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April 27.

AMRITDHARA PHARMACY

v.

SATYADEO GUPTA

(S. K. DAS, M. HIDAYATULLAH and J. C. SHAH, JJ.)

Trade Mark—Likely to Receive or cause confusion—Approach to determine—Acquiescence—Effect of—Trade Marks Act, 1940 (V. of 1940), ss.8, 10.

The respondent applied for registration of the trade name "Lakshmandhara" in relation to the medicinal preparation manufactured by him at Kanpur since 1923. It was admitted that the respondent's product was mainly sold in the State of Uttar Pradesh. The appellant opposed the registration on the ground that it had an exclusive proprietary interest in the trade mark "Amritdhara" in relation to a similar medicinal preparation which had acquired considerable reputation since 1903 and that the respondent's trade name "Lakshmandhara" was likely to deceive and cause confusion and therefore the registration was prohibited by s. 8 of the Trade Marks Act.

The Registrar of Trade Marks held that there was sufficient similarity between "Amritdhara' and "Lakshamandhara" so as to cause confusion and it was likely to deceive the public, but the acquiescence of the appellant in the use of the trade name "Lakshmandhara" by the respondent in the relation to his product for a long period to the knowledge of the appellant was special circumstance under s. 10(2) entitling the respondent to have his name registered along with the appellant's trade name. He, however, confined the registration to sales with the State of Uttar Pradesh.

Both the appellant and the respondent appealed to the High Court which allowed the respondent's appeal holding that the words "Amrit" and "dhara" were common words in the Hindi language as also the words "Lakshman" and "dhara" and that there was no possibility of any Indian confusing the two ideas. The High Court further held there had been honest concurrent user by the respondent. On the question of acquiescence it held against the respondent. On appeal by special leave.

Held, that the question whether a trade name is likely to deceive or cause confusion by its resemblance to another already registered is a matter of first impression and one for decision in each case and has to be decided by taking an overall view of all the circumstances. The standard of comparison to be adopted in judging the resemblance is from the point of

view of a man of average intelligence and imperfect recollection.

Pianotist Co.'s Application, (1906) 23 R. P. C. 774, referred to.

Corn Products Refining Co., v. *Shangrila Food Products Ltd.*, [1960] 1 S. C. R. 968, referred to.

Held, further, that the two names as a whole should be considered for comparison and not merely the component words thereof separately.

William Bailey (Birmingham) Ltd.'s application, (1935) 52 R. P. C. 137, referred to.

Held, also, that in the present case the similarity in the two name in respect of the same description of goods was likely to deceive or cause confusion; but the facts found by the Registrar established the plea of acquiescence so a to bring the case within sub-s.(2) of s. 10, and the Registrar was right in imposing the limitation which he imposed.

CIVIL APPELLATE JURISDICTION: Civil Appeal No. 22 of 1960.

Appeal by special leave from the judgment and order dated March 19, 1958, of the Allahabad High Court in F. A. No. 62 of 1954.

S. N. Andley, *Rameshwar Nath* and *P. L. Vohra*, for the appellant.

G. S. Pathak, *S. K. Kapur*, *B. N. Kirpal* and *Ganpat Rai*, for the respondent.

1962. April 27. The Judgment of the Court was delivered by

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S. K. DAS, J.—This is an appeal by special leave granted by this Court on December 8, 1958. On July 19, 1950, Satya Deo Gupta, respondent before us, made an application under s. 14 of the Trade Marks Act, 1940 (Act V of 1940) (hereinafter referred to as the Act) for registration of the trade name of a biochemical medicinal preparation, commonly known as 'Lakshmandhara', in Class 5 of the Fourth Schedule to the Trade

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Marks Rules, 1942. The application was made by the respondent as the sole proprietor of Rup Bilas Company situate at Dhankutti in Kanpur. The averments made in the application were that the said medicinal preparation had been in use by the name of 'Lakshmandhara' since 1923 and was sold throughout the length and breadth of India as also in some foreign markets; the mark or name 'Lakshmandhara' was said to be distinctive to the article, and it was stated that the approximate annual turnover was Rs. 40,000/-. Notice of the application was given by the Registrar of Trade Marks, Bombay, and the Amritdhara Pharmacy, a limited liability company and appellant before us, filed an application in opposition. In this application the appellant stated that the word 'Amritdhara' was already registered as a trade name for the medicinal preparation of the appellant, and that medicinal preparation was introduced in the market so far back as in the year 1901; on account of its great popularity many people advertised similar medicines with slight variations of name to pass off their goods as 'Amritdhara'. It was averred that the composite word 'Lakshmandhara' was used to denote the same medicine as 'Amritdhara'; and the single word 'dhara', it was stated, was first used in conjunction with 'Amritdhara' to denote the medicine of the appellant and the medicine 'Lakshmandhara' being of the same nature and to quality could be easily passed off as 'Amritdhara' to the ultimate purchaser. The appellant contended that as 'Amritdhara' was already registered and 'Lakshmandhara' being a similar name was likely to receive the public, registration should be refused.

