

MANU/KE/0070/1982

**Equivalent Citation:** AIR1982Ker309

**IN THE HIGH COURT OF KERALA**

C.R.P. No. 2873 of 1979

Decided On: 01.04.1982

Appellants: **K.T. Pavunny and Anr.**
**Vs.**
Respondent: **K.T. Mathew**

**Hon'ble Judges/Coram:**
V. Khalid , J.

**Counsels:**
For Appellant/Petitioner/Plaintiff: V. Parameshwara Menon and R.D. Shenoi, Advs.

For Respondents/Defendant: V.O. John, Adv.

**Subject: Intellectual Property Rights**

**Acts/Rules/Orders:**Trade and Merchandise Marks Act, 1958 - Section 2(1), Trade and Merchandise Marks Act, 1958 - Section 27(2), Trade and Merchandise Marks Act, 1958 - Section 105; Code of Civil Procedure (CPC), 1908 - Section 9

**Cases Referred:**Teju Singh v. Shanta Devi, AIR 1973 Andh Pra 51, AIR 1974 Andh Pra 274; Ranjit Singh v. Jaswant Singh, AIR 1975 Punj & Har 121

**Citing Reference:**

Discussed

 2

**Disposition:**
Revision dismissed

**Case Note:**

**Intellectual Property Rights - jurisdiction - Sections 2 (1), 27 (2) and 105 of Trade and Merchandise Marks Act, 1958 and Section 9 of Code of Civil Procedure, 1908 whether Ordinary Civil Court has jurisdiction to try cases pertaining to matter of infringement of trade mark in generality of cases remedies are kept intact Section 105 deals with particular type of suits peculiar nature of litigation involved in suits for infringement of trade marks decides whether Section 105 is attracted or not Section 27 (2) provides freedom of action unfettered by Section 105 for passing off action in relation to goods where no mark is involved held, to enforce right against erring party respondent can seek Ordinary Civil Court's jurisdiction and his rights are not fettered by Section 105 revision petition dismissed.**

**ORDER**

**V. Khalid, J.**

1. The revision petitioners are defendants 1 and 2 in O. S. No. 247 of 1978 of the Sub Court, Ernakulam, and the respondent, the plaintiff in that suit. The suit was for a permanent injunction to restrain the petitioners from carrying on business in the name of "Victory Press Offset Printers" or any other name likely to mislead or deceive the public into the belief that the press run by defendants is the same as the plaintiff's business known as 'Victory Offset Printers' or any such other name allied to that. According to the plaintiff he started a Press at Kunnamkulam by name Victory Offset Printers. This press earned a name and reputation throughout Kerala and outside as one of the best printing establishments. Several leading institutions and the public were impressed with the excellence of the printing and the business methods adopted by the plaintiff. The defendants knowing about this, in an attempt to divert the plaintiff's business to them, made arrangements to start another press at M. G. Road, Ernakulam, with the name "Victory Press Offset Printers". According to the plaintiff, this act of the defendants was clearly to pass off the new business as that of the plaintiff. The defendants, inter alia, contended that the suit was in effect a passing off action within the meaning of Section 105 of the Trade and Merchandise Marks Act and as such the suit should have been instituted in the District Court and no court subordinate to it could entertain the same. The Court below considered this question as a preliminary issue and held that the suit was maintainable in the Sub Court. Hence this revision.

2. Section 105 of the Act reads: "Suit for infringement, etc., to be instituted before District Court.-- No suit--

(a) for the infringement of a registered trade mark; or

(b) relating to any right in a registered trade mark: or

(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered;

shall be instituted in any Court inferior to a District Court having jurisdiction to try the suit."

It is not in dispute that it is Section 105(c) that is applicable to the case, which is a passing off action. Section 105(c) relates to a passing off action arising out of the use by the defendants of any trade mark. Trade mark is defined in the Act under Section 2(v) as follows :

" "trade mark" means--

(i) in relation to Chapter X (other than Section 81), a registered trade mark or a mark used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark: and

(ii) in relation to the other provisions of this Act, a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right, either as proprietor or as registered user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark registered as such under the provisions of Chapter VIII;"

I may usefully quote Section 27 also for purposes of understanding the nature of the right that a party has to bring an action against any person for passing off.

