

APPELLATE CIVIL.

Before Sir Guy Ruddle, Kt., K.C., Chief Justice, and Mr. Justice Brown.

ADAMJEE HAJEE DAWOOD & Co., LTD.

1928

Jan. 18.

71.

THE SWEDISH MATCH COMPANY.*

Trade-marks—Colourable imitation—Difference between use of peculiar words and common words—Principle of Seixo v. Provezende case—"Star" mark, exclusive right to use such word—Length of time of user—Fraud to be explicitly pleaded and proved.

Plaintiff-respondents sued the defendants to restrain them from using labels for matches of local manufacture bearing five red stars alleging that they closely resembled in form, colour and general get-up the plaintiffs' various "Star" labels on their imported Swedish matches. Plaintiffs claimed that their labels are known throughout Burma in English as the "Star" mark, in Hindustani as "Tara marka," and in Burmese as "Kyeetazeik," and that the defendants' matches are likely to be called by the same name. Plaintiffs claimed the exclusive right to the generic name "Star." They were using their labels in Burma for some six months or more ere the defendants introduced their mark. Plaintiffs succeeded on the Original Side, and the defendants appealed.

Held, (reversing the judgment) that there was a very great difference in the use of a peculiar Portuguese word like "Seixo" and a common universal word like "Star". Plaintiffs had not established a right to restrain everybody from using a design for matches in which any number of stars is a distinctive mark. Plaintiffs' case as to colourable get-up failed entirely. Length of time necessary to acquire ownership of a mark by user depended on circumstances. If a party relies on fraud he should explicitly plead and prove it.

Boord v. Bagots, [1916] 2 A.C. 396; *Claudius, Ash Sons & Co., Ltd. v. Inzicht Manufacturing Co., Ltd.*, 29 R.P.C. 475; *Re Dexter*, [1893] 2 Ch. Div. 266; *Licensed Victuallers' Newspaper Co. v. Bingham*, 38 Ch. Div. 139—referred to.

Hall v. Barrows, [1863] 32 L.J. Ch. 548; *In re the trade mark of La Societe Anonyme des Verreterres de L'Etoile*, [1894] 1 Ch. Div. 61; *Johnston v. Ewing*, [1882] 7 A.C. 219; *Seixo v. Provezende*, [1866] 1 Ch. Ap. 192; *Wotherspoon v. Currie*, 5 E. & L. Ap. 508—distinguished.

The Swedish Match Co. v. Adamjee Hajee Dawood & Co., Ltd., 4 Ran. 381—set aside.

J. K. Munshi for the appellants.

McDonnell for the respondents.

* Civil First Appeal No. 226 of 1926 against the judgment in Civil Regular Suit No. 527 of 1925 on the Original Side, reported at 4 Ran. 381.

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The facts of the case and the descriptions of the various labels in suit are set out in the judgment of the learned Trial Judge, which is reported in I.L.R. 4 Rangoon, page 381. Their Lordships on appeal also set out the facts and pointed out the state of a trade war between the parties. Plaintiffs at first asserted in their plaint that they had been importing from Sweden into Burma boxes of matches with the three stars label, Exhibit A, for the past 32 years ; another label, Exhibit B, for the past 18 years and Exhibits C and D for the past seven months. On the strength of these assertions they obtained an interim injunction in the suit, as well as a search warrant from the District Magistrate in the criminal case relating to the labels. Only after four months they amended their plaint by altering 32 years into eleven months. There were also other cases, civil and criminal, pending between the parties regarding various other labels.

Dealing with Exhibit 4J, the letter which the defendants' manager wrote to Japan ordering the label in dispute in suit, their Lordships considered that the learned Trial Judge regarded the writing of this letter as proof of fraud, because it was not specifically set out in the affidavit of documents and the application to call the writer of it as a witness was made at a very late stage when advocates were addressing the Court.

