

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

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CS(OS) No. 1112/2006

24th August, 2015

BATA INDIA LIMITED

..... Plaintiff

Through: Ms. Tusha Malhotra, Advocate

versus

VITAFLEX MAUCH GMBH

..... Defendant

Through: None.

CORAM:

HON'BLE MR. JUSTICE VALMIKI J.MEHTA

To be referred to the Reporter or not?

VALMIKI J. MEHTA, J (ORAL)

1. The subject suit being decided by the present judgment is a suit filed by the plaintiff/Bata India Limited against the defendant/Vitaflex Mauch Gmbh whereby plaintiff seeks declaration that the threats made by the defendant with respect to the shoes being manufactured by the plaintiff being an infringement of the trade mark or patent rights of the defendant are unjustified and wrongful, and as stated in the defendant's Legal Notice dated 03.04.2006. Plaintiff also seeks the relief of injunction to restrain the defendant from issuing the groundless, unjustifiable or wrongful threats to the plaintiff and also from circulating threats through circulars or

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advertisements or by communications (oral or written) to the plaintiff or any other person, in this regard. Plaintiff also seeks damages of Rs.20 lacs on account of the unjustifiable and wrongful threats issued by the defendant.

2. The basis for filing of the suit is that the plaintiff received from the defendant a Legal Notice dated 03.04.2006 and in which notice the defendant stated, *inter alia*, the following:-

- “(i) That the Defendant is responsible for the distribution of shoes marketed under the brand “nach Dr. Mauch” or “by doc Mauch”;
- (ii) That the insole of the shoes is allegedly characterized by a 5 points design;
- (iii) That the Defendant allegedly has a pending trademark application in India, under no.1 264 384 for “5 POINTS (fig.)”;
- (iv) That the Defendant allegedly has a pending patent application in India, under no.01251/CHENP/2003 published under Number IN 02076255. The Defendant did not, however, enclose a copy of the application with the notice;
- (v) That the Plaintiff is allegedly making “copies” of the Defendant’s products in regard to appearance as well as functionality;
- (vi) That one of the few noticeable differences is that the Plaintiff’s product has 6 points, instead of the 5 points in the Defendant’s product;
- (vii) That the general impression is very similar;
- (viii) That the Plaintiff is infringing the Defendants trademark rights;
- (ix) That the Plaintiff’s product allegedly infringes the Defendant’s patent

- (x) That, allegedly, the only difference between the Plaintiff's and Defendant's product is the "low quality" of the plaintiff's products;
- (xi) That the legal notice was to be treated as an "official warning letter" and that if the Plaintiff did not comply with the legitimate demands of our clients, the Defendant would initiate legal proceedings claiming compensation and have the infringing goods arrested by the police."

3. Plaintiff replied to the Legal Notice dated 03.04.2006 by its Legal Notice dated 18.04.2006 stating, *inter alia*, the following:-

- “(i) That the Defendant has made a false assertion that the shoe or the insole is patented in India and that the Defendant had *only applied for a patent*;
- (ii) That the Defendant's Indian application cannot go beyond the claims of the PCT application, from which it claims to derive priority;
- (iii) That the PCT application only claims novelty in the material and the thickness of the insole and not in the configuration of the pressure points;
- (iv) That the Defendant is not a holder of any registered trademarks in India, and cannot claim trademark infringement;
- (v) That even under common law, the alleged five-point configuration of pressure points is not entitled to trademark protection as it is a functional concept and has not acquired any distinctiveness. Further, non-user of the mark leads to the conclusion that the mark has no reputation in the minds of the purchasing public.”

4. The matter in dispute is the showing of the reflex points or pressure points in the insoles of the shoes. The defendant claims that five pressure points/reflex points in their insoles of the shoes amount to a trade

mark as also a patent, and allegedly as per the defendant, plaintiff is violating such rights on account of the plaintiff showing six pressure points/reflex points in the insoles of the shoes being manufactured and sold by the plaintiff under the Trade mark “Comfit”.

