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**VIACOM INTERNATIONAL INC.  
VS.  
MAHARAJA ORGANISATION LTD. AND OTHERS**

SUPREME COURT

S.N. SILVA, C.J.

UDALAGAMA, J AND,

FERNANDO, J

CASE No. SC (APPEAL) NO. 40/99

HIGH COURT (CIVIL) 21/93(3)

31ST SEPTEMBER AND 19TH OCTOBER 2004

*Intellectual Property - Code of Intellectual Property Act, No. 52 of 1979 as amended - Registering of "MTV Music Television" and "Maharaja Television" - Sections 90 and 100 of the Code - Avoidance of confusion by viewers - Side by side comparison of the two marks.*

The appellant objected to the registering of "MTV" as a trade mark by the 2nd respondent (Registrar of Patents and Trade Marks) The Maharaja mark was registered after the registration of the appellant's mark, "MTV Music Television". The appellant urged that the impugned registration would create confusion in the minds of viewers of television. A condition imposed by the 2nd respondent that neither party has the monopoly of the letters M. T. V. was of no avail. The 2nd respondent and the High Court both allowed the registration. The appellant appealed to the Supreme Court.

The respondents filed no affidavits of objection, whilst the 2nd respondent Registrar was prepared to abide by the decision of the court. The 2nd respondent also did not file an affidavit of objections.

**HELD :**

- (1) The High Court's contention was that the way letters "MTV" are written in the two marks are different and therefore, one could clearly distinguish the two marks. The High Court came to this conclusion by a close, side by side comparison of the two marks ignoring previous decisions to the contrary.

*Per Raja Fernando, J*

"What is important is to consider the prominent parts of both marks and decide whether the prominent parts of the two marks taken as a whole with the

design/get up, closely resemble one another as to confuse the consumer.....  
The court should not compare the two marks meticulously”

2. A preliminary objection to the appeal that only the 2nd respondent, Registrar should have been made a party respondent was in error and ought to be rejected.

#### **Cases referred to :**

1. *Toklon v Davidson* 1915 32R pages 133-136
2. *Bacadi Company Limited v Vigal Kardi (Ahuja's Intellectual Property Case)* (1959) Vol 3 No. 3 Page XII
3. *N STLE SA v Multitech Lanka (Pvt) Ltd* (1999) 2 SLLR 298
4. *Arumugam v Seyed Abbas Air* 1964 Mad 206

**APPEAL** from the judgment of the High Court

*K. Kanga - Iswaran, P. C. with Dr. Harsha Cabraal* for plaintiff appellant.

*Romesh de Silva, P. C. with Hiran de Alwis* for 1st respondent.

*S. Barrie, State Counsel* for 2nd respondent.

*Cur.adv.vult*

28th April, 2005

**RAJA FERNANDO, J.**

The Plaintiff - Appellant Viacom International (hereinafter referred to as the Appellant) filed this appeal on 10.11.1999 to set aside the Order of the High Court of the Western Province sitting in Colombo in the exercise of its civil jurisdiction (hereinafter referred to as the Commercial High Court) dated 13th September 1999 and make order in favour of the appellant as prayed for in the plaint dated 11th August 1998.

#### **Preliminary objection :**

When this matter came up for hearing the appellant took up a preliminary objection that the 1st defendant - respondent, The Maharaja Organisation Ltd., (hereinafter referred to as the 1st respondent) was not entitled to be heard in this application as it had not taken part in the proceedings in the Commercial High Court. However it was agreed by the parties on 17th May 2004 that the objection to the participation of the 1st Respondent in

these proceedings be considered with the main appeal and that the parties would tender written submissions and further the court could make its order on the written submissions of the parties.

Accordingly the appellant filed his written submissions on 31.08.2004 and the 1st Respondent, his on 19.10.2004. The 2nd defendant - respondent The Director of Intellectual Property, (hereinafter referred to as the 2nd respondent) whose decision the Appellant is seeking to set aside did not file his written submissions.

Before proceeding to consider the main appeal of the Appellant it is necessary to initially make an order with regard to the preliminary objection raised by the Appellant regarding the participation of the 1st respondent in these proceedings.

Firstly, the 1st respondent is a party to the appeal named by the appellant and further the decision the Appellant is seeking to set aside is the decision of the Commercial High Court made affirming the Order of the 2nd Respondent made on 13th September 1998 in favour of the 1st respondent's Trade mark. Therefore it is the 1st respondent who is the party directly affected by the outcome of this appeal. Hence it is the view of the Court that apart from 1st respondent being a party to the appeal he being the party directly affected by the decision of the court he must necessarily be permitted to participate and heard in this appeal.