Their Lordships agreed with the learned Trial Judge that the document should have been set out specifically, and that no satisfactory explanation had been given for not calling earlier the writer who was also the manager when the trade war between the parties was at its height. The judgment then proceeded as follows :—

RUTLEDGE, C.J., and BROWN, J.—Fraud if relied on must be pleaded. As Lord Loreburn, L.C.,

remarks in *Claudius, Ash Sons & Co.'s* case (1): "When once you establish the intent to deceive, it is only a short step to proving that the intent has been successful, but still it is a step even though it be a short step. To any such charge there must be however two conditions. The first is that it ought to be pleaded explicitly so as to give the defendant an opportunity of rebutting the accusation of intent. The second is that it must be proved by evidence." Fraud certainly was not pleaded by the plaintiffs. Mr. McDonnell urges that they could not plead it as they did not know of the letter of the 11th of June. This letter, however, was produced by Mr. M. A. Bawaney (D.W. 27) on the 8th of July 1926. The case did finish until the 30th of July 1926, when judgment was reserved. It was the plaintiffs' duty, if they wished to rely on fraud, to have asked leave to amend their pleadings by inserting it. There seems considerable force in the appellants' argument that fraud was discovered by the Judge rather than by the plaintiffs and after examining the terms of the letter, Exhibit 4J, and the circumstances existing between the parties on the 11th of June, we do not consider that fraud has been established. The defendants were engaged in a very serious dispute with very formidable rivals who wished to establish themselves in the Burma market, rivals who had sent a representative the previous year, Mr. Lahiri, to take stock of the match trade in Burma and to report as to what labels were likely to be most successful in attracting local customers. These rivals had shown themselves to be not very scrupulous in avoiding designs which they knew had been appropriated and used by their rivals. They knew that the defendants had used a "Tiger" mark for years, Exhibit 14, but this did not prevent them

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(1) 29 Patent Cases at p. 475.

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using and continuing to use the "Tiger" label, Exhibit 15. They knew that defendants had a "Horse" mark, Exhibit 16. This did not prevent their using a "Horse" mark, Exhibit 17. Defendants used a "Bird" mark with outspread wings, Exhibit 18, and plaintiffs, knowing this, used a "Bird" mark with out-stretched wings under the name of "Phoenix" brand, Exhibit 19. The same remark applies to the "Deer" or "Antelope" brands, Exhibits 12 and 13.

At a later period it would seem that while they relinquished their use of the other marks, they still persisted, according to the statements of advocates at the hearing on appeal, in their usage of the "Tiger" mark. It is true that the defendants have not sued plaintiffs for an infringement of their rights in respect of the "Tiger" mark, but at the same time it seems clear that defendants do claim exclusive right to that mark and have filed a suit for infringement which is still pending. (See C.R. 77 of 1925 filed on 14th February 1925). Whether the "Tiger" mark is a common one, as the plaintiffs allege, their user of it as newcomers in the Burma market, knowing that it had been used by the defendants for years, does not impress us favourably. The defendants in June 1925 may have been perfectly *bonâ fide* in objecting to plaintiffs' assertion of ownership of all labels identified with a star and they may well have considered that so long as they distinguished their mark from any of plaintiffs' marks, they would put a stop to plaintiffs' claim to a monopoly of stars of every kind. On this subject, certain observations of the late Mr. Justice Wright *In re Dexter's application* (1), have some relevance: "I think it is not calculated to deceive the public unless Messrs. Wills

(1) L.R., [1893] 2 Ch.Div. at p. 266.

have a monopoly of the name of 'Star' and of the figure of a star and can claim that monopoly as to stars of every kind. No specific evidence has been brought forward to show that Dexter's intended trade mark bears such a resemblance to either of Wills' trade marks, that, on that special ground and apart from the use of the word 'Star' or the figure of a star, the public would be deceived. It rests therefore upon this that Messrs. Wills have always claimed and continue to claim as far as they can the exclusive right of using the word 'Star' and the figure of a star in relation to the sale of tobacco. To my mind that claim is clearly too wide and quite apart from the evidence in this case, I should have thought that the word 'Star' was one of those few words of universal use which could hardly be appropriated by any one of mankind that it must be a part of the common stock-in-trade for naming articles and especially for naming them with a view to praise them."

We may mention that this view was approved by Lord Haldane in *Boord v. Bagots etc.* (1). Mr. McDonnell urges that Mr. Justice Wright's conclusion rested on the peculiar meaning of the word "Star" in English as meaning pluperfect or par excellent and that the word would not have the same connotation in Burmese or Hindustani. No doubt the last words quoted show that this meaning was present in the learned Judge's mind, but "Star" is "one of those few words of universal use" in Burmese and Hindustani, as much as in English, which could hardly be appropriated by any individual. The motive in June 1925 could scarcely be said to be to steal the plaintiffs' trade. That trade was only beginning and admittedly was very small. Defendants'

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(1) L.R., [1916] 2 A.C. at p. 396.

