

(2011) 10 MAD CK 0052

In the Madras High Court

Case No : O.A. No. 744 of 2011 in C.S. No. 586 of 2011

Value Invest Wealth Management (India) Private Limited

APPELLANT

Vs

B.G. Kishor Kumar and Others

RESPONDENT

Date of Decision : 21-10-2011

Acts Referred:

Companies Act, 1956 — Section 21

Trade Marks Act, 1999 — Section 142, 29, 52(1)

Citation : (2012) 1 CTC 401 : (2012) 2 MLJ 560

Hon'ble Judges : Vinod K. Sharma, J

Bench : Single Bench

Final Decision : Dismissed

Judgement

Vinod K. Sharma, J.—The applicant prays for an order of interim injunction, restraining the respondents, their men, servants, men acting/claiming or claiming to act under them, their agents, assigns or anybody claiming through or under the respondents from in any manner giving/continuing the groundless threat of action/proceedings for infringement of purported registered Trade Mark, Value Invest registered as Trade Mark No. 1601369 with effect from 13.9.2007 vide Trade Mark registration certificate No. 900861 dated 6.1.2011 issued by the Trade Marks Registry, Chennai, pending disposal of the main suit. The applicant Value Invest Wealth Management (India) Private Limited is a company, registered under the Companies Act. The applicant has invoked the provision of Section 142 of The Trade Marks Act, 1999 (hereinafter referred to as the "Act"), praying therein as under:

"(a) declaration that the threat made by the defendants to the plaintiff company regarding initiation of legal proceedings for alleged infringement of registered trademark viz., "Value Invest" registered as Trade Mark No. 1601369 with effect from 13.9.2007 vide Trade Mark registration certificate No. 900861 dated 6.1.2011 issued by the Trade Mark Registry at Chennai, vide two unsigned cease and desist notices both dated 21.7.2011 issued through its law firm which in turn

has acted through its lawyers and IP consultants is a groundless threat;

(b) grant a consequential permanent injunction restraining the defendants, their men, their servants, agents, assigns or anybody claiming through, or acting through them in any manner from continuing/giving or making any threat of initiation of action or proceedings for infringement of the registered trademark "Value Invest" by means of circulars, advertisements, further legal notices or otherwise against the plaintiff company for using the trademark/trade name "Value Invest" and Value Invest Wealth Management (India) Private Limited, either alone or in conjunction with any other trade mark or work mark either as part of it's name or as words to describe it's services;

(c) pay costs of the suit;

(d) and pass such further or other order or orders as this Hon"ble Court may deem fit and proper in the facts and circumstances of the case and thus render justice."

2. The plaintiff/applicant claimed to be run by thorough professionals with utmost competent and integrity. The applicant deals with in the business of advising clients in investments, fund management and portfolio investment. It has won the prestigious CNBC best financial adviser award for South India continuously for three consecutive years from the day of its inception. The applicant also publishes quarterly news letters giving valuable advice and other details regarding the activities of the plaintiff company and other valuable information for keen and active investors.

3. The applicant/plaintiff had turnover of about Rs. 2 Crores in the previous year. Besides professional competent and integrity, the plaintiff is also carrying on several social responsibility for the benefit of the general public.

4. On 23.7.2011, the applicant/plaintiff received through courier in its registered office at Chennai, a purported cease and desist notice dated 21.7.2011 from the first defendant through Globit IP Lawyers Chambers, which in turn issued notice through Lawyers and IP Consultants, claiming therein that the first defendant was the registered proprietor of the Trade Mark, viz., word mark in the name and style of "VALUE INVEST", written in a particular manner with a triangle within a circle at top "i" and also in a particular colour combination, viz., maroon and blue.

5. The second copy of the same notice was again received on 26.7.2011. In the notice, the applicant was threatened of action for offending infringement of the registered Trade Mark, wherein, the applicant was also asked to pay a sum of Rs. 5,000/- (Rupees Five Thousand only) towards cost of legal notice.

6. The applicant/plaintiff submitted a reply to the notice on 8.8.2011. Thereafter, no further notice has been received. It is the pleaded case of the applicant/plaintiff that it was incorporated as the registered company on 19.12.2006 in the name and style of "VI Value Invest Wealth Management Private Limited" and thereafter, the name of the company was changed as "Value Invest Wealth

Management (India) Private Limited" with effect from 24.12.2008.

