Merchandise Marks Act, 1958. It is necessary to remember that Section 46 (1) (a) of the Indian Trade and Merchandise Marks Act, 1958, refers to use of trade marks after registration and not before. It is dealing with the question of striking off a trade mark which is already on the register. A trade mark which is already on the register, therefore, has to be understood in that light when construing the words "bona fide use of the trade mark in relation to the goods by any proprietor thereof for the time

being up to a date one month before the date of the application". The words "bona fide use" mean that the use must be *bona fide* in relation to these goods and it must be a trading use and not a mere experimental use for experimental purposes which may or may not lead to a trading channel. The more crucial fact is that only three samples or a few samples sent to Geoffrey Manners and Co. Ltd., only once do not in my view satisfy the legal requirement of "bona fide use" in relation to the goods within the meaning of that expression in Section 46 (1) (a) of the Indian Act. Indeed, in my view it is no 'use' at all within the meaning of that section when post-registration use is under challenge to strike off the mark from the register. The reason is that for testing purpose these samples need not have used any trade mark at all. Testing these tablets to explore the possibilities or their manufacture in India need not have carried any trade mark at all. I am, therefore, satisfied that the present facts in the appeal before me do not come either within the facts or the principles of the Notes of Official Rulings, 1944 (A), reported in (1944) 61 RPC 148, or within the meaning of "use" in Section 46 (1) (a) of the Indian Trade and Merchandise Marks Act, 1958.

76. A. I am not to be understood as saying that samples under no circumstances can be *bona fide* use of the trade mark in relation to the goods within the meaning of Section 46 (1) (a) of the Indian Trade and Merchandise Marks Act, 1958. They certainly can be in an appropriate case on appropriate facts which establish the *bona fide* use. Here on the facts, in my judgment, the samples do not amount to "use" . I, therefore, hold that the respondent American Company does not satisfy the second test also under Section 46 (1) (a) of the Indian Trade and Merchandise Marks Act, 1958. My interpretation is based on the fact that this is not a pre-registration situation but a post-registration user. It must always be borne in mind that *bona fide* use of trade mark in relation to the goods when attempted to be proved by use of stray samples has some inherent difficulties. *Bona fide* use of the trade mark in relation to the goods means the normal *bona fide* use. Sample must, therefore, establish that it was a sample used in relation to the goods and that *bona fide* but when samples are used for testing for manufacturing, then the fact that such testing samples when sent bore the trade mark on the samples, seems to me to be entirely irrelevant and does not amount to a *bona fide* use of the trade mark. If, on the other hand, the samples are introduced and used for distribution either by the agent or by the prospective producer to establish a trade channel, to indicate that the use of the trade mark was necessary to establish the origin of the goods and making it known as to whom the goods belonged, then it is and can be *bona fide* use. Samples can be used in diverse ways. The nature, quality and purpose of samples are, therefore, major determining factors in holding whether in a particular case the sample can be taken to be "bona fide use of the trade mark in relation to the goods," within the meaning of Section 46 (1) (a) of the Statute in India.

77. Some arguments were advanced on behalf of the appellant about some of the words like Dristan, Bistan and also Tristine and the likely deception or confusion in the markets. It is not necessary to discuss the question in the view that I have already taken. In support of this branch of the argument it has been submitted that Dristan is in tablets while others are in capsules or ampules.

78. Reference is made to the decision of the Pianotist Co. Ltd., reported in (1906) 23 RPC 774 dealing with the confusion between "Neola" and "Pianola" where Parker J. at p. 777 observed: "That limitation is, reading it shortly and generally, that he is not allowed to register any goods having such resemblance to a trade mark already on the register as to be calculated to deceive". It

was held there by Parker J. at p. 778 that "having regard to the nature of the customer, the article in question and the price at which it is likely to be sold and all the surrounding circumstances, no man of ordinary intelligence is likely to be deceived". On the other hand, reference for the appellant was made to the Supreme Court decision in *Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories*<sup>6</sup>, and the observations of Iyengar J. at p. 990 to the following effect :-

"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 writings 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; whereas in the case of passing off, the defendant may escape liability if he could show that the added matter is sufficient to distinguish goods from those of the plaintiff."