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trade had been going on for years and so far as concerned the output of their Rangoon Factory had been carried on for about a year and a half. This bears out our view that the dominant motive of the defendants in ordering the mark Exhibit E was to prevent plaintiffs laying claim to "Star" marks of every description. An examination of the labels shows that it would be difficult to imagine two labels more dissimilar than Exhibit B and Exhibit E. With regard to Exhibit A, the point of resemblance is that the three stars on this label as well as the five stars on Exhibit E are both red in colour and have six points. Otherwise there seems to be no point of similarity. The background in Exhibit A is pale yellow. The predominant background on Exhibit E consists of red rays over yellow, suggestive of sunlight, as in fact this was taken from a "Sunlight" label. There are four medal figures at each corner of Exhibit E. The outstanding feature of Exhibit E is a bar of five stars crossing a large circle. On the circle is "Safety Matches Best Quality" and inside the circle in small letters is "Printed in Japan. Damp proof". On Exhibit A there are in large letters in yellow on a black ground "Three Stars Safety Matches" and inside in small letters "Made by Jonkoping Vulcan Coy. Jonkoping Sweden." So far as get-up is concerned, we consider that no rational person could confuse the one with the other, and we consider that, so far as the plaintiffs' case rests upon colourable get-up and passing-off on the strength of such colourable get-up, it completely fails. Nor, indeed, was this part of the case very strenuously pressed. The case, as we understand it, is this that the plaintiffs' goods were placed on the Burma market for several months before the 12th of September 1925 and became widely known as "Star" mark goods and that on the

principle of the case of *Seixo v. Provezende* (1), the defendants committed an infringement of the plaintiffs' rights in putting goods on the market with the "Five Star" label about the 16th of September 1925 and were likely to mislead purchasers into buying their goods for those of the plaintiffs. But there seems to be a long cry between a peculiar Portuguese proper name such as "Seixo" on the English market and a universal word like "Star" on the Burmese market. We may quote from Lord Cranworth, L.C., in *Seixo's* case the following passage at page 196 on which respondents strongly rely: "I do not consider the actual physical resemblance of the two marks is the sole question for consideration. If the goods of a manufacturer have, from the mark or device he has used, become known in the market by a particular name, I think that the adoption by a rival trader of any mark which will cause his goods to bear the same name in the market may be as much a violation of the rights of that rival as the actual copy of his device". As we have already noted, the word "Seixo" in the English market was a very unusual and peculiar word. It had been used by the plaintiff since the year 1848, that is about eighteen years at the time of judgment. As Lord Cranworth observes a little later: "The plaintiff had adopted a device or trade mark which had caused his wines to obtain celebrity under a name descriptive of that trade mark. The defendants have adopted a trade mark which could not fail to lead purchasers to attribute to the wines so marked the same name as that under which the plaintiff's wines were known and so to believe that in purchasing them they would be purchasing the wines of the plaintiff. Against the use of such a trade

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(1) L.R., [1866] 1 Ch. Ap. 192.

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mark, the plaintiff has, I think, a right to have the injunction of this Court." This was a definite finding of fact that the name had become so associated with the plaintiff's wines that defendant's wine, using a similar name, would be mistaken for plaintiff's.

In *Wotherspoon v. Currie* (1), the main question turned upon the name "Glenfield". At page 512, Lord Hatherley says : "'Glenfield' is not a town like Burton-upon-Trent from which ale is named and in which there are many manufacturers of the so-called 'Burton Ale' nor is it a place which has any special circumstances connected with it (although something was attempted to be said about the water used in the manufacture) which would make the starch manufactured there particularly good. But it had simply happened that this starch was manufactured at the place called 'Glenfield' which is really only a place of about 60 inhabitants. It is not a parish ; it is not a hamlet ; it is not a district of any special character. But it was an estate of that name upon which some people seem to have erected some houses or manufactories and upon which now some sixty people are living. There was, therefore, nothing whatever to give particular celebrity to the name of 'Glenfield' so connected with the starch manufactory beyond the fact that the appellants have manufactured an article known by that name and having a very large sale under that name." It was also found as a fact in this case that there had been long user and that a deliberate attempt to pass off had been proved. In our opinion, no useful analogy can be drawn between the use of so peculiar and remote a word as "Glenfield" and so universal and common a word as 'Star'.

