

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORDINARY ORIGINAL CIVIL JURISDICTION)

WEDNESDAY, THE 24TH DAY OF JULY 2019

THE HON'BLE MR. JUSTICE KRISHNAN RAMASAMY

A. No.2002 of 2018

in

C.S.No.243 of 2017

C.S.No.243 of 2017:

1.Shanti,
Proprietrix: Lakshmi Soaps,
Through her power holder D.Suyaraj,
139, ABC, S.M.Road, Selvapuram,
Coimbatore-26. ... Plaintiff

-Vs-

Hindustan Unilever Limited,
'Ponds House',
101, Santhome High Road, R.A.Puram,
Chennai-600 028. ...Defendant

2. Pinkerton Corporate Risk Management
India Private Limited,
Represented by its Regional Manager,
DBS Business Centre,
Suite 118, No.31A, DBS House, Cathedral Garden
Road, Chennai-600 034.

..Respondent No.2 /
Defendant No.2

A.No.2002 of 2018:

Hindustan Unilever Limited,
'Ponds House',
101, Santhome High Road, R.A.Puram,
Chennai-600 028. ... Applicant/Defendant No.1

-VS-

1.Shanti,
Proprietrix: Lakshmi Soaps,
Through her power holder D.Suyaraj,
139, ABC, S.M.Road, Selvapuram,
Coimbatore-26. ..Respondent No.1/Plaintiff

2. Pinkerton Corporate Risk Management
 India Private Limited,
 Represented by its Regional Manager,
 DBS Business Centre,
 Suite 118, No.31A, DBS House, Cathedral Garden
 Road, Chennai-600 034. ..Respondent No.2 /
 Defendant No.2

Application praying that this Hon'ble Court be to
 reject the plaint filed in C.S.No.243 of 2017.

This application coming on this day before this court
 for hearing the court made the following order:-

The first defendant in C.S.No.243 of 2017 is the applicant herein and
 the present application is filed by them seeking for rejection of the plaint.

2. The first respondent/plaintiff filed the above Suit for the
 following relief:-

a) Declaration that the plaintiff is having distinctive artistic
 craftsmanship in the copyright of artistic work, 'Sundari' and consequently,
 the plaintiff's artistic work in Sundari Label design is not an 'infringing
 copy' of first defendant's copyright in the artistic work of their computer
 aided label design 'wheel'. सत्यमेव जयते

b) Permanent injunction, restraining the defendants by themselves,
 their servants, agents, representatives or any one claiming through them in
 any manner from interfering in the plaintiff's honest and concurrent
 business in manufacturing and marketing detergent products under the
 distinctive copyright in the artistic work, 'Sundari' (annexed with plaint as
 document No.1) with the background green colour or any colour or any
 other common features appeared in the said label itself.

3. The learned counsel appearing for the applicant submitted that the present suit has been filed by the first respondent/plaintiff under Section 60 of the Copyright Act, 1957 on the ground that criminal complaint, dated 08.06.2016, lodged by the applicant through the second respondent against the first respondent/plaintiff for infringement of the applicant's copyright, amounts to groundless threat of legal proceedings under the aforesaid provision of the Act. The learned counsel submitted that the said criminal complaint has been filed by the applicant through the second respondent against the first respondent, as it came to the knowledge of the second respondent that the first respondent/plaintiff was manufacturing products, bearing the artistic work, which are deceptively similar to the applicant's products. Therefore, the applicant availed the protection extended under the provisions of the Copyright Act and it has to be noted that the applicant has not issued any circulars, advertisements and there was no threat of legal proceeding or liability as contemplated under Section 60 of the Act. Hence, he contended that there is no cause of action for the plaintiff to file the present suit.

3.1 Further, the learned counsel contended that the suit is barred by law in view of proviso to Section 60 of the Copyright Act. In this connection, the learned counsel has drawn the attention of this Court to Section 60 of the Copyright Act, which is extracted herein below:-

“Remedy in the case of groundless threat of legal proceedings.— Where any person claiming to be the owner of copyright in any work, by circulars, advertisements or otherwise, threatens any other person with any legal proceedings or liability in respect of an alleged infringement of the copyright, any person aggrieved thereby may, notwithstanding anything

contained 2 [in section 34 of the Specific Relief Act, 1963 (47 of 1963)], institute a declaratory suit that the alleged infringement to which the threats related was not in fact an infringement of any legal rights of the person making such threats and may in any such suit—

(a) obtain an injunction against the continuance of such threats;

and

(b) recover such damages, if any, as he has sustained by reason of such threats:

Provided that this section shall not apply if the person making such threats, with due diligence, commences and prosecutes an action for infringement of the copyright claimed by him.”

