
(1990) 07 MAD CK 0041
In the Madras High Court

Lakshmi Pvc Products Pvt. Ltd.

APPELLANT

Vs

Lakshmi Polymers

RESPONDENT

Date of Decision : 25-07-1990

Acts Referred:

Trade and Merchandise Marks Act, 1958 — Section 120, 27

Citation : (1990) 07 MAD CK 0041

Hon'ble Judges : P.K. Sethuraman, J

Bench : Single Bench

Advocate : Mr. U.N.R. Rao, for Mr. C. Daniel, for the Appellant; Mr. M.K. Rao, for the Respondent

Judgement

P.K. Sethuraman, J.—This is an application filed by the plaintiff praying for an interim injunction restraining the respondent from issuing

circulars advertisements and notices threatening action for passing off of goods or any threats affecting the business or its reputation pending

disposal of the suit.

2. One of the Directors of the plaintiff-Company has filed an affidavit submitting that the suit has been filed u/s 120 of the Trade & Merchandise

Marks Act, 1958, for a declaration that the threat contained in the notice dated 31-5-1990 issued by M/s. Kamath and Kamath, Patent and Trade

Mark Attorneys for and on behalf of the defendant contains threats which are not justifiable and for an injunction against the continuance of the

threats. Since 1987 the plaintiff has adopted the work "Lakshmi" as a part of their name, their trade name and their trade mark "Lakshmi". Prior to

that, Directors of the company had formed a partnership firm in the name of Lakshmi Engineering Industries in 1984. They become eligible to

proprietors of the mark with respect to their product from the date of their

adoption. Contrary to that right the defendant claiming to have used the mark for the past 2 years on similar products has threatened legal action.

3. If the defendant executes and implements the threat contained in the notice dated 31-5-1990 by sending notices, circulars to plaintiff's

customers either directly or through the press media, the plaintiff will be put to irreparable loss. The goodwill and the credit-worthiness will be lost

and the financing institutions may demand the return of the loan.

4. In the counter filed by the respondent through a partner of the defendant firm it has been submitted that the suit itself u/s 120 of the Trade and

Merchandise Marks Act, 1958 is not maintainable. The defendant firm was constituted under the name and style of "Lakshmi Polymers" in the

year 1985 by a Deed of Partnership dated 25-12-1995. It has been duly registered under the partnership Act.

5. The name Lakshmi occurs in the trading style of several groups concerns of the defendant and they are as follows :

The defendant commenced marketing their PVC pipe fittings bearing their trade mark LAKSHMI from March 1988. The defendant has filed an

application for registration of the said trade mark ""LAKSHMI"" in respect of goods including PVC pipe fittings in the Trade Marks Registry under

the Trade and Merchandise Marks Act, 1958. After giving sales, turnover, it has been submitted that PVC pipe fitting bearing the said trade mark

"LAKSHMI" are being sold in various states including the State of Tamil Nadu. The defendant has a depot at Coimbatore for the sale of the said

goods in Tamil Nadu.

6. The defendant has also spent considerable amount on advertisements and they have spent a sum of Rs. 64,000/- on such advertisements over

the period 1988-90. While so in May, 1990 it came to the notice of the defendant that the plaintiff had commenced marketing PVC pipe fittings

bearing an offending mark "LAKSHMI". Accordingly, the defendant duly caused a registered notice dated 31-5-1990 to be issued to the plaintiff

in that behalf calling upon them to desist from using the said offending mark LAKSHMI. The plaintiff has sent in interim reply dated 6-6-1990

stating that they have handed over the said notice to their Advocate who will take suitable action including sending a detailed reply in a short time.

No such detailed reply has been received; instead, the plaintiff has rushed to the

court and filed the present suit.

