

(2005) 11 DEL CK 0105
In the Delhi High Court
Case No : CS (OS) No. 1338 of 2002

Sh. Manoj Kumar Maheshwari trading as Supreme Suhag
Sticker Bindi

APPELLANT

Vs

Tips and Toes Cosmetics Pvt. Ltd.

RESPONDENT

Date of Decision : 29-11-2005

Acts Referred:

Copyright Act, 1957 — Section 60

Trade and Merchandise Marks Act, 1958 — Section 120, 51, 52, 52(1), 52(3)

Citation : (2005) 11 DEL CK 0105

Hon'ble Judges : A.K. Sikri, J

Bench : Single Bench

Advocate : Ashok Mittal, for the Appellant;

Final Decision : Disposed Off

Judgement

A.K. Sikri, J.—plaintiff has filed this suit u/s 120 of the Trade and Merchandise Marks Act and Section 60 of the Copyright Act, 1957, for declaration and permanent injunction against the threats given by the defendant to institute legal proceedings against the plaintiff herein. It is alleged that plaintiff is selling the goods under the trademark/label "SUPREME SUHAG", whereas, defendant is selling the goods under the trademark "SHILPA". Defendant is threatening the plaintiff to stop trading under the trademark "SUPREME SUHAG" failing which, defendant would institute legal proceedings against the plaintiff. According to the plaintiff, these threats of instituting legal proceedings are groundless, misconceived and malicious as plaintiff has a right to do trade under the trademark "SUPREME SUHAG" and does not infringe or violate any of the rights of the defendant, even under the Trademark Act or Copyright Act.

2. The averments made in the plaint are that the plaintiff is the sole proprietor of M/s. Supreme Suhag Sticker Bindi and is carrying on the business of manufacturing and marketing of "Sticker Bindi" under the trademark/label "SUPREME SUHAG" since 1986. He has also applied for registration of this

trademark on 13.2.2002 in Class 3 which application is pending before the Registrar of Trade Marks. Similar application for registration under the Copyright Act moved by the plaintiff is also pending for registration. It is alleged that the plaintiff has given wide publicity to his trademark/label "SUPREME SUHAG" through various modes of publicity and the said product has acquired excellent goodwill and reputation in the market. The trademark/label "SUPREME SUHAG" of the plaintiff is now well known throughout India for its excellency and high quality. This trademark is represented in a popular artistic design and colour pattern with the device of a lady, who is the wife of the plaintiff. The photograph of the said lady is placed in the shape of a circle having the black colour background. The hair of the lady is black. She is wearing a Saree and Blouse of green colour. She is wearing a home-made neckless. The said label is having some descriptive matter such as hundred percent extra and clinically tested adhesive. Another side of the label contains the trademark/label "SUPREME SUHAG KUMKUM" and device of Bindis. The name of the firm is also appearing on the said label.

3. The defendant, who is carrying on the business of manufacturing and trading of Bindis under the trademark/label "SHILPA" allegedly since 1987, issued notice to the plaintiff on 8.8.2002 through its attorney alleging that the use of trademark "SUPREME SUHAG" by the plaintiff amounted to infringement of defendant's trademark "SHILPA" and, Therefore, plaintiff is asked to desist from using the same. In these circumstances, the present suit is filed with the following prayers:

(a) the defendant and its representatives may please be permanently restrained from making groundless threats of legal proceedings against the plaintiff and its representatives by a decree of permanent injunction.

(b) a decree be made to the effect that the threats are unjustified and groundless and that the alleged infringement of the trade mark/label and copyright to with threats relate are not infect and infringement of any legal right of the present defendant.

(c) any other relief which this Hon"ble Court may deem fit and proper in the circumstances of the case may also be passed in favor of the plaintiff and against the present defendant.

(d) cost of the suit may also be awarded to the plaintiff.

4. Defendant was served with the summons for 29th July, 2003. Nobody put in appearance on behalf of the defendant and, Therefore, by order dated 29th July, 2003, the defendant was proceeded ex-parte. plaintiff was directed to file affidavit by way of evidence. After the affidavit was filed by the plaintiff, the same was taken on record vide order dated 19th May, 2005, and the documents were exhibited and the matter was listed for arguments.