On behalf of the respondent a counter-affidavit was made in which it was stated that 'Amritdhara' and 'Lakshmandhara' were two distinctly different names and no one could pass off one for the other.

It was further stated that during the long period of introduction and sale of 'Lakshmandhara' since 1923, no objection was ever raised from any quarter, from the appellant or anybody else, to the use of the name 'Lakshmandhara'. It was denied by the respondent that the composite word 'Lakshmandhara' was likely to deceive the public or could by any stretch of imagination be taken or mistaken for 'Amritdhara'. The respondent further alleged that the single word 'dhara' had no particular significance in relation to the medicine, nor did that word mean or convey any special or exclusive meaning or effect in relation to the medicine. It was also stated that apart from the difference in name, the phial, label and packing of 'Lakshmandhara' had exclusive designs of their own and were not likely to be confused with any other medicine of similar nature, least of all with 'Amritdhara' whose packing was distinctly different in colour, design and layout.

The Registrar of Trade Marks dealt with the application and the opposition thereto by his order dated September 10, 1953. It appears that apart from the affidavits filed, no other evidence was led on behalf of either party; but certified copies of certain decisions in earlier cases (to which the respondent was not, however, a party) given in favour of the appellant in support of its claim of infringement of its registered trade mark 'Amritdhara' were filed. A list of such cases has been printed as annexure 'A'. These cases showed that a number of medicines with the word 'Amrit' or 'dhara' as part of their names had been introduced in the market since 1947; and the appellant successfully took action against them for infringement of its trade mark. Even in the Trade Marks Registry the appellant successfully opposed the introduction of names which contained the word 'dhara' as part of the trade name. A question has

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been raised before us whether the Registrar of Trade Marks was justified in taking into consideration the decisions in those cases. To that question we shall advert later. The Registrar found that in 1901 Pandit Thakur Datta Sharma commenced to do business at Lahore in a particular ayurvedic medicine which was meant for alleviation for of headaches, diarrohea, constipation and other complaints. This medicine was first sold under the mark 'Amrit Ki Dhara', but in 1903 the name was changed to 'Amritdhara', Pandit Thakur Datta Sharma formed a limited liability company in 1942 and the name 'Amritdhara' became a well-known popular name for the medicine. The sale of the medicine went up to about Rs. 4 lacs a year. The business was done in Lahore but when partition came in 1947, the appellant established its business in Dehradun. The Registrar expressed the view that if the matter had rested on s. 8 and s. 10(1) of the Act, he would have no hesitation in allowing the opposition and dismissing the application. This could only mean that the Registrar was of the view that the name 'Lakshmandhara' so nearly resembled the trade mark 'Amritdhara' that it was likely to deceive the public or cause confusion to the trade. We are saying this because the High Court through that the Registrar did not express his own opinion whether the name 'Lakshmandhara' was likely to cause deception to the public or confusion to the trade. The respondent, however, relied also on two other circumstances, viz. (a) honest concurrent user of the name 'Lakshmandhara' since 1923, and (b) acquiescence on the part of the appellant in the user of the name 'Lakshmandhara'. The respondent contended that these two circumstances brought the case within the meaning of 'special circumstances' in s. 10(2) of the Act, which permitted the registration by more than one proprietor of trade marks which are identical or

nearly resemble each other, subject to such condition and limitations, if any, as the Registrar might think fit to impose. On the point of honest concurrent user the Registrar found in favour of the appellant.

As to acquiescence he, however, found in favour of the respondent and expressed his finding in these words.