Accordingly I make order over-ruling the preliminary objection of the Appellant and permit the 1st respondent to participate and be heard in the proceedings of this appeal.

### The Main appeal

The main appeal is on the Registration by the Director- General of Intellectual Property the 2nd respondent of the trade mark "MTV" under class 38 of the international classification as the trade mark of the 1st respondent the Maharaja Organisation made on 30th June, 1998.

### The Background

The plaintiff - appellant, Viacom Incorporated in U. S. A. the user of the trade mark "MTV Music Television" which has been registered in the US

and in several other countries made an application to register its mark "MTV Music Television" in Sri Lanka on 15th May 1991 under application Nos. TM 61297 and TM 61298 in classes 38 and 41 respectively of the international classification and has prior registration for MTV.

Pursuant to an agreement with Teleshan Network (PVT) Ltd. of Sri Lanka and TNL television station the Appellant has been telecasting MTV Music Television in Sri Lanka, before Maharajah Television Commenced its telecast.

The 1st respondent made an application on 23rd May 1991 under application No. 61332 for the registration of the alphabetical letters "MTV" in respect of communication in the same class 38 of the International classification. The said mark was accepted and published in terms of section 107 of the Code of Intellectual Property (hearing after referred to as the Code.) in the government gazette No. 830 of 29th July 1994 subject to the condition that the registration did not give the 1st respondent the right to exclusive use of the letters M. T. and V

Upon publication the Appellant filed notice of opposition in terms of section 107(2) of the Code of Intellectual Property on 18th January 1995.

The Applicant's opposition was :

- (i) That the 1st Respondent's propounded mark will contravene the provisions of Section 99, 100 and 142 of the code.
- (ii) That the Appellant had pending applications under the same class 38 in TM 61297 and class 41 in TM 61298 filed prior to the 1st respondent's application.
- (iii) That the 1st respondent's propounded mark is not sought to be registered in good faith
- (iv) That the propounded mark is likely to create the erroneous impression that the 1st respondent's services are the services of the appellant
- (v) That the 1st respondent's propounded mark will give the impression that there is a connection or association between the 1st respondent's service and of the appellant.

After an inquiry the 2nd respondent made order on 30 th June 1998 allowing the 1st respondent's application for registration.

The appellant being aggrieved by the said order of the 2nd respondent appealed there from to the Commercial High Court under Section 182 of the code. The appeal of the Commercial High Court by the appellant was dismissed by the High Court on 13 th September 1998.

This appeal is to set aside the judgment of the Commercial High Court dated 13th September 1998 and make order in favour of the Appellant as prayed for in the plaint dated 11th August 1998.

*Submissions of the parties.*

The Appellant submits that the registration of the 1st Respondent's mark "MTV" by the 2nd Respondent is contrary to the provisions of the said Code and the Order of the learned Commercial High Court Judge is replete with irrelevant considerations made without due regard to the law and abundance of Judicial authority relating to Trade Marks.

Further it was submitted by the Appellant that the finding of the 2nd Respondent in registering the mark of the 1st respondent is entirely without merit and misconceived both as a matter of fact and of law.

It was the submission of the Appellant that in the Commercial High Court the 1st Respondent did not file proxy and/or answer or participate in the appeal before the Commercial High Court and the 2nd Respondent, the Director of Intellectual Property, informed court that he is not filing answer and that he will abide by the judgement of court.

In effect the 2nd respondent did not defend his order in the Commercial High Court or before this court.

The Commercial High Court disposed of the appeal solely on the affidavit, answer and written submissions of the appellant.

The 1st Respondent in his submissions filed in this court referring to the host of authorities cited by the Appellant attempts to dismiss them by merely stating that they are irrelevant and causes confusion rather than throw light on the matter.

It is the submission of the 1st Respondent that both Maharaja Television and Music Television made applications to register MTV as the Trade

Mark of each of them and that the Appellant objected to the registration of the 1st Respondent's trade mark and the 1st Respondent objected to the registration of the appellant's trade mark. The Registrar of Trade Marks the 2nd respondent permitted the registration of both marks with a disclaimer that no party is entitled to the exclusive use of the letters MTV.