5. It is obvious on the reading of the plaint and going through the documents

that there is no similarity between the two trademarks and the trademark of the plaintiff does not infringe the trademark of the defendant. From the label of the plaintiff's trademark as well as defendant's trademark, as produced on record, again there is no similarity between the two. No doubt that on both labels words "Clinically Tested Adhesive" are written but apart from that the two labels are entirely different in all other respects. Since the product is Bindi which is sold by both the parties, it is but natural that on the labels, there would be photographs of ladies. However, the two ladies shown on the two labels are entirely different with no resemblance or proximity. Even the colour scheme is different and on going through the two labels, nobody can even think that there would be any confusion, what to talk of any resemblance. There is stark difference between the two.

6. Section 142 of the Trade and Merchandise Marks Act, 1957, provides a remedy for groundless threats of legal proceedings by any person for infringement of trademark. This Section reads as under:

Section 142. (1) Where a person, by means of circulars, advertisements or otherwise, threatens a 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 threats 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 Section 52, with due diligence commences and prosecutes an action against the person threatened for infringement of the trade mark.

(3) Nothing in this section shall render a legal practitioner or a registered trade marks agent liable to an action under this section in respect of an act done by him in his professional capacity on behalf of a client.

(4) A suit under Sub-section (1) shall not be instituted in any court inferior to a District Court.

7. This is a peculiar statutory remedy provided under this Act, where a person can obtain injunction against the institution of legal proceedings by another person. This is a remedy provided under the statute itself, where the plaintiff has a right to invoke such a remedy as per provisions of Section 142 of the Act:

Section 142 is intended to give relief in cases where irresponsible and unjustified

threats are made and published in order to injure another person's trade. In such cases the person threatened would be entitled to come to court and have it adjudicated that such threats are groundless. But the said section is not intended to prevent a person from instituting a suit alleging passing off. A suit for passing off may be deemed to be a proceeding similar in nature to a proceeding in respect of the infringement of a trade mark within the meaning of Section 142.

8. Thus, in view of Section 142 of the Act, where any person threatens another with an action for infringement of a trade mark or similar proceeding, the aggrieved person may bring a suit against that person for obtaining a declaration to the effect that the threats are unjustifiable, and for an injunction against the continuance of the threats. He may also recover damages, if any, he has sustained.

9. In the case of *Mehta Unani Pharmacy and Co., Rajkot and Anr. v. Amrutanjan Limited*, Madras 2002 (25) PTC 475 (Mad) , Division Bench of Madras High Court interpreted the aforesaid provision in the following manner:

The opening part of Section refers to "a person" who by means of circulars, advertisements or otherwise threatens a person with an action or proceedings for infringement of trade mark. The means employed to pose such threats referred to in the section are circulars, advertisements or otherwise. What is sought to be emphasised by the section by use of those terms is that the threat need not be contained merely in a letter addressed to the individual concerned, but that threat could be held out in circulars which are made available to a large number of persons as also in advertisements put up in newspapers which have large circulation. The scope of expressing of "a person" used in the section must, Therefore, be ascertained in the context of the reference to circulars and advertisements. "Person" referred to in Section 120 of the Act is the person who feels threatened by the action of the person who has issued the circulars, advertisements or otherwise, the threat being an action or proceedings for infringement of a trade mark which is registered or alleged to be registered or with some other like proceedings. The right given under the section to invoke the jurisdiction of the Court is to "a person aggrieved". There is nothing in the section which would support the interpretation sought to be placed on it by the learned Counsel for the defendants who seeks to confine the scope of the term "threatens a person to a named individual. The threat can be made to a "body of persons" of whom the person who invoked the jurisdiction u/s 120 of the Act may be one, if he is aggrieved by the threat held out.

10. That was also a case filed by the plaintiff on the issuance of notice by the defendant which the plaintiff perceived as threat. Contention of the defendant in the said case that the notice was bonafide was brushed aside in the following words:

One more argument that was raised for the defendants needs to be noticed. It was submitted for them that notice had been bona fide and that Therefore such a

notice should not be regarded as amounting to a threat. In this context, attention was invited to Narayanan's book on the Law of Trade Marks and Passing Off, 4th Edition, wherein at page 671 it is stated that "a general warning or cautionary notice to the public regarding infringement of the rights of the owner of patent, trade marks or copyright published in a good faith may not amount to a libel". In support of that proposition three old English cases are referred to. Those cases have not been placed before us nor have the provisions of the statute considered therein been placed before us. The question here also is not libel. The question here is one of protecting the person entitled to such a protection against groundless threats or action, where a threat which is found to be groundless cannot be regarded as having been made bona fide. The plea of bona fide now raised is also without any substance. The defendants themselves had filed an affidavit in another proceedings saying that "COLD RUB" is a descriptive expression which prima facie, indeed, it is. It is also the case of the plaintiff that the defendants had specifically undertaken to disclaim the descriptive expression "COLD RUB" appearing in the trade mark application. Having taken that stand, it can hardly be said that the defendants were acting bona fide when they asserted a claim and on such assertion held out a threat of action against any-one else using the words "Cold Rub" which two words clearly are words of common use and are indeed descriptive.