(1) 5 E. & I. Appeals, p. 508.

The respondents rely upon the "*Red Star*" case (1). That was a case of an action to expunge from the register the name "Red Star" as applied to glass. It was pointed out that a Belgian firm had sold for nine years glass marked with a "Red Star" device. In these circumstances, Sterling, J., expunged from the register the defendant's mark. But this seems to us to be clearly distinguishable from a case like the present. There, by registration, the defendants sought to have exclusive use of a name which was proved to have been used by another firm for nine years. If there were registration of marks in Burma and the defendants had applied for registration and exclusive use of the "Star Mark," there is no doubt on the facts before us that their application would have to be refused.

Both sides have relied strongly on the case of *Johnston v. Orr Ewing* (1). The respondents rely on it to establish the principle that actual misleading of a purchaser is not necessary for the restraining of the use of a trade mark which is calculated to mislead purchasers, and that what a Court has to look to is whether the ultimate purchaser and not the immediate one is likely to be deceived. This case is relied on by the appellants in that emphasis was laid in the several judgments on the fact that two elephants appeared on both marks. As Lord Blackburn observes at page 228: "And there is overwhelming evidence that such yarns had come to be known and asked for in those Eastern markets as "Two Elephants Yarns" or some other similar name, which I consider important as evidence that "two elephants" were in the minds of purchasers as the characteristic feature or at least a very characteristic feature of this trade mark. The defendants have tried but totally

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(1) L.R., [1894] 1 Ch. Div. 61.

(2) L.R., [1882] 7 A.C. 219.

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failed to prove that anyone else had ever used any trade mark for yarns with two elephants on it at all, certainly not to such an extent as to be known in any Eastern markets." Then on page 230, he adds "Why then did they come so near the plaintiffs' tickets? Why use the two elephants at all, unless in the hope that incautious purchasers might mistake one ticket for another? The defendants were both called as witnesses and had every opportunity given them to explain this and neither could give any answer. Their counsel argued that the plaintiffs had no monopoly of elephants and that their clients had a right to use them. So they had, unless they used them so as to mislead or at least be likely to mislead purchasers as to whose the goods were."

Orr Ewing did not, like the plaintiffs in the present case, claim a monopoly of elephants, but only of two elephants. "Elephant" is after all not so widely universal a symbol as "Star" and so far as we can find there is no principle to be found in this case which would help plaintiffs in entitling them to a monopoly of a star or stars of every description.

A great number of cases have been cited before us on either side, the specific facts of which differ very materially from the facts in the case before us and we do not consider that it is necessary to make any detailed reference to them.

A considerable amount of argument has been addressed us as to the length of time necessary to acquire ownership by user and reputation in a particular market. Mr. McDonnell on the strength of *Hall v. Barrows* (1), argued that only the very shortest period is necessary. Lord Romily observes at page 551: "The interference of a Court of Equity cannot depend on the length of time a manufacturer has

(1) [1863] 32 L.J. Ch. 548.

used it. If the brand or mark be an old one formerly used, but since discontinued, the former proprietor of the mark undoubtedly cannot retain such a property in it or prevent others from using it, but provided it has been originally adopted by a manufacturer and continuously and still used by him to denote his own goods when brought into the market and offered for sale, then I apprehend, although the mark may not have been adopted a week and may not have acquired any reputation on the market, his neighbours cannot use that mark."

We must confess that the reasoning of the learned Judge in this passage is not very clear. If the user was only for one week, it could hardly be said that "the mark had originally been adopted by a manufacturer and continuously and still used by him to denote his own goods." An examination of the facts of that case shows that they were peculiar and the question there was whether in the case of the sale of partnership assets, the right to use the initial letters of the three original partners with the device of a "Crown" formed part of the saleable assets of the business. It was not in issue in that case whether a week's user of the initials "B.H.H." and a Crown could establish sufficient user so as to create ownership by reputation. "These initials of partners with a Crown" constituted a very specific and definite brand or mark and the case appears to us relevant on the question as to the length of time necessary to have little to establish a claim to the exclusive use of general word such as "Crown" or "Star." We have been referred on behalf of the appellants to *Licensed Victuallers' Newspaper Company v. Bingham* (1), where a circulation for three days with a small sale did not entitle the plaintiff to exclusive

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use of a name. As Bowen, L.J., remarks at page 143 :
" To go from a stick of liquorice to a newspaper, the publisher of a newspaper has no right to the exclusive use of its name till he has so used it that it is known as denoting his newspaper. For an action to restrain the use of it to succeed, the plaintiffs must show that the defendant is doing something calculated to deceive—that people are likely to buy the defendant's newspaper in the belief that it is that of the plaintiff. To show that to be the case, there must have been such a sale as will establish in the mind of the public a connection between the name and the plaintiff's newspaper. That can only be after a reasonable time."