The 1st Respondent submits that the 2nd Respondent and the learned High Court Judge have both come to the same conclusion that the mark will not cause deception or confusion in the minds of the public and that the viewers will ignore the common denominator of the two marks and will know clearly that one is Music TV and the other is Maharaja TV.

### *Merits of this Appeal*

In terms of the code of Intellectual Property a "Mark" Means a Trade Mark or service mark serving to distinguish the goods or services of one from those of another.

The exclusive right in a mark may be acquired by registration under the Code. Unregistered marks are safeguarded under the provisions relating to unfair competition and the common law, under action for passing off.

Once an application for registration of a mark is received by the registrar, he is required to examine the mark in relation to the provisions of sections 99 and 100.

As submitted by the 1st respondent in his submissions what the 2nd Respondent, the Director of Intellectual Property, has done is to register both marks with a disclaimer that no party is entitled to the exclusive use of the letters MTV. This is contrary to the spirit and substance of the law on Trade marks.

A visible sign capable of distinguishing the goods or services of different enterprises can constitute a mark provided it is not inadmissible under section 99 and 100 of the Code. No trader or service provider should be permitted to monopolise alphabetical letters unless the mark consisting of such letters can constitute a valid mark and not inadmissible under Section 99 and 100.

The two marks have been registered without exclusive rights to the English alphabetical letters M T and V.

This position to my mind can not be valid.

The two letters “TV” is a standard abbreviation used all over the world for the word “Television”, as such no party could claim exclusive rights for the use of the letters TV. Then the only letter left in the mark is the letter M. According to the evidence on record the Plaintiff -Appellant has extensively used “MTV” as a mark and acquired a reputation/identity and therefore when the letter M is taken together with the two descriptive letters TV as a whole the three letters MTV can stand as a valid mark. It is settled law that a mark should be taken as a whole. The Plaintiff-Appellant does not receive exclusive rights to the letters TV but he should receive exclusive rights to the combination of letters MTV in this instance. Thus others are not entitled to the use of the combination of letters MTV.

The law attempts to avoid ‘confusion’ in the minds of the public as to the source of the service. If both *Music TV* and *Maharaja TV* are permitted the use of the mark MTV it is hard to understand how the viewers could know the correct source of the service.

The learned High Court judge’s contention is that the way the letters MTV are written in the two marks are different and therefore one could clearly distinguish the two marks. Further he has come to this conclusion by a close, side by side comparison of the two marks.

The learned trial judge has completely ignored the host of authorities which stipulate that, such side by side comparison is not the way to examine Trade marks. What is important is to consider the prominent parts of both marks and decide whether the prominent parts of the two marks taken as a whole with the design/get up, closely resemble one another as to confuse the consumer. Without doubt the prominent parts of both marks included in this appeal are the letters MTV. The court should not compare the two marks meticulously. As Lord Johnson expressed in *Tokalon v. Davidson* (1) “we are not supposed to scan the words and do microscopic inspections. It is a matter of general and casual point of view of a consumer walking into a shop.”

When one considers the two marks in that light it is clear that both marks so closely resemble one another and the consumer/viewer is likely to be confused.

The initial question then to be decided is, when a particular programme is said to be telecast on "MTV" whether a viewer will be in a position to know which of the two channels this programme comes on; Music TV or Maharaja TV. If the answer to this simple question is that one cannot decide, then both Marks cannot co-exist and the second registration has to be cancelled.

The learned High Court Judge in deciding that the two marks are diametrically opposed to each other has engaged in a critical side by side examination of the two marks and of their presentation and a minute examination of each letter of the alphabet in the two marks.

It is settled law both in Sri Lanka, India and elsewhere that "In order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two marks are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so whether they are of such a character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him." *Bacardi Company Limited Vs. Vigal Kardi (Ahuja's Intellectual property case* <sup>(2)</sup>)

In the case of *Nestle SA Vs. MultiTech Lanka (Pvt.) Ltd* <sup>(3)</sup>, Fernando J. has in a trade mark/unfair competition dispute held that such dispute "cannot be decided by simply totting up and weighing resemblances and dissimilarities upon a side by side comparison of the marks".

The issue is whether a person who sees one in the absence of the other and who has in his mind's eye only a recollection of that other would think the two were the same. The mind's impression (idea) of the mark is critically important. The impression (idea) of the mark here is "MTV".

In *Arumugam vs. Seyed Abbas* <sup>(4)</sup> it has been held that "Striking resemblance between distinctive words of an existing registered trade mark and the proposed trade mark disentitles the latter to be registered."



