

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT.

THE HONOURABLE MR. JUSTICE P.B.SURESH KUMAR

TUESDAY, THE 11TH DAY OF AUGUST 2015/20TH SRAVANA, 1937

FAO.No. 72 of 2015 ()

I.A.NO.5216 OF 2014 IN O.S.NO.25 OF 2014
ON THE FILE OF THE VI ADDL. DISTRICT COURT, ERNAKULAM.

APPELLANT/PETITIONER/PLAINTIFF:

MUSLIM EMPLOYEES CULTURAL ASSOCIATION (MECA) (REG. NO.P-362/1989)
PEEDIAKKAL ROAD, ERNAKULAM NORTH P.O., KOCHI-682 018
KERALA, REPRESENTED BY THEIR GENERAL SECRETARY
MR. N.K.ALI, S/O MR. KUTTU, AGED 55 YEARS
RESIDING AT AL-ARAFA, AL AMEEN ROAD, EDAPPALY ROAD
KOCHI-682024.

BY ADVS.SRI.C.HARIKUMAR
SRI.VIZZY GEORGE KOKKAT
SMT.C.B.ANUROOPA

RESPONDENTS/RESPONDENTS/DEFENDANTS:

1. MUSLIM EMPLOYEES CULTURAL ASSOCIATION (MECA)
(ALL INDIA COMMITTEE)
NO.514, 1ST FLOOR, MASTERS BUILDING
EKM ROAD, ALUVA, KERALA-683101
REPRESENTED BY ITS PRESIDENT SHRI. P.K.HAMEED KUTTY.
2. SHRI P.K.HAMEED KUTTY
PRESIDENT,
MUSLIM EMPLOYEES CULTURAL ASSOCIATION (MECA)
(ALL INDIA COMMITTEE) NO.514
1ST FLOOR, MASTERS BUILDINGS, EKM ROAD
ALUVA, KERALA-683101.

FAO.No. 72 of 2015

R1 & 2 BY ADV. SRI.P.VIJAYAKUMAR
R1 & 2 BY ADV. SRI.C.R.REGHUNATHAN
R1 & 2 BY ADV. SRI.T.R.MADHU
R1 & 2 BY ADV. SRI.M.V.ASHIM
R1 & 2 BY ADV. SRI.R.BALAKRISHNAN
R1 & 2 BY ADV. SRI.B.HARRYLAL

THIS FIRST APPEAL FROM ORDERS HAVING BEEN FINALLY HEARD ON 6.7.2015,
THE COURT ON 11-08-2015 DELIVERED THE FOLLOWING:

APPENDIX

ANNEXURE A1 : TRUE COPY OF THE REGISTRATION CERTIFICATE DT. 8.12.1989 ISSUED BY THE DISTRICT REGISTRAR, PATHANAMTHITTA IN FAVOUR OF THE PETITIONER.

ANNEXURE A2 : TRUE COPY OF THE AMENDMENT CARRIED OUT TO BYE LAW OF THE PETITIONER ASSOCIATION.

ANNEXURE A3 : TRUE COPY OF MINUTES OF STATE COMMITTEE MEETING DATED 22.1.2011 WHICH DECIDED TO FORM A NATIONAL COMMITTEE FOR THE PETITIONER ASSOCIATION.

ANNEXURE A4 : TRUE COPY OF MINUTES OF SECRETARIAT AND STATE COMMITTEE MEETING DT. 11.2.2011 AND 12.2.2011 WHICH DECIDED TO FORM AN ORGANIZING COMMITTEE AT NATIONAL LEVEL.

ANNEXURE A5 : TRUE COPY OF MINUTES OF MEETING DT. 23.2.2014 OF FIRST RESPONDENT ASSOCIATION WITH APPROVED BYELAW.

ANNEXURE A6 : A TRUE COPY OF REGISTRATION CERTIFICATE DT. 23.7.2014 ISSUED BY THE DISTRICT REGISTRAR, ERNAKULAM IN FAVOUR OF THE PETITIONER.

ANNEXURE A7 : TRUE COPY OF BROCHURE OF MECA SILVER JUBILEE FUNCTION HELD ON AUGUST 20 AND 21, 2014 AT ERNAKULAM.