> "In the case before me it is not disputed that the applicant commenced his user in a small way in 1923 and it may even be said that up to about 1942 the applicant's user was insignificant. In paragraph 12 of the applicant's affidavit dated the 30th March, 1953 he has given details of advertisements in directories, pamphlets, newspapers etc. in which both the applicant's and the opponents' marks were advertised. The facts given in the affidavit go to show that from 1938 right up to the date of the applications by the applicant he has been advertising through mediums which were common to both the applicant and the opponents. Here we have a case in which Pandit Thakur Datta Sharma states that he had no notice of the applicant's mark. He has, however, admitted that he had about 12 persons in his factory which constituted the clerical staff and amongst them were persons who were in charge of advertising the opponents' mark. It seems to me that the opponents and their agents were well aware of the advertisements by the applicant and did not raise any protest till the applicant's mark was advertised in the Trade Mark Journal. In other words the opponents stood by and allowed the applicant to develop his business and, as I have shown, from small beginning he began to sell these medicines to the extent of about Rs. 43,000/- in 1949. In my opinion, this is

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acquiescence which would come under the phrase 'or other special circumstances' in section 10(2) of the Trade Marks Act and that appears to me to be fatal to the case of the opponents."

Before the Registrar it was admitted on behalf of the respondent that his goods were sold mainly in Uttar Pradesh and there were, at the most, only sporadic sales in other States. Taking that circumstance into consideration the Registrar passed an order allowing registration of 'Lakshmandhara' for sale in the State of Uttar Pradesh only.

From the decision of the Registrar two appeals were referred to the High Court of Judicature at Allahabad under s. 76 of the Act: one appeal was referred by the respondent and the other by the appellant. The respondent complained of the registration being limited to Uttar Pradesh only and the appellant pleaded that registration should have been refused altogether. The learned Judges of the High Court held that the words 'Amrit' and 'dhara' were common words in the Hindi language and the combined word 'Amritdhara' meant 'current of nectar' or 'the flow of nectar'; the two words 'Lakshman' and 'dhara' were also well-known common words and combined together they meant 'current or flow of Lakshman'. The learned Judges then said:

> "There is no possibility of any Indian confusing the two ideas. Even phonetical differences are wide enough not to confuse anybody. The claim of the Amritdhara pharmacy that both the words 'Amrit and dhara' have become so associated with their goods that the use of each part separately or in any combination is likely to mislead is an untenable claim. The whole phrase 'Amritdhara' had been registered and the monopoly has to be

confined only to the use of the whole word. The words of common language like 'Amrit' and 'dhara' cannot be made the monopoly of any individual. We, therefore, see no reason to disallow registration of the trade mark "Lakshmandhara'. "

As to honest concurrent user from 1923 to 1942 the learned Judges again held in favour of the respondent. But on the point acquiescence they held against the respondent and found in favour of the appellant. They said that from the fact that both the medicines were being advertised in the same journals or periodicals it did not follow that the attention of the appellant was drawn to the use of the word 'Lakshmandhara' by the respondent. In view, however, of their finding that the two names were not likely to cause any confusion and that the respondent had been an honest concurrent user from 1923 onwards, they held that there was no justification for refusing registration to the trade mark 'Lakshmandhara' for the whole of India. They accordingly allowed the appeal of the respondent and dismissed that of the appellant by their judgment dated March 19, 1958. The appellant then obtained special leave from this Court and the present appeal has been filed in pursuance of the leave granted by this court.

Two points have been agitated before us. The first point is whether the name 'Lakshmandhara' was likely to deceive the public or cause confusion to trade within the meaning of s. 8 and s. 10 (1) of the Act. The second point is whether there was such acquiescence on behalf of the appellant in the use of the name 'Lakshmandhara' in the State of Uttar Pradesh as to bring it within the expression 'special circumstances' mentioned in sub-s. 10 of the Act. We shall deal with these two points in the order in which we have stated them.

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We may first read the relevant sections of the Act, viz. s. 8 and 10.

8. *Prohibition of registration of certain matter.*—No trade mark nor part of a trade mark shall be registered which consists of, or contains, any scandalous design, or any matter the use of which would.—

(a) by reason of its being likely to deceive or to cause confusion or otherwise, be disentitled to protection in a Court of justice ; or

(b) be likely to hurt the religious susceptibilities of any class of the citizen of India ; or

(c) be contrary to any law for the time being in force, or to morality.