7. Further denying the averments made in the affidavit filed in support of the application, it has been stated that the suit is not maintainable and the

notice dated 31.5.1990 caused to be issued by the defendant to the plaintiff does not contain any unjustifiable threats, but justifiably calls upon the

plaintiff to desist from using the offending mark LAKSHMI. The defendant is earlier in point of time with regard to the use of trade mark

LAKSHMI for PVC pipe fittings. The defendant commenced marketing their PVC pipe fitting bearing the trade mark LAKSHMI in March,

1988, whereas the plaintiff commenced their PVC pipe fittings bearing the offending mark LAKSHMI since December, 1989. Having regard to

the earlier use by the defendant of the trade mark LAKSHMI for PVC pipe fittings, the subsequent use of the same mark for the same goods by

the plaintiffs would result in the goods of the plaintiffs being passed off as or for the goods of the defendants. The charge of passing off levelled by

the defendants against the plaintiffs is therefore fully justified. Even as regards the founding of the defendant firm, that is earlier in point of time than

the incorporation of the plaintiff-company in 1987. Hence, it has been prayed that the application has to be dismissed with costs.

8. The point that arises for consideration in this application is as to whether an order of interim injunction has to be granted in favour of the

application ?

9. The plaintiff-company incorporated under the Companies Act, 1956 on 25.3.1987 is manufacturing and selling PVC pipe fitting and the plaintiff

is embossing on their product ""LAKSHMI"". According to the plaint, even at the time of incorporation of the plaintiff-company with the name

"LAKSHMI" the plaintiff adopted and decided to use LAKSHMI as the trade mark to be affixed on their goods. It is also further stated in the

plaintiff that they had adopted ""LAKSHMI"" as their mark since 1984. The defendant Lakshmi Polymers, a partnership firm, is said to have been

started in the year 1985 by a Deed of partnership on 25.12.1985 which was registered under the partnership Act on 7.3.1986 at Trivandrum. As

stated earlier, the name "LAKSHMI" is being used in several groups of concerns belonging to the defendant, shown as Lakshmi Finance

Corporation - 1952, Lakshmi Engineering Co. - 1966. Lakshmi Agencies - 1968,

Lakshmi Wood Industries - 1983 and Lakshmi Marketing -

1990. The defendant claimed that they had been marketing PVC pipe fittings bearing their mark from March, 1988, and they have also filed

application for registration of the trade mark "LAKSHMI" in respect of goods including PVC pipe fittings in the Trade Marks Registry under the

Trade and Merchandise Marks Act, 1958 and the application has been taken on file by the Trade Marks Registry in the month of February 1990.

10. It has been submitted in the plaint that at the time of choosing a name for the plaintiff-company a search was made with the Registry maintained

by the Registrar of Companies under the Companies Act, and it is only after ascertaining that there is no company of that name, the Registrar gave

the consent to incorporate the company in the name of Lakshmi PVC Products (Pvt.) Ltd. and at that time the Directors of the company decided

the use the word "Lakshmi" as their house mark, trade name and trade mark to affix the same on all their products. As regards the said contention,

it may be pointed out that there is no indication in the plaint as to when a search was made with the Registry maintained by the Registrar of

Companies. The plaintiff has also submitted that they are proposing to apply for registration of the mark. It is not in dispute that a notice was sent

on behalf of the defendant to the plaintiff in the month of May, 1990 through M/s. Kamath & Kamath, Patent and Trade Mark Attorneys, which

according to the plaintiff, is the threat by the defendant regarding which the suit has been filed. The defendant has put forward the case that for over

two years the defendant has been regularly using connection with PVC pipe fittings the trade mark ""LAKSHMI"" and they have acquired exclusive

title to the mark and they have also applied for registration.

11. The learned counsel for the defendant submitted that the suit itself is not maintainable having regard to Section 120(1) of the Trade

Marchandise Marks Act clearly mentions action or proceeding for infringement of a trade mark which is registered. So according to him only when

there is a threat by means of circulars, advertisements, or otherwise with regard to a registered trade mark, that Section 120(1) will come into play

and in this case, as there is no registered trade mark, it is not open to the plaintiff to file the suit praying for the relief of injunction against the

defendant.

12. The learned counsel for the defendant also submitted that the notice sent by the defendant cannot be said to be unjustifiable having regard to the facts; and taking into consideration the fact that the defendant had been using the name for over two years and has also applied for registration, the threat cannot at all be said to be unjustifiable and thus there is no cause of action for the suit and in such circumstances, there could be no order of temporary injunction as prayed for by the plaintiff. On the other hand, the learned counsel for the applicant submitted that the plaintiff decided to use the word "LAKSHMI" much earlier and the erstwhile partners of the plaintiff-firm had used the word "LAKSHMI" and thereafter the plaintiff company decided to use that name.

13. The learned counsel for the defendant further submitted that incorporation of the plaintiff-company does not confer rights to use the word "LAKSHMI" and there is no provision in the Companies Act to use the word "LAKSHMI" in the trading side and the use of the word "LAKSHMI" over their products was objected to and there is no objection for the use of the name for the company, and learned counsel for the defendant also pointed out that the defendant-partnership company was registered on 25-12-1985 and Lakshmi Polymers was prior in point of time to the incorporation of the plaintiff and the plaintiff cannot claim any right from the previous partnership accruing to the plaintiff-company. In this regard, the learned counsel for the defendant also submitted that the defendant has given the sales turnover, and the plaintiff has not given the sales turnover.

14. It is to be seen that the defendant partnership firm had been registered even in the year 1985 and they have been selling their products for the past two years. The plaintiff has come to the market only recently. No doubt, it is being claimed by the plaintiff that they had decided as regards the name much earlier. But that is a matter to be established by evidence. It is also to be seen that the defendant had already applied for registration of the trade mark and it is said to be pending. In such circumstances. I find the notice issued on behalf of the defendant as such may not be a prima facie unjustifiable threat. No doubt, it is for the plaintiff to establish the same in the suit. But taking into consideration the fact that the

defendant has already applied for registration and the matter is pending and the plaintiff also submits that they proposed to file an application for registration, that is a matter that could be decided by the Registrar of Trade Marks. Pending disposal of the application. I feel the defendant could be directed not to issue any circular, or advertisement regarding the plaintiff's products. But it is made clear that it is open to the defendant to file a suit against the plaintiff.

15. The learned counsel on either side placed in the decision reported in Dolphin Laboratories Pvt. Ltd. v. Kaptab Pharmaceuticals. In that

decision the facts reveal that a manufacturer of drug had applied for registration of mark on drug long before the defendant who applied for

registration of identical drug with similar trade mark. The plaintiff was threatened with legal proceeding by defendant on his continuance of sale of

drug under the mark. The defendant intended to file suit for passing off. The plaintiff filed suit for injunction restraining the defendant from

continuance of threats by filing suit for passing off. It was held that the defendant could not be restrained from instituting suit for passing off in the

court. It has been further laid down that while restraining a person from making unjustified threats it is not open to the court to restrain him from

taking the matter to a court of law and from agitating his rights there. Section 120 is not intended to prevent a person from instituting a suit alleging

off. Section 27(2) clearly upholds the right of a person to file a suit for passing off irrespective of any other provisions in the Act. Having regard to

the fact that the trade mark has not been registered either by the plaintiff or the defendant, but taking into consideration that the defendant has a

plied for registration and the plaintiff proposed to apply for registration. I feel pending disposal of the application for registration of the trade mark

by the Registrar and inasmuch as the notice had been issued already by the defendant against the plaintiff, the parties could be directed to maintain

status quo pending disposal of the application for registration by the Registrar of Trade Marks. With this direction to the defendant I feel the

application could be ordered without going into the maintainability or otherwise of the suit u/s 120(1) of the Act at present. Accordingly, the

defendant is directed not to issue any further notice or circular pending disposal of the application for registration by the Registrar. It is made clear

that it is open to the defendant to file the suit against the plaintiff. Ordered accordingly. No order as to costs.