"27. No action for infringement of unregistered trade mark.-- (1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark.

(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of an-other person or the remedies in respect thereof."

3. Section 105 occurs in Chapter XI. Therefore, while dealing with this section, the relevant definition of the word 'trade mark' is found in Section 2(v)(ii). This part of the definition defines trade mark as "a mark used or proposed to be used in relation to goods", that is, it need not be a registered trade mark. But it must be a mark in relation to goods. 'Mark' in Section 2(1)(j) includes among other name. Therefore, what falls for consideration mainly in this case is whether the passing off action in this case relates to a name in goods or not.

4. What does a printing press do ? Does it do any business in goods or does it only cater to its customers by way of service. It is necessary to understand the definition of the word goods in the Act. Goods is defined in Section 2(g) as follows:

'goods' means anything which is the subject of trade or manufacture".

Could it be said that the service that a printing press extends to its clientele is goods subject to trade or manufacture. A printing press does no trade. It does not manufacture anything. Its clientele approaches the Press to print what they want. The press uses its machines to print the desired matter. The printing process is not goods. Goods in law and in common parlance have a specific connotation. What the printing press does to its customers is the use of the machineries and extend its service by working the machines and bring out printed materials. The printing processes in any view cannot be said to be subject of trade or manufacture.

5. A passing off action in relation to anything other than goods is maintainable in the ordinary Courts. Actions coming within the scope of Section 27(2) are also entertain-able in such Courts. Section 105 excludes the jurisdiction of ordinary Courts and confers jurisdiction only in the District Court. To invoke Section 105 it is necessary to bring the subject-matter of the litigation squarely within it. The ouster of jurisdiction of ordinary Courts cannot be assumed simply because an action is a passing off action. An ordinary Court can entertain a suit for passing off action when no trade mark is involved. A strict construction of the sections is necessary before denying the ordinary Courts of its jurisdiction to entertain a suit. Section 105(a) and (b) relate to infringement of a registered trade mark and Section 105(c) relates to passing off actions arising out of the use by the defendant of any trade mark. The section therefore specifically relates to trade mark which in turn relates to goods. Unless therefore the party who is attempting to oust the ordinary Court's jurisdiction satisfactorily establishes that the user complained of relates to goods, the ouster of jurisdiction of ordinary Courts cannot be assumed. According to me, the services that a printing press render to its customers cannot come within the concept of goods under the Trade and Merchandise Marks Act 1958.

6. In Teju Singh v. Shanta Devi MANU/AP/0061/1973 the question arose as to whether services like washing clothes or dry cleaning them would come within the expression 'goods' in Section 2(g) of the Act. In that case, the plaintiff as well as the defendant were electric dry cleaners of clothes. The former had been trading under the name and style of "One day Electric Dry Cleaners". The latter started his trade a few yards away from the plaintiff's place of business on the same road under the name and style of "Only One Day Electric Dry Cleaners". The plaintiff brought an action in the District Court for damages and for an injunction restraining the defendant from using or exhibiting himself or through his servants or agents the trade name of business used by him, and also claimed damages. He obtained a decree for injunction. The defendant appealed. One of the contentions raised by him was that the suit should have been filed in the proper Court and not in the District Court since a passing off action in regard to services which were not goods under the Act would not attract. Section 105(c) of the Act. Sambasiva Rao, J. held that the case would not fall within Clauses (a) and (b) of Section 105 since the suit did not relate to infringement of rights relating to registered Trade mark but would come within Clause (c) which related to passing off action. The learned Judge, repelled the contention of the appellant that electric, dry cleaning only rendered service and did not produce any article or goods and observed that a wide meaning should be given to the expression 'goods' in Section 2(g) of the Act. According to him, anything which is subject of trade or manufacture is goods within the meaning of the Act and since the service of washing clothes or dry cleaning them are subject of trade they clearly come within the ambit of the expression 'goods'. This is how the learned Judge justified his conclusion:

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

It was held that the suit was properly laid in the District Court. This decision was reversed by the Andhra Pradesh High Court in the decision reported in Teju Singh v. Shanta Devi MANU/AP/0082/1974 but not on the finding that services include goods. The Division Bench observed thus in paragraph 10 on this aspect:

"10. It is not necessary for us to consider whether the definition of the word 'goods' in the Trade Marks Act takes in the word 'Business'. This is not an action for infringement of a trademark. It is a common law action for passing off in relation to the plaintiff's business. We have already pointed out that the rule is well settled in England, viz., that the same principles as are applied to actions relating to passing for goods equally apply to actions for passing off business names. We however wish to clarify that the remedies of the plaintiff for infringement of a trade-mark are left open as that is not the subject-matter of the suit."