10. *Prohibition of registration of identical or similar trade mark.*—(1) Save as provided in sub-section (2), no trade mark shall be registered in respect of any goods or description of goods which is indentical with a trade mark belonging to a different proprietor and already on the register in respect of the same goods or description of goods or which so nearly resembles such trade mark as to be likely to deceive or cause confusion.

(2) In case of honest concurrent use or of other special circumstances which, in the opinion of the Registrar, make it proper so to do he may permit the registration by more than one proprietor of trade marks which are identical or nearly resemble each other in respect of the same goods or description of goods, subject to such conditions and limitations, if any, as the Registrar may think fit to impose.

(3) x x x

It will be noticed that the words used in the sections and relevant for our purpose are "likely to deceive or cause confusion." The Act does not lay down any criteria for determining what is likely to deceive or cause confusion. Therefore, every case must depend on its own particular facts, and the value of authorities lies not so much in the actual decision as in the tests applied for determining what is likely to deceive or cause confusion. On an application to register, the Registrar or an opponent may object that the trade mark is not registerable by reason of cl. (a) of s. 8, or sub-s. (1) of s. 10, as in this case. In such a case the onus is on the applicant to satisfy the Registrar that the trade mark applied for is not likely to deceive or cause confusion. In cases in which the tribunal considers that there is doubt as to whether deception is likely, the application should be refused. A trade mark is likely to deceive or cause confusion by the resemblance to another already on the Register if it is likely to do so in the course of its legitimate use in a market where the two marks are assumed to be in use by traders in that market. In considering the matter, all the circumstances of the case must be considered. As was observed by Parker, J. in *Pianotist Co.'s Application* (1), which was also a case of the comparison of two words—

> "You must take the two words. You must Judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.

(1) (1906) 23 R. P. C. 774, 777.

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For deceptive resemblance two important questions are: (1) who are the persons whom the resemblance must be likely to deceive or confuse, and (2) what rules of comparison are to be adopted in judging whether such resemblance exists. As to confusion, it is perhaps an appropriate description of the state of mind of a customer who, on seeing a mark thinks that it differs from the mark on goods which he has previously bought, but is doubtful whether that impression is not due to imperfect recollection. (See Kerly on Trade Marks, 8th edition, p. 400.)

Let us apply these tests to the facts of the case under our consideration. It is not disputed before us that the two names 'Amritdhara' and 'Lakshmandhara' are in use in respect of the same description of goods, namely, a medicinal preparation for the alleviation of various ailments. Such medicinal preparation will be purchased mostly by people who instead of going to a doctor wish to purchase a medicine for the quick alleviation of their suffering, both villagers and townsfolk, literate as well as illiterate. As we said in *Corn Products Refining Co.* v. *Shangrila Food Products Ltd.* (1), the question has to be approached from the point of view of a man of average intelligence and imperfect recollection. To such a man the overall structural and phonetic similarity of the two names 'Amritdhara' and 'Lakshmandhara' is, in our opinion, likely to deceive or cause confusion. We must consider the overall similarity of the two composite words 'Amritdhara' and 'Lakshmandhara'. We do not think that the learned Judges of the High Court were right in saying that no Indian would mistake one for the other. An unwary purchaser of average intelligence and imperfect recollection would not, as the High Court supposed, split the name into its component parts and consider the etymological meaning thereof or

(1) [1960] 1 S.C.R. 968.

even consider the meanings of the composite words as 'current of nectar' or 'current of Lakshman'. He would go more by the overall structural and phonetic similarity and the nature of the medicine he has previously purchased, or has been told about, or about which has otherwise learnt and which he wants to purchase. Where the trade relates to goods largely sold to illiterate or badly educated persons, it is no answer to say that a person educated in the Hindi language would go by the entymological or ideological meaning and, see the difference between 'current of nectar' and 'current of Lakshman'. 'Current of Lakshman in a literal sense has no meaning to give it meaning one must further make the inference that the 'current or stream' is as pure and strong as Lakshman of the Ramayana. An ordinary Indian villager or townsmen will perhaps know Lakshman, the story of the Ramayana being familiar to him, but we doubt if he would etymologine to the extent of seeing the so called ideological difference between 'Amritdhara' and 'Lakshmandhara'. He would go more by the similarity of the two names in the context of the widely known medicinal preparation which he wants for his ailments.

