

(1984) 08 P&H CK 0064

In the Punjab And Haryana At Chandigarh

Case No : Regular First Appeal No. 1296 of 1982

Madura Coats Limited and Others

APPELLANT

Vs

Chetan Dev

RESPONDENT

Date of Decision : 01-08-1984

Acts Referred:

Patents and Designs Act, 1911 — Section 36

Trade and Merchandise Marks Act, 1958 — Section 120

Citation : AIR 1985 P&H 43

Hon'ble Judges : J.V. Gupta, J

Bench : Single Bench

Judgement

1. This is defendants' appeal against whom the suit for declaration and the grant of the permanent injunction has been decreed by the trial Court.

2. The plaintiff Chetan Dev. proprietor, M/s. Ahuja Thread Mills, filed the suit for a declaration to the effect that the alleged infringement to which the threats of the defendants towards the plaintiff relate, was, in fact, not the infringement of any legal rights of the defendants, and permanent injunction restraining them from continuing their threats towards the plaintiff and desisting therefrom. It was alleged by the plaintiff that he was the sole proprietor of M/s. Ahuja Thread Mills, and dealt with the manufacture and sale of threads for the last more than two years while the defendants were the manufacturers and representatives of M/s. Madura Coats Ltd., also dealing with the sale of threads. It was also alleged that the plaintiff, about two years ago, manufactured thread with the trade mark "Swastik Super-shine 50" with the insignia of Swastik, and this trade mark used by him was his exclusive right of property and that the defendants had no right to the same. It was further alleged that M/s. Madura Coats Ltd. manufactured threads with the trade mark "Coats Super-Sheen" with the insignia of Sangal (Chain in circle). They sold their goods in a pack of one dozen. They illegally claiming themselves to be the owners of the copyright of the threads manufactured by the plaintiff, had started giving threats while no such question arose because there was no similarity between the two threads. Even a layman

could understand which one was the product of the plaintiff and which one was that of the Madura Coats Ltd. Thus, it was asserted that the plaintiff and which one was that of the Madura Coats Ltd. Thus, it was asserted that the plaintiff had every right to use the trade mark and that it had not infringed the rights of the defendants at all. On these facts, it was alleged that the threats issued to the plaintiff by virtue of the notice, dated October 7, 1981, Exhibit P. 6, were groundless. It was from that letter that the cause of action arose to him to file the present suit. In the plaint, the suit was stated to have been filed under S. 60 of the Copyright Act, but now, it is the common case of the parties that such a suit was contemplated only under S. 120 of the Trade and Merchandise Marks Act, (hereinafter called the Act). In the written statement, it was pleaded that the plaintiff was using the trade mark in relation to the threads marketed by him which trade marks was deceptively similar to the registered No. 135622 in the name J & P Coats limited, an English Company. It was also contended that the plaintiff was selling threads under the trade mark "Swasitk Super-shine" which was deceptively similar to the trade mark of J & P Coats Limited. It was pleaded that the defendants or any of them had never claimed any rights of ownership in any copyright and that defendant No. 4 being a licensee of J & P Coats Limited used the registered trade mark of the company in relation to the threads manufactured by it in accordance with the specifications and standards of quality laid down by the Company. When the defendants learnt that the plaintiff was using the trade mark deceptively similar to the trade mark of J & P Coats Ltd., they requested the plaintiff to stop such misuse so as to ensure that no infringement was committed by a third party in regard to their trade mark. It was specifically pleaded that no cause of action had arisen to the plaintiff against them and that he could not claim any relief for the injury he might have to suffer as a consequence of his being stopped from continuing his unlawful activities in infringing their trade mark. In the replication filed on behalf of the plaintiff, the averments made in the plaint were reiterated. However, on the pleadings of the parties, the trial Court framed the following issues:

1. Whether the plaintiff is not doing infringement of any trade mark rights of the defendants?
2. Whether the plaintiff is entitled to the relief claimed for?
3. Relief.

Under issue No. 1, it was concluded that the plaintiff was not infringing the trade mark rights of the defendants. Thus, the said issue was decided in favour of the plaintiff. Issue No. 2 was also decided in his favour. As a result, his suit was decreed. Dissatisfied with the same, the defendants have come up in appeal to this Court.

3. The learned counsel for the appellants contended that proper issues were not framed by the trial Court in the present case. As a matter of fact, submitted the learned counsel, the plaintiff had no cause of action to file the present suit as

only the letter dated October 7, 1981, Exh. P. 6, was written to him to draw his attention, to the lapse. The plaintiff did not file any suit for damages as such. Under the circumstances, the trial Court could not go into the question of non-infringement of the trade mark of the defendants. According to the learned counsel, the findings given by the trial Court, in this behalf, will stand in the way of the defendants as and when they file a suit as contemplated under S. 29 of the Act. Thus, argued the counsel, the finding in regard to the non-infringement of the trade mark rights of the defendants by the plaintiff, was uncalled for. On merits, it was submitted that the findings of the trial Court are wrong, illegal and against the evidence on the record. On the other hand, the learned counsel for the plaintiff-respondent submitted that for holding that the threats given by the defendants were justifiable, the Courts has to go into the merits of the case to see whether there was any infringement of the trade mark of the defendants or not and, therefore, the findings given by the trial Court, in this behalf, are legal and within the scope of the suit.