The principle enunciated by the learned single Judge was pressed into service by the defendants to contend that a printing press, though caters to its customers in the form of a service by printing materials, does really deal in goods in the same manner as a dry cleaner docs service.

7. The decision reported in Ranjit Singh v. Jaswant Singh MANU/PH/0026/1975 was brought to my notice by the opposite side. The plaintiff and defendant were originally partners of a firm, doing business in purchasing and selling goods. That firm was dissolved. The firm's name was assigned to the defendant and the plaintiff was permitted to run his business under a different name. After the dissolution of the firm, the plaintiff started doing his own business as a dealer in military goods under the name and style of Ex-Soldiers Store". He flourished in the trade. The defendant changed the original name of R. J. Singh and Sons of the firm which was assigned to him to "R. J. Singh and Sons (Ex-Soldiers Store)". This resulted in the suit for a permanent injunction restraining the defendant, his agents and servants from using the plaintiff's name. The suit was filed before the Sub Judge, I Class, Ludhiana. The suit was dismissed by the trial Court holding that there was no unlawful use of the trade name by the defendant. In appeal, the Senior Sub Judge, Ludhiana, reversed the finding of the trial Court. In second appeal before the Punjab and Haryana High Court, one of the questions raised was about the maintainability of the suit under Section 105(c) of the Act. It was contended that the suit was exclusively triable by the District Judge and that the suit was not properly laid. This objection was not taken either in the written statement or in the Appeal Memorandum before the lower appellate Court. However, it was allowed to be raised by the High Court being a pure question of law. After discussing the relevant provisions of the law, the High Court repelled the contention regarding the lack of jurisdiction of the trial Court in entertaining the suit with the following observation:

"This suit relates to a passing off action arising out of the use of the trade name of the plaintiff by the defendant and it has nothing to do with the trade mark and consequently Clause (c) of Section 105 of the Act has no application to this suit. This suit, therefore, could be filed in the Court of the subordinate Judge. There is no force in the contention, of the learned counsel for the appellant and the same is rejected." (p. 125)

The appeal was consequently dismissed. With respect, I disagree. It is true that the suit related to a passing off action and did not relate to infringement of any trademark. But the passing off action related to a trade name in relation to goods because both the plaintiff and the defendant were dealing in goods about which there was no dispute. Section 105(c) read with Section 2(v)(g) and (j) makes it clear that passing off action in relation to goods comes within the mischief of Section 105(c). Therefore, to hold that such a suit could be filed in a Subordinate Judge's Court would be against the provisions of Section 105(c) of the Act

8. With respect, I cannot agree with the principle in the decision reported in AIR 1973 Andh Pra 51 either. The learned single Judge has held that the services that a launderer or a drycleaner gives to its customers is goods. It is on this finding that the jurisdiction of the Court was decided in that case. I have already indicated the meaning to be given to the word "goods' in the Act Goods, according to me, will not take in service. Ordinary Courts have jurisdiction to entertain and try suits for passing off action. In the generality of cases, remedies are kept in tact. Section 105 deals with a particular type of suits. It is the peculiar nature of the litigation involved in suits for infringement of trade marks that decides whether Section 105 is attracted or not. Section 27(2) provides freedom of action unfettered by Section 105 for passing off action, in relation to goods, where no mark is involved. The plaintiff in this case has only exercised a common law right to enforce a cause of action against an erring party in relation to the service rendered by his press under a particular business name. To enforce this right, he can seek the ordinary Civil Court's jurisdiction and his rights are not fettered by Section 105(c).

In the result, the learned Subordinate Judge was justified in his conclusion that the suit was properly laid before it. I dismiss the Civil Revision Petition and confirm the finding entered by the Court below. 1 direct the parties to bear their costs.

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