3.2 By referring to the above section, the learned counsel contended that proviso to Section 60 of the Copyright Act makes it clear that, Section 60 cannot be invoked, where, an action for infringement of copyright has in fact already commenced. Therefore, learned counsel contended that the suit filed by the first respondent/plaintiff is not maintainable and liable to be rejected, as the suit can be filed under Section 60 of the Copyright only if the person anticipates any criminal prosecution going to be launched against him in future. In the present case, the applicant has already launched the criminal prosecution against the first respondent/plaintiff, and hence, the proviso to Section 60 of the Copyright Act will act a bar to institute the present suit under Section 60 of the Copyright Act.

3.3) Further, the learned counsel contended that though the first

respondent has taken a stand that the present suit has been filed under Section 34 of the Specific Relief Act (hereinafter, referred to as Section 34 of the Act), and not under Section of the Copyright Act, by virtue of non obstante clause contained in Section 60 of the Copyright Act, the relief under Section 34 of the Specific Relief Act is excluded/repealed. The learned counsel contended that no suits for groundless threat of legal proceeding can be filed under Section 34 of the Act, by virtue of non obstante clause mentioned in Section 60. In support of such contentions, the learned counsel referred to the following judgments of the Hon'ble Supreme Court:-

- i) Aswin Kumar Ghose and another Vs. Arabinda Bose and another, [(1953) SCR 1 : AIR (1952) SC 369] ;
- ii) s (2007) 11 SCC 756;
- and
- iii) Radhey Shyam Garg Vs. Naresh Kumar Gupta, (2009) 13 SCC 201.

3.4) The learned counsel further submitted that, a prior general Act may be affected by a subsequent particular or special Act, if the subject-matter of the particular Act, prior to its enforcement, was being governed by the general provisions of the earlier Act. In such a case, the operation of the particular Act may have the effect of partially repealing the general Act, or curtailing its operation. In this regard, the learned counsel referred to relevant para in the decision of the Hon'ble Supreme Court, in the case of Ghaziabad Zila Sahkari Bank Ltd (supra), wherein, it is observed as follows:-

a later [Special Act](#) even if the general Act will be more readily inferred when the later [Special Act](#) also contains an overriding non-obstante provision. [Section 446\(1\)](#) of the Companies Act 1956 (Act 1 of 1956) provides that when the winding up order is passed or the official liquidator is appointed as a provisional liquidator, no suit or other legal proceeding shall be commenced, or if pending at the date of winding up order shall be proceeded with against the company except by leave of the Court. Under [Section 446\(2\)](#), the company Court, notwithstanding anything contained in any other law for the time being in force is given jurisdiction to entertain any suit, proceeding or claim by or against the company and decide any question of priorities or any other question whatsoever, whether of law or fact, which may relate to or arise in the course of the winding up. [The Life Insurance Corporation Act](#), 1956 (Act 31 of 1956) constituted a Tribunal and [section 15](#) of the Act enabled the Life Insurance Corporation to file a case before the tribunal for recovery of various amounts from the erstwhile Life Insurance Companies in certain respects. [Section 41](#) of the LIC Act conferred exclusive jurisdiction on the tribunal in these matters. On examination of these Acts, it was held that the provisions conferring exclusive jurisdiction on the tribunal being provisions of the [Special Act](#) i.e. the [LIC Act](#) prevailed over the aforesaid provisions of the general Act, viz., the [Companies Act](#) which is an Act relating to Companies in general and, therefore, the tribunal had

jurisdiction to entertain and proceed with a claim of the Life Insurance Corporation against a former insurer which had been ordered to be wound up by the Company Court. This case was followed in giving to the provisions of the Recovery of Debts due to Banks and Financial Institutions Act 1993 (RDB Act) overriding effect over the provisions of the [Companies Act, 1956](#). The RDB Act constitutes a tribunal and by [sections 17 and 18](#) confers upon the tribunal exclusive jurisdiction to entertain and decide applications from the banks and financial institutions for recovery of debts (defined to mean any liability which is claimed as due). [The Act](#) also lays down the procedure for recovery of the debt as per the certificate issued by the tribunal. The provisions of the RDB Act, which is a special Act, were held to prevail over [sections 442, 446, 537](#) and other sections of the [Companies Act](#) which is a general Act, more so because Section 34 of the RDB Act gives over-riding effect to that Act by providing that the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.”

3.5) Thus, by referring to the above judgment of the Hon'ble Supreme Court, learned counsel submitted that by introduction of non obstante clause in Section 60 of the Copyright Act, relief under Section 34 of the Specific Relief Act is excluded/repealed. Therefore, he contended that in either case, be it the suit is filed under Section 60 of the Copyright

Act or under Section 34 of the Specific Relief Act, the suit is not maintainable and prayed for rejection of the plaint. Finally, it is contended by the learned counsel that, if it is the case of the first respondent/plaintiff, the prosecution launched by the applicant is without any basis or erroneous, the first respondent/plaintiff has to first defend the same, rather than filing the present suit.