7. The stand of the applicant/plaintiff is that the said notice was issued without verifying the facts. In view of the registration of company as Value Invest Wealth Management (India) Private Limited, the applicant submits that it is entitled to injunction u/s 142 of the Trade Marks Act, 1999.

8. The Section 142 of the Trade Marks Act, 1999, reads as under:

"142. 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 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."

9. In spite of service of notice, there is no representation on behalf of the respondents.

10. Learned counsel for the plaintiff/applicant vehemently contended that issuance of notice, threatening the initiation of action for infringement of the Trade Mark, amounts to threat, as envisaged u/s 142 of the Act, therefore, the applicant/plaintiff is entitled to injunction against threat and initiation of proceedings.

11. In support of the contention that the notice amounts to threat, learned counsel for the applicant/plaintiff has placed reliance on the judgment of this Court in the case of Mehta Unani Pharmacy and Co., Amrutamanthan House, Chhatralaya Road, Sadar, Rajkot and Mehta Unani Pharmacy and Co. (P) Ltd., Chhatralaya Road, Sadar, Rajkot Vs. Amrutanjani Limited, Luz Church Road, Madras, , wherein the Hon"ble Division Bench of this Court was pleased to lay

down as under:

"15. One more argument that was raised for the defendants needs to be noticed. It was submitted for them that notice had been issued 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 Trademarks 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, trademarks or copyright published in 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 the 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, express ion "COLD RUB" appearing in the trademark 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."

12. Learned counsel for the applicant also contended that incorporation certificate and change of name u/s 21 of the Companies Act, 1956, are issued after due diligence by the Central Government and by various hierarchy of authorities under the Department of Company and Corporate Affairs. Before a company is allowed to be incorporated with a particular name, the authorities have to verify that the name claimed is not undesirable and the proposed name is allowed by the Registrar of Companies only after getting approval from the Central Government and other statutory bodies.

13. The contention of the learned counsel for the applicant/plaintiff is that any person aggrieved by the particular name, has remedy under the Companies Act to approach authorities, therefore, it is not open to the defendants to issue any threat for initiating proceedings under the Trade Marks Act, 1999.

14. It is also the contention of the learned counsel for the applicant/plaintiff that adoption of name "VALUR INVEST" was wholly bona fide and honest, being descriptive in the nature of the service offered by the applicant/plaintiff.

15. It is also contended that business is being run for past 41/2 years, therefore, threats of initiating infringement proceedings against the plaintiff/applicant is clearly unjustifiable and the plaintiff is entitled to declaratory and injunctive reliefs.

16. On consideration, I find that no ground is made out for grant of injunction. The remedy u/s 142 of the Act, is only for issuing injunction against threat of action. It is not possible for this Court in absence of claim of damages to determine whether there has been any violation of Trade Mark or not.

17. Section 142 permits the defendant in a suit u/s 142 of Act to satisfy 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.

18. The applicant/plaintiff in the plaint itself has not disputed that the trade mark, as claimed in the notice, is a registered trade mark of the defendants. Though the notice can be treated to be a threat, but in the facts and circumstances of the present case, it is clearly proved that after issuance of notice and reply, no further notice has been received. This Court, in exercise of powers u/s 142 of the Act cannot restrain the holder of the registered trade mark to bring out action in accordance with law. The suit u/s 142 of the Act cannot bar the defendants from filing the suit u/s 29 of the Act, where trade mark is registered.

19. It will be for the defendants either to proceed under Companies Act for change of name or to move under the Trade Marks Act, 1999. This certainly is not a case where the groundless threat can be said to have been given by the defendants/respondents, merely, because a notice is issued, conveying the applicant about registered trade mark, which is not followed by any other threat. In the facts and circumstances of this case, the notice issued to plaintiff cannot be said to be a groundless threat.

20. For the reasons stated above, finding no merit in this application, it is ordered to be dismissed. No costs. It is made clear that nothing herein stated above shall be treated to be expression on merit of controversy in the suit, which can be adjudicated and decided after parties lead evidence.