5. In this suit issues were framed on 18.03.2009 and 27.04.2010, however, issues would become immaterial because the sole defendant/Vitaflex Mauch GmbH was proceeded *ex parte* by the Order dated 27.04.2010 and the defendant has thereafter never appeared in these proceedings or led any evidence. Plaintiff on the other hand has led evidence and proved its case. For the sake of completion of narration, however, the issues which were framed on 18.03.2009 and 27.04.2010 are reproduced below in order to understand the points requiring determination in the suit:-

Issues framed on 18.03.2009:-

- “1. Whether the plaintiff is entitled to a declaration that the product (shoes) being manufactured by the plaintiff were not in violation of the patent of the defendant? OPP
2. Whether the plaintiff is entitled to an injunction as prayed in the suit? OPP
3. Whether the plaintiff is entitled to damages as claimed in the suit or any other amount of the damages? OPP

4. Relief.”

Issues framed on 27.04.2010:-

- “(1) Whether the statements made by the defendant in its letter dated 03.04.2006 amount to groundless threats of legal proceedings, if so to what effect? OPP
- (2) Whether the defendants hold a patent for the insole of the shoe as claimed by them, if so, to what effect? OPD
- (3) Whether the defendant has any right in the trademark ‘five-point configuration of the pressure points’, as alleged? OPD
- (4) Whether the plaintiff has infringed the patent/trademark of the defendant, if so, to what effect? OPP
- (5) Whether the plaintiff is entitled to an injunction as prayed for? OPP
- (6) Whether the plaintiff is entitled to damages to the tune of Rs.20 lacs on account of unjustifiable and wrongful threats? OPD
- (7) Relief.”

6. Plaintiff has filed affidavit of its witness, Sh. A.B. Anand, who is the Vice-President–Company Secretary of the plaintiff company. Through the affidavit by way of evidence, plaintiff has proved the Power of Attorney of Sh. A.B. Anand to depose on behalf of the plaintiff company as Ex. PW1/1 and Ex.PW1/2. The Legal Notice dated 03.04.2006 received by the plaintiff which gave rise to the cause of action to file this suit has been exhibited as Ex. PW1/4 and the reply of the plaintiff dated 18.04.2006 is exhibited as Ex. PW1/5.

7. For the purpose of deciding the present suit, the two relevant provisions of the Trade Marks Act, 1999 and the Patents Act, 1970 dealing with filing of the suit with respect to the groundless threats need to be reproduced and these Sections read as under:-

Section 142 of The Trade Marks Act, 1999

“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.”

Section 106 of The Patents Act, 1970

“106. Power of court to grant relief in cases of groundless threats of infringement proceedings.—(1) Where any person (whether entitled to or interested in a patent or an application for patent or not) threatens any other person by circulars or advertisements or by communications, oral or in writing addressed to that or any other person, with proceedings for infringement of a patent, any person aggrieved thereby may bring a suit against him praying for the following reliefs, that is to say—

- (a) a declaration to the effect that the threats are unjustifiable;
- (b) an injunction against the continuance of the threats; and
- (c) such damages, if any, as he has sustained thereby.

(2) Unless in such suit the defendant proves that the acts in respect of which the proceedings were threatened constitute or, if done, would constitute, an infringement of a patent or of rights arising from the publication of a complete specification in respect of a claim of the specification not shown by the plaintiff to be invalid the court may grant to the plaintiff all or any of the reliefs prayed for.

Explanation.—A mere notification of the existence of a patent does not constitute a threat of proceeding within the meaning of this section.”

8. The aforesaid Sections entitle the plaintiff to file the subject suit seeking injunction against groundless threats, and in this suit, onus was on the defendant to show that the defendant had a right in the reflex/pressure

points depiction as a trade mark including by registration thereof or that the defendant had a valid patent and which as per the defendant is being infringed by the plaintiff.

9. I may also note that some of the other Sections of the Patents Act, 1970 are required to be mentioned to show rights of a person who is granted a patent, to file a suit claiming infringement, and these Sections are Sections 48, 52(3) and 70 and which read as under:-

“48. Rights of patentees.—Subject to the other provisions contained in this Act and the conditions specified in section 47, a patent granted under this Act shall confer upon the patentee—

- (a) where the subject matter of the patent is a product, the exclusive right to prevent third parties, who do not have his consent, from the act of making, using, offering for sale, selling or importing for those purposes that product in India;
- (b) where the subject matter of the patent is a process, the exclusive right to prevent third parties, who do not have his consent, from the act of using that process, and from the act of using, offering for sale, selling or importing for those purposes the product obtained directly by that process in India:

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52. Grant of patent to true and first inventor where it has been obtained by another in fraud of him.—

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|-----|-----|-----|-----|
| (1) | xxx | xxx | xxx |
| (2) | xxx | xxx | xxx |

(3) No suit shall be brought for any infringement of a patent granted under this section committed before the actual date on which such patent was granted.