79. In the view that I am taking, it is not necessary to discuss or decide the question of alleged confusion between (1) Dristan, (2) the prior registered mark Bistan and (3) the subsequent mark Tristine, now Tristina as the proposed mark for registration of the appellant. It may be recorded here that Bistan, although has used an affidavit supporting the appellant, never took any steps either at the time of registration of Dristan or even thereafter for alleged confusion or deception.

80. What remains now to examine is the effect of the agreement between the respondent American Company, American Home Product Corporation and Geoffrey Manners and Co. Ltd. dated 18-10-1961. This is the agreement by which Geoffrey Manners and Co. Ltd. has agreed to become the registered user of the trade mark Dristan. The very first

<sup>6</sup> AIR 1965SC 980

clause of this agreement says that "subject to the conditions and restrictions contained in the agreement, the American Company grants to the Indian Company non-exclusive right to use the trade mark". The second clause declares that Geoffrey Manners and Co., the Indian Company agrees to become the registered user of that mark. There is no royalty or other remuneration payable by the Indian company to the American company by this agreement. The Indian company shall not have the right to acquire the title of the trade mark on payment to the American company. The agreement is determinable on giving three months' notice. By this agreement made on 18-10-1961, the American company agreed to appoint the Indian company as the "registered user". That being so, it has elected upon the course. In fact, even before the Indian company was registered as an would-be "registered user", attempt was made to describe Geoffrey Manners and Co. Ltd., as the "registered user". It is on record here in this appeal that an advertisement issued in the Times of India dated 25-10-1961 stating that Geoffrey Manners and Co. Ltd. was the registered user immediately after this agreement of 18-10-1961 was signed. It is significant to note that this agreement of 18-10-1961 does not state or declare that the present arrangement of using Geoffrey Manners and Co. Ltd. will continue after the signing of the agreement. There is no reservation of that right. If the application as registered user were to succeed, then that would have retrospective effect and the agreement would have operated from 18-10-1961 and that would have created a situation from 18-10-1961 until the date of registration of Geoffrey Manners and Co. Ltd. as a registered user. The Indian company then would have been working the trade mark Dristan both in its capacity as an unauthorized agent not recognized

by the Indian Trade and Merchandise Marks Act as well as an authorized registered user under the Indian Trade and Merchandise Marks Act. I do not think that the respondent American company can ride both the horses at the same time and it has to choose which course to follow. It has chosen the course that it will have the Indian company as the "registered user". It cannot then in the same breath say that the Indian company could also be a user otherwise. It is significant to note here in this connection that the Government permission or license by which Geoffrey Manners and Co. Ltd. is now said to be manufacturing Dristan in India was given under Industries Development and Regulation Act, 1951, under which Geoffrey Manners and Co. Ltd. sought the Government's permission. The permission of the Government of India to manufacture Dristan tablets was given on certain conditions among which one was that the product would be marketed with the trade mark already in use or even without any trade mark. The scope for trafficking in trade marks is, therefore, clear even under that condition for the tablets could be manufactured without the trade mark of the proprietor and that by some kind of private arrangement between the American company and the Indian company without the control of the Indian authorities under the Indian Statute.

81. I, therefore, hold that the appellants have succeeded in establishing their case under Section 48 (1) (a) of the Trade and Merchandise Marks Act, for the removal of the trade mark Dristan from the Indian Register. That registration, in my view, should not have been made originally on the ground because there was no *bona fide* intention by the proprietor to use the mark himself within the meaning of Section 18 of the Trade and Merchandise Marks Act, 1958 and comes within Section 46 (1) of the Act. I, therefore, hold that that registration was contrary to law under Section 11 (b) of the Trade and Merchandise Marks Act, 1958.

82. Accordingly, I allow the appeal and set aside the order of the Registrar of Trade Marks dated the 7th December, 1964 and allow the application of the appellant for rectification of the register.

83. The appeal is allowed with costs. Certified for two counsel.  
Appeal allowed.