11. To the same effect is the judgment of the Division Bench of Madras High Court, Exxon Corporation, USA v. Exxon Packing Systems Pvt. Ltd., Hyderabad (2) PTC 558 (Mad) .

12. In the case of Lakshmi PVC Products Pvt. Ltd., Madras v. Lakshmi Polymers, Shoranur (Kerala) 1992 PTC 255, the Court granted injunction order by directing the defendant not to issue any further notice or circular pending disposal of the application for registration by the Registrar but leaving the option to the defendant to file a suit against the plaintiff.

13. It would also be useful to refer to the judgment of Bombay High Court in the case of Mililab Private Limited and Anr. v. Glenmark Pharmaceuticals Limited and Anr. 2004 (28) PTC 244 (Bom), where protection was given u/s 120 of the Act after finding that threat was not based prima facie on any legal right, as is clear from the following observations contained in para 9 which as under:

As stated earlier, in this suit the plaintiff has sought an injunction restraining the defendants from communicating groundless threats and they seek protection of Section 120 of the Trade and Merchandise Marks Act, 1958. By the Notice of Motion, the plaintiff i.e. Glenmark Pharmaceuticals Ltd. seeks the interim relief of an injunction restraining the defendants from issuing groundless or unjustifiable threats in relation to the use of trade marks MILICAL and MILICAL-12. The plaintiff's product MILICAL shows that it has been manufactured by Glenmark Pharmaceuticals. The application for registration of the trade mark MILICAL dated 31.1.2000 is pending. As stated earlier, the plaintiff claims an assignment under the assignment deed dated 19.4.2000 whereunder Almed Lab. Private

Limited has assigned the trade mark MILICAL. The plaintiff thereafter received a notice at Exh. "F" dated 10.10.2000 from Milichem Laboratories which is owned by Mililab Private Ltd. By this notice, Milichem Laboratories has called upon the plaintiff to cease and desist from using, printing, stamping screening, manufacturing, selling or otherwise dealing in relation to trade mark MILICAL and to deliver the said product for destruction. It appears that the plaintiff replied by letter dated 25.10.2000 and sought certain documents, including the application for registration of the trade mark and a copy of the disclosure for manufacture and sale of the product MILICAL. This has been replied to by the Milichem Laboratories who have refused compliance with the plaintiff's request and have reiterated their demand. The demand is set out in their notice dated 10.10.2000. Section 120 of the Trade and Merchandise Marks Act, 1958 reads as follows:

Section 120 Groundless threats of legal proceedings--

(1)Where a person, by means of circulars, advertisements or otherwise, threatens a 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 threats 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 Section 51, with due diligence commences and prosecutes an action against the person threatened for infringement of the trade mark.

(3)Nothing in this section shall render a legal practitioner or a registered trade marks agent liable to an action under this section in respect of an act done by him in his professional capacity on behalf of a client.

(4)A suit under Sub-section (1) shall not be instituted in any court inferior to a District Court.

In view of my finding above, the plaintiff is entitled prima facie under the assignment to use the trade mark MILLICAL, the assignment being by a purported owner of the trade mark, I am of the view that Glenmark Pharmaceuticals Ltd. is entitled to protection u/s 120 of the Trade and Merchandise Marks Act. The threat is not based prima facie on any legal right and moreover, as discussed above, Milichem Laboratories, which is merely a proprietary concern of the plaintiff Mililab Private Ltd. is not entitled to any right higher than that might vest in Millilab. In the circumstances, threats are wrongful

and groundless threats. Therefore, there shall be an injunction in terms of prayer Clause (a) of the Motion.

14. In view of the unrebutted testimony in the present case, the plaintiff has been able to make out a prima facie case for grant of injunction. The suit is, accordingly, decreed by directing the defendant to desist from giving such threats till the pendency of the applications for registration of Trade Mark and Copyright. However, no cost.