4. On the other hand, Mr.R.Sathish Kumar, the learned counsel for the first respondent/plaintiff submitted that the present suit has been filed under Section 34 of the Specific Relief Act and not under Section 60 of the Copyright Act. The learned counsel further contended that the relief under Section 60 of the Copyright is available when there is a groundless threat to launch legal proceeding. In the present case, the applicant/first defendant has already launched the criminal prosecution against the first respondent/plaintiff, pursuant to which, search and seizure was conducted in their premises and first information report has been filed against them. Therefore, the first respondent/plaintiff has not filed any suit under Section 60 of the Copyright, but, chosen to file the suit by invoking the provisions of Section 34 of the Specific Relief Act for declaratory relief, and hence, the suit is maintainable.

4.1 Further, he contended that, had the plaintiff filed the suit under Section 60 of the Copyright Act, then, non obstante clause contained in Section 60 of the Copyright Act will apply, as held by the Hon'ble Supreme Courts, in the judgments relied upon by the learned counsel for the applicant/first defendant and the suit would have been barred by law, as contended by the applicant. But, the first respondent/plaintiff has filed the suit only under Section 34 of the Specific Relief Act. Hence, the question

of applying non obstante clause contained in Section 60 of the Copyright Act, does not arise. Therefore, the learned counsel prayed for dismissal of the application.

4.2. Further, it is the contention of the learned counsel for the first respondent/plaintiff that the applicant has launched criminal prosecution against the first respondent/plaintiff on the ground that the first respondent/plaintiff is infringing the applicant's artistic work, such as the colour scheme, get-up, the devices of 'star burst', red font on a white background' and 'arrangement of jasmine flowers, lemon', for selling their product, and such criminal prosecution culminated in registering FIR against the first respondent/plaintiff, pursuant to which, first defendant along with the staff of the second defendant with the aid of Police entered into the plaintiff's premises and conducted search and seizure. Therefore, the plaintiff, as a threatened person, is entitled to invoke the remedy either under Section 60 of the Copyright Act for 'groundless threats of legal proceeding' or under Section 34 of the Specific Relief Act for declaratory relief and hence, it cannot be contended by the applicant that the proviso to Section 60 operates as bar to institute the present suit under Section 34 of the Specific Relief Act. It is also contended that the applicant seeks remedy via. the present application by giving wrong interpretation to Section 60 of the Copyright Act, which is not permissible.

4.3 Further, it is contended by the learned counsel that the very complaint filed against the first respondent/plaintiff itself is not tenable, as the applicant has made only false allegations against the plaintiff and it is to be noted that the applicant/first defendant is not claiming any right over the artistic work, such as colour scheme, get-up, label, etc. Therefore, the first

respondent/plaintiff has filed the present suit, seeking for permanent injunction, restraining the applicant from in any manner, interfering in the plaintiff's honest and concurrent business in manufacturing and marketing detergent products under the distinctive copyright in the artistic work, 'Sundari'.

5. Heard the learned counsel appearing for the applicant/first defendant and first respondent/plaintiff and perused the affidavit, and counter affidavit filed in relation to the application for rejection of the plaint and also the judgments referred by the learned counsel for the applicant.

6. The issue that arises for consideration herein is whether by virtue of non abstante clause contained in Section 60 of the Copyright Act, the relief under Section 34 of the Specific Relief Act is repealed, and the suit is liable to be dismissed on that ground.

7. There is no dispute over the fact that the trade name of the applicant/first defendant is 'Active Wheel', and the trade name of the first respondent/plaintiff is 'SUNDARI'. Obviously, the first respondent/plaintiff is not using the trade name of the applicant, viz., 'Active Wheel'. Similarly, the applicant/first defendant is not using the plaintiff's trade name, Sundari, for selling their product. It is only the case of the applicant/first defendant that the first respondent/plaintiff is copying the artistic work, such as colour scheme, get-up, the devices of 'star burst', red font on a white background' and 'arrangement of jasmine flowers, lemon' for their product, bearing the trade name 'SUNDARI'. It is rightly pointed out by the learned counsel for the first respondent/plaintiff that the applicant/first defendant is not claiming any right over the colour scheme, get-up, label, etc., as per the

criminal complaint. The applicant has launched criminal prosecution against the first respondent/plaintiff based on the false allegations that the first respondent/plaintiff is infringing the applicant's artistic work, such as the colour scheme, get-up, the devices of 'star burst', red font on a white background' and 'arrangement of jasmine flowers, lemon', and such criminal prosecution culminated in registering FIR against the first respondent/plaintiff. Therefore, the first respondent/plaintiff has filed the present suit, seeking for permanent injunction, restraining the applicant from in any manner, or any one claiming through them in any manner from interfering in the plaintiff's honest and concurrent business in manufacturing and marketing detergent products under the distinctive copyright in the artistic work, 'Sundari'

8. It is settled law that against groundless threat, suit can only be filed under Section 60 of the Copyright Act. Therefore, Section 60 comes into play only if the person making such threats, with due diligence, commences