ANNEXURE A8 : TRUE COPY OF NOTICE DT. 20.10.2014 CIRCULATED, ANNOUNCING MEETING OF NATIONAL COUNCIL MEETING TO BE HELD AT BANGALORE ON 2.11.2014.

ANNEXURE A9 : TRUE COPY OF OBJECTION DATED 28.1.2015 FILED BY THE RESPONDENTS IN I.A.NO.5216 OF 2014 IN O.S.NO.25 OF 2014.

C.R.

P.B.SURESH KUMAR, J.

F.A.O. No.72 of 2015

Dated 11th August, 2015.

J U D G M E N T

An order dismissing an application for a temporary injunction in an action for passing off is under challenge in this appeal. The plaintiff in the suit is the appellant.

2. The suit is a composite suit under Section 134 (1)(c) of the Trade Marks Act, 1999 ('the Act' for short) and Section 62 of the Copy Right Act, 1957. The plaintiff is a society registered under the Travancore - Cochin Literary, Scientific and Charitable Societies Registration Act, 1955. The case of the plaintiff is that they are imparting education and training to candidates from backward sections of the society with a view to enhance their career prospects. According to them, the training programmes of the plaintiff are extremely popular among the members of the backward sections of the society and they are identified by the beneficiaries as 'MECA'. It is their case that right from 1989, all the activities of the

plaintiff were being carried on under the name 'MECA' along with its unique emblem and that over the period, the aforesaid name 'MECA' and the emblem of the plaintiff acquired substantial goodwill among the backward sections of the society who are availing their services. It is alleged in the plaint that during October, 2014, it has come to their notice that a few members of their association formed a parallel association with the identical name and the mark 'MECA' and obtained registration in the name 'Muslim Employees Cultural Association - MECA (All India Committee)' under the Travancore - Cochin Literary, Scientific and Charitable Societies Registration Act. The first defendant is the said association and the second defendant is its President. It is also alleged that the defendants are now rendering services as if the same are being rendered by the plaintiff. According to the plaintiff, the conduct and actions of the defendants have created immense confusion and deception among the members of the plaintiff, its beneficiaries and the general public. It is alleged by the plaintiff that the defendants have chosen to adopt the identical name and mark

of the plaintiff to take advantage of the goodwill and reputation enjoyed by the plaintiff and to deceive and disguise the beneficiaries of the services rendered by the plaintiff. According to the plaintiff, the conduct of the defendants is dishonest and illegal. It is also alleged that the conduct of the defendants resulted in irreparable damage to the plaintiff. The suit, in the circumstances, was filed seeking a decree of permanent prohibitory injunction restraining the defendants and persons claiming under them from passing off any services using the name "Muslim Employees Cultural Association", the mark "MECA" and the emblem of the plaintiff.

3. Along with the plaint, the plaintiff filed I.A.No.5216 of 2014 seeking an order of temporary injunction restraining the defendants and persons claiming under them from depicting, offering or passing off services using the trade name "Muslim Employees Cultural Association", its trademark "MECA" and the emblem or any confusingly similar mark or emblem, including print and electronic media. The defendants resisted I.A.No.5216 of 2014, contending among others, that

the first defendant society was formed based on the decision taken by the plaintiff for the purpose of extending similar service across the country and that therefore, they are entitled to use the name and the name of the plaintiff. They also contended that a suit for passing off action is not maintainable in relation to the services rendered by the plaintiff which is a charitable organization.

4. Though the trial court found that the suit for passing off is maintainable at the instance of the plaintiff, it took the view that the question as to whether the plaintiff and the defendants are two different organizations or not can be sorted out only at the time of trial and consequently dismissed the application for temporary injunction. The plaintiff is aggrieved by the said decision of the trial court and hence this appeal.

5. Heard Sri.C.Harikumar, learned counsel for the appellant and Sri.P.Vijayakumar, learned counsel for the respondents.

6. The learned counsel for the appellant contended

that the materials on record would prima facie indicate that the plaintiff and the first defendant are two different organizations and as such, the trial court went wrong in declining the order of temporary injunction sought by the plaintiff. Per contra, the learned counsel for the respondents contended that passing off action would apply only to commercial and trading activities and not in the case of charities and hence the suit is not maintainable. He relied on the definition of the word “service” as defined in Section 2(z) of the Act, in support of the said contention.