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70. Power of registered grantee or proprietor to deal with patent.—Subject to the provisions contained in this Act relating to co-ownership of patents and subject also to any rights vested in any other person of which notice is entered in the register, the person or persons registered as grantee or proprietor of a patent shall have power to assign, grant licences under, or otherwise deal with, the patent and to give effectual receipts for any consideration for any such assignment, licence or dealing:

Provided that any equities in respect of the patent may be enforced in like manner as in respect of any other movable property.”
(underlining added)

10. A reading of the aforesaid Sections of the Patents Act, 1970 shows that in order to be successful to claim infringement, there must be granted a patent to the person who has issued the threat/legal notice that the plaintiff should not violate the rights of the patentee.

11(i). Similar would be the case qua the owner of the trade mark, whether registered or not.

(ii) As already stated above, the defendant is *ex parte* in this case and has led no evidence with respect to any patent being granted in favour of the defendant or the defendant having any rights to the trade mark, much less of a registered trade mark.

12. In view of the fact that the defendant has led no evidence that it has a valid patent with respect to the so called five pressure points/reflex points in the insoles of their shoes, the plaintiff cannot be said to have infringed any patent of the defendant and hence the Legal Notice sent by the defendant to the plaintiff dated 03.04.2006 will amount to groundless threats of legal proceedings.

13. The issue that the defendant has or does not have any trade mark right with respect to showing of five pressure points/reflex points in the insoles of its shoes, is in the opinion of this Court, a doubtful aspect because a trade mark is defined as per Section 2(1)(zb)(ii) of the Trade Marks Act, 1999 as a mark which is used in relation to the goods or services and such mark indicates connection in the course of trade between the goods or services and the person who sells those goods and services are having a right either as a proprietor or permitted user of the trade mark. Mentioning of the five pressure points/reflex points in the insoles of the shoes is most probably not such a representation by which really either the plaintiff or the defendant is using a trade mark, inasmuch as, the defendant is admittedly selling its shoes by calling them as “Nach Dr. Mauch” or “by doc Mauch” and plaintiff is selling shoes under the Trade mark ‘Comfit’. Really therefore the

trade mark of the defendant would be “Nach Dr. Mauch” or “by doc Mauch” and not the pressure points/reflex points which are found in the insoles of the shoes and consequently there does not arise any issue of infringement of the trade mark of the defendant by the plaintiff. It is trite that entitlement to sue for infringement of a trade mark is only on account of registration being granted of the trade mark and without the registration no suit can lie for infringement of the trade mark vide Sections 27 to 29 of the Trade Marks Act, 1999.

14. In view of the above, the plaintiff has made out a case that the defendant has issued groundless threats of legal proceedings against the plaintiff with respect to the alleged trade mark showing five pressure points/reflex points in the insoles of the shoes. Defendant has also failed to show that it has a valid patent which exists with respect to the insoles in the shoes qua the five pressure points/reflex points, and therefore, the threats issued to the plaintiff are groundless threats of taking any action against the plaintiff with respect to alleged infringement of the patent.

15. Learned counsel for the plaintiff does not pray for any relief with respect to the damages, more so, because proof of actual loss to the plaintiff has not been proved.

16. In view of the above, the suit is decreed. Defendant is restrained from in any manner issuing any groundless threats or circulating any threats through circulars or advertisement or by communication; in any manner; to the plaintiff or any other person, that plaintiff is infringing or violating any trade mark rights of the defendant with respect to the five pressure points/reflex points or any patent of the defendant with respect to the five pressure points/reflex points. It is also declared that the threats made by the defendant to the plaintiff are groundless, unjustifiable and wrongful. Parties are left to bear their own costs. Decree sheet be prepared.

AUGUST 24, 2015
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VALMIKI J. MEHTA, J.