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Further the learned High Court Judge has ignored the phonetic resemblance of the two marks.

It is undisputed that the Plaintiff-Appellant applied to the Registrar of Patents and Trade Marks for the registration of the Trade mark "MTV Music Television" on 15th May, 1991 in applications numbered TM 61297 and TM 61298 in classes 38 and 41 respectively.

Whilst the Appellant's application was pending the 1st respondent Maharaja Organisation also filed an application on 23rd May 1991 for the registration of the alphabetical letters "MTV" with a devise in respect of Communication in Class 38 the same class as the appellant under application No. 61332.

The plaintiff-appellant objected to the registration of the Trade mark of the 1st respondent on the ground that the plaintiff-appellant being the registered owner of the Trade mark "MTV Music Television" under the same class as the 1st Respondent his rights under the Code would be contravened.

It is common ground that the plaintiff - appellant had the Trade mark "MTV Music Television" registered prior to the 1st Respondent in the same class. Therefore, another application to register the same trade mark or a similar trade mark which is likely to mislead or confuse the public as to the source of the service cannot be registered.

Eventhough, the original registration was subject to the condition that he will have no exclusive right to the alphabetical letters MTV, what the law attempts to prevent is confusion in the minds of the public as to the source of the service. As mentioned above the plaintiff-appellant is entitled to letter "M" with the letters T and V under the special circumstances relating to this matter.

The only way in which the same letters MTV could have been used as a trade mark by another is to either show that customers/viewers will not normally regard such letters as indicators of the Origin of the services concerned. it is the contention of the 1st Respondent that the letters combined in an artistic manner used by the 1st respondent is capable of distinguishing the services of the 1st respondent from the plaintiff- appellant.

The learned High Court Judge has come to that same conclusion by a minute and a side by side close scrutiny of the purported Trade mark of the 1st respondent.

As stated earlier in examining Trade Marks such side by side close scrutiny is not the approach to decipher trade marks. One must consider whether the public could without confusion identify the source of the goods or services offered under such trade mark.

In so deciding one invariably has to consider the services offered by the competing parties. Undoubtedly, both the plaintiff-appellant's "Music TV" and the 1st respondent's Maharaja TV are under the same Trade mark "MTV" offering the same services if not identical services. Therefore, the confusion in the minds of the public is more probable.

The learned High Court Judge has failed to properly consider the two marks under the law for the protection against unfair competition. He has not considered whether there has been an appropriation of the benefit of the good name or reputation of one for the commercial advantage of the other. Nor has he considered the use of the two marks concurrently in the same class and in respect of the same service and whether it would cause confusion, as given in Section 142 of the Code, resulting in an act of unfair competition.

It is evident on the affidavits and other documents filed by the appellant before the High Court that the appellant has been telecasting MTV music television in Sri Lanka and elsewhere even prior to the registration of the appellant's Trade mark MTV by the Director of Intellectual Property in Sri Lanka. It is the submission of the appellant that the 1st respondent was aware of the use of the mark by the appellant at the time the 1st respondent made his application for registration of a deceptively similar mark for registration under the same services.

There is merit in the submission of the appellant that their Trade mark MTV Music Television was in use long prior to the 1st respondent filing his application for registration of a similar mark and there would be unfair competition and even passing off.

The phonetic resemblance of the two marks is such that it is almost impossible for a person to distinguish between the two services. The

disclaimer recorded by the 2nd respondent in respect a of the letter M T and V is in the circumstances of this case of no relevance. As I mentioned earlier the use of MTV by both will lead to confusion among the public. Whether or not the 1st defendant-respondent intended such outcome is immaterial. Thus, his registration or use of letters MTV is contrary to the provisions relating to unfair competition and cannot be permitted. The unfair competition law safeguards not only the interest of traders and service providers but also the consumers.

Therefore I hold that the Registration by the 2nd respondent of the trade mark of the 1st respondent is contrary to the provisions of Sections 99, 100 and 142 of the code of Intellectual Property Act, No. 12 of 1979.

Accordingly, I set aside the judgment of the Commercial High Court, dated 13th September 1999 and also set aside the Order of the 2nd respondent dated 30th June 1998 allowing the 1st respondent to register Trade Mark No. 61332.

**S. N. SILVA, C. J.**— I agree.

**N. K. UDALAGAMA, J.**— I agree.

*Appeal allowed.*

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