7. The specific case of the plaintiff is that though the first defendant organization has been formed and registered under the very same name by some of its members, it has nothing to do with the plaintiff organization. The contention of the defendants is that the first defendant organization is formed pursuant to the decision of the plaintiff and that therefore they are entitled to use the name of the plaintiff. The stand of the plaintiff as far as the said case of the defendants is that on 2.11.2014, it had decided to extend its

activities across the country and formed a national committee for the said purpose. But, some of the defying members of the plaintiff formed the first defendant organization without the concurrence of the plaintiff. Though the defendants contend that the first defendant organization was formed as per the decision taken by the plaintiff, the fact that it is functioning as a different entity altogether is not in dispute. As such, the view taken by the court below that the question as to whether the plaintiff and first defendant are two different organizations or not can be decided only at the trial and till then, an order of injunction cannot be granted is unsustainable.

8. Coming to the contention as to the maintainability of the suit, it is beyond dispute that both the plaintiff and the first defendant organizations are charities and they are not rendering services commercially for profit. Passing off action is essentially an action for deceit. Although the essentials of passing off require both parties to a passing off action to be traders, the authorities indicate that the concept of trade is much wider in the context of an action for

passing off. The decision rendered by the High Court of England and Wales (Chancery Division) in **The British Diabetic Association v. The Diabetic Society & Others** [(1955)4 All England Law Reports] on an identical fact situation indicates that the Court of Appeal of New South Wales in Australia took the stand that there is no reason why an element essentially indistinguishable from commercial goodwill should not be attributed to a charitable organization and be equally entitled to protection from the law. The case dealt with by the Australian Court was a dispute between two churches. In the context of the dispute, the court held that one church could restrain another church from using its name. It was held in **The British Diabetic Association v. The Diabetic Society & Others** (supra) that the scope of a passing off action is wide enough to include deception of the public by one fund raising charity in a way that tends to appropriate and so damage another fund raising charity's goodwill in obtaining financial support from the public. The aforesaid view of the High Court of England and Wales has been accepted by the Bombay High

Court in **International Association of Lions Clubs v. National Association of Indian Lions & Others** [2006(33) PTC 79 (Bom.)]. In the aforesaid view of the matter, the contention raised by the defendants as to the maintainability of the suit is liable to be rejected.

9. Now I shall deal with the argument based on Section 2(z) of the Act. Section 2(z) of the Act reads thus :

“2. Definitions and interpretation.--

x x x x x x x

x x x x x x x

(z) "service" means service of any description which is made available to potential users and includes the provision of services in connection with business of any industrial or commercial matters such as banking, communication, education, financing, insurance, chit funds, real estate, transport, storage, material treatment, processing, supply of electrical or other energy, boarding, lodging, entertainment, amusement, construction, repair, conveying of news or information and advertising;”

As noticed above, the contention raised by the learned counsel for the respondents is that the word “service” as defined in Section 2(z) is though an inclusive one, going by its contents,

the same should be understood applying the principle *ejusdem generis* and if it is understood applying the principle *ejusdem generis*, it can be seen that an action for passing off can be instituted only in relation to a service rendered in a commercial manner. An action for passing off is a common law remedy. Section 134(1)(c) of the Act only provides for a forum for the same. Section 27(2) of the Act makes the said position clear by clarifying that nothing in Trade Marks Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof. Section 27 of the Act reads thus :

“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 or services as the goods of another person or as services provided by another person, or the remedies in respect thereof.”

The common law remedy of passing off, thus remains unaffected by the Trade Marks Act and therefore, the provisions of the said Act cannot place any fetter on the rights of a person to initiate an action for passing off. The arguments raised by the learned counsel for the defendants based on the definition of “service” in Section 2(z) of the Trade Marks Act also, in the circumstances, are liable to be rejected.

In the result, the appeal is allowed, the impugned order is set aside and an order of temporary injunction is passed in favour of the plaintiff restraining the defendants, their servants, agents or assignees from in any manner passing off services using the trade name “Muslim Employees Cultural Association”, trademark “MECA” and emblem or any confusingly similar mark or emblem, including print and electronic media.

Sd/-

P.B.SURESH KUMAR, JUDGE.

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(true copy)