It is admitted that no case has been proved where defendants' goods have in fact been passed off as plaintiffs' goods. As regards whether there is a likelihood of their being passed off, there has been a great volume of evidence, about 35 witnesses for the plaintiffs and 49 witnesses for the defendants, having been examined. The main point which the plaintiffs' witnesses are called to prove is that plaintiffs' goods, irrespective of mark Exhibit A " Three Star " or Exhibit B the " J.W.T. Star," are known and sold on the mark as " Star " mark in English, " Tara marka " in Hindustani, and " Kyee tazeik " in Burmese, and the defendants' goods would also be sold under the same denomination. Defendants' evidence, on the other hand, seeks to establish that plaintiffs' goods would be sold respectively under the names of " Three Star " and " One Star ", while the defendants' goods would be sold under the name of " Five Star." The plaintiffs' evidence as was naturally to be expected consists mainly of their agents in Moulmein, Mandalay and elsewhere and retail customers of these agents. It is not disputed that the plaintiffs' sales were mainly

of the "Three Star" label and the "J.W.T." label. The sales of the "Two Star" Exhibit C and "One Star" Exhibit D were small and were not persisted in.

From a perusal of the evidence, we make no doubt that customers at times may ask in their own language for "Star" matches without specifying "Three Star," "One Star" or "Five Star," but we are not satisfied that it has been established that they will so ask for "Star" matches meaning and wanting Swedish matches. Customers very often merely ask for "a box of matches," and only when the vendor asks them "What kind of matches" do they specify any particular brand.

Plaintiffs' "J.W.T. Star" began to arrive on the 20th of February 1925. By the 12th of September 1925, when the defendants put their "Five Star" on the market, about 1,620 tins or 270 cases had arrived; 30 tins or 5 cases each of "One Star" Exhibit D and "Two Star" Exhibit C had arrived. Of the "Three Star" Exhibit A about 1,600 tins had arrived. For the appellants it has been pressed on us that this represents the goods which arrived *ex-wharf* and that a considerable time must be allowed before these goods could reach the hands of the retail customers and that, according to the law, it is the retail customers' chance of being deceived that must be looked to. While bearing this in mind and checking these figures with those of deliveries to the several agents and the evidence of the several witnesses as regards sales, we are of opinion that the plaintiffs have established a considerable user and reputation of their two brands "J.W.T." and "Three Star." But we do not consider that such a user was long enough or wide enough to establish that a person asking for "Star" marks in Burma must be taken to mean

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Swedish matches, or to establish in the minds of the public such a necessary connection that "Star" mark meant "Swedish manufacture." In other words, we are of opinion that the plaintiffs have established sufficient user of "Three Star" and "J.W.T. Star" label as would justify us in restraining any other competitor in Burma from a colourable imitation of either of these marks, but they have not, in our opinion established a right to restrain all and sundry from using a design for matches in which any number of stars is a distinctive mark. As we have already indicated, we are of opinion that the defendants' label Exhibit E does not infringe any of the plaintiffs' labels.

That being so, the appeal must be allowed and the plaintiff-respondents' suit dismissed.

APPELLATE CIVIL.

Before Mr. Justice Brown.

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MAUNG NGO AND OTHERS.*

Buddhist Law—Payin when converted to lettelpwa—Payin property constituting a squatter's right, whether subsequent grant of lease change in character

Where *payin* property formed a piece of land occupied as a squatter, held that a subsequent grant of lease during the second *coverture* converts the property into *lettelpwa*.

Ma Ba We v. Mi Sa U, 2 L.B.R. 174 ; *Maung Shwe Tha v. Ma Waing*, 11 L.B.R. 48—referred to.

Kale for the appellant.

Maung Ni for the respondents.

* Special Civil Second Appeal No. 386 of 1927.