We agree that the use of the word 'dhara' which literally means 'current or stream' is not by itself decisive of the matter. What we have to consider here is the overall similarity of the composite words, having regard to the circumstance that the goods bearing the two names are medicinal preparations of the same description. We are aware that the admission of a mark is not to be refused, because unusually stupid people, "fools or idiots", may be deceived. A critical comparison of the two names may disclose some points of difference, but an unwary purchaser of average intelligence and imperfect recollection would be deceived by the overall similarity of the two names having regard

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to the nature of the medicine he is looking for with a somewhat vague recollection that he had purchased a similar medicine on a previous occasion with a similar name. The trade mark is the whole thing – the whole word has to be considered. In the case of the application to register 'Erectiks' (opposed by the proprietors of the trade mark 'Erector') Farwell, J. said in *William Bailey (Birmingham) Ltd.'s Application* (1) :

> "I do not think it is right to take a part of the word and compare it with a part of the other word; one word must be considered as a whole and compared with the other word as a whole,.....I think it is a dangerous method to adopt to divide the word up and seek to distinguish a portion of it from a portion of the other word".

Nor do we think that the High Court was right in thinking that the appellant was claiming a monopoly in the common Hindi word 'dhara'. We do not think that is quite the position here. What the appellant is claiming is its right under s. 21 of the Act, the exclusive right to the use of its trade mark, and to oppose the registration of a trade mark which so nearly resembles its trade mark that it is likely to deceive or cause confusion.

A large number of decisions relating to the use of composite words, such as Night Cap and Red Cap, Limit and Summit, Rito and Lito, Notrate and Filtrate, etc. were cited in the High Court. Some more have been cited before us. Such decisions, examples of deceptive resemblance arising out of contrasted words, have been summarised at page 429 to 434 in Karly on Trade Marks, 8th Edition. No useful purpose will be served by referring to them all. As we have said earlier, each case must be decided on its own fact. What degree of

(1) (1935) 52 R.P.C. 137.

resemblance is necessary to deceive or cause confusion must the nature of things be incapable of definition *a priori*.

As to the decisions in annexure 'A', it has been argued before us that they were not at all admissible by reason of ss. 40 to 43 of the Indian Evidence Act, 1872. On behalf of the appellant it has been contended that they were admissible under s. 13 of the Evidence Act as showing the particular instances in which the appellant claimed its right under s. 21 of the Act. We consider it unnecessary to decide this question for the purposes of this case because those decisions even if they are admissible under s. 13 do not throw any light on the question whether 'Amritdhara' and 'Lakshmandhara' so nearly resemble each other as to cause deception or confusion. That is a question which we must determine as a case of first impression and irrespective of the earlier decisions.

On a consideration of all the circumstances, we have come to the conclusion that the overall similarity between the two names in respect of the same description of goods was likely to cause deception or confusion within the meaning of s. 10(1) of the Act and Registrar was right in the view he expressed. The High Court was in error taking a contrary view.

We now go the second question, that of acquiescence. Here again we are in agreement with the Registrar of Trade Marks, who in a paragraph of his order quoted earlier in this judgment has summarised the facts and circumstances on which the plea of acquiescence was based. The matter has been put thus in Halsbury's Laws of England, Vol. 32 (second edition) pages 659-657, paragraph 966.

> "If a trader allows another person who is acting in good faith to build up a reputa-

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tion under a trade name or mark to which he has rights, he may lose his right to complain, and may even be debarred from himself using such name or work. But even long user by another, if fraudulant, does not affect the plaintiff's right to a final injunction; on the other hand prompt warning or action before the defendant has built up any goodwill may materially assist the plaintiff's case".

We do not think that there was any fraudulent user by the respondent of his trade name 'Lakshmandhara'. The name was first used in 1923 in a small way in Uttar Pradesh. Later it was more extensively used and in the same journals the two trade marks were publicised. The finding of the Registrar is that the appellant and its agent were well aware of the advertisements of the respondent, and the appellant stood by and allowed the respondent to develop his business till it grew from a small beginning in 1923 to an annual turnover of Rs. 43,000/- in 1946. These circumstances establish the plea of acquiescence and bring the case within sub-s. (2) of s. 10, and in view of the admission made on behalf of the respondent that his goods were sold mainly in Uttar Pradesh, the Registrar was right in imposing the limitation which he imposed.

For these reasons, we would allow the appeal, set aside the Judgment and order of the High Court, and restore those of the Registrar of Trade Marks, Bombay, dated September 10, 1953. In the circumstances of this case, there will be no order for costs.

Appeal allowed.