4. I have heard the learned counsel for the parties and have also gone through the relevant evidence on the record.

5. Section 120 of the Act reads:-

"120 (1) Where a person by means of circulars, advertisements or otherwise, threatens person with an action or proceeding for infringement of a trade mark which is registered, or alleged by the first-mentioned person to be registered, or with some other like proceeding, a person aggrieved may, whether the person making the threat is or is not the registered proprietor or the registered user of the trade mark bring a suit against the first-mentioned person and may obtain a declaration to the effect that the threats are unjustifiable, and an injunction against the continuance of the threats, and may recover such damages (if any) as he has sustained, unless the first-mentioned person satisfies the Court that the trade mark is registered and that the acts in respect of which the proceedings were threatened constitute, or, if done, would constitute, an infringement of the trade mark.

(2) The last preceding sub-section does not apply if the registered proprietor of the trade mark or a registered user acting in pursuance of sub-section (1) of S. 51, with due diligence commences and prosecutes an action against the person threatened for infringement of the trade mark.

(3) & (4) *** **

It is the common case of the parties that in the present case, the only threat given by the defendants was in the form of the letter dated October 7, 1981, Ex. P. 6 and that is why the plaintiff did not file the suit for the recovery of any damages which he might have sustained on account of the alleged threats given by the defendants. Thus, the scope of the suit was very limited. According to the provisions of S. 120 of the Act, the declaration which the plaintiff could obtain was to the effect that the threats were unjustifiable. Under the circumstances,

the proper issue should have been whether the threats given by the defendants were justifiable or not ? As observed earlier, the question of infringement of the trade mark right of the defendants by the plaintiff did not arise because that would have arisen only if the damages would have been claimed. Simply because the plaintiff immediately after the receipt of the letter dated October 7, 1981, Exh. P. 6, filed the present suit in October 17, 1981, it could not debar the defendants is a registered one and as such they were competent to file a suit as contemplated under S. 29 of the Act. It would be in that suit where it could be shown as to whether there was any infringement of the trade mark of the defendants or not. In somewhat similar situation, it was held in Dolphin Laboratories Pvt. Ltd. Vs. Kaptab Pharmaceuticals, , 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 right there. Section 120 is not intended to prevent a person from instituting a suit alleging passing off. Section 27(2) clearly upholds the right of a person to file a suit for passing off irrespective of any other provision in the Act. Similarly, in the present case, the suit under S. 120 of the Act could not debar the defendants from filing a suit under S. 29 of the Act because their trade mark is a registered one. Since the trial Court has gone into the merits as to whether the trade mark right of the defendants has been infringed or not, this finding will stand in their way in a suit which they may file under S. 29 of the Act. In Upendra Nath Dass and Sons Vs. T.C. Martin, it was held that in order to succeed in an action for interim injunction restraining the defendant from holding out threats, the plaintiff must state that he has not infringed the patent of the defendant in order to give him the right of action. Whether he has infringed the patent or not would be a matter which would have to be adjudicated upon in due course, but there must be at least a clear statement to that effect. In the above said case, the suit was brought under s. 36 of the Patents and Designs Act, 1911, which, before its repeal by the Patents Act, 1970 (Act 39 of 1970) was, in substance, the same in its content, as S. 120 of the Act, and provided for the remedy in case of groundless threats of legal proceedings.

6. In this view of the matter, I am of the considered opinion that the scope of the present suit was only as to whether the threats given by the defendants were justifiable or not and if unjustifiable, should their continuance be injuncted. Any other finding not relevant to the scope of the suit, given by the trial Court being unnecessary, will not bind the defendants in any suit which they may be advised to bring.

7. Now, I take up the question whether the injunction prayed for can be granted in the present suit or not on the material placed on record. I have been taken through the evidence on the record and I am of the considered opinion that the threats given by the defendants in the letter, Exh. P. 6 were not justifiable. The decree of the trial Court has, thus, to be modified and maintained only to the extent that the threats conveyed being unjustifiable their continuance has to be stopped and the defendants restrained from issuing any such threats to the

plaintiff. Therefore, the suit qua the injunction prayed for only shall stand decreed.

8. Subject to the modification indicated above, the appeal fails and is dismissed with no order as to costs.

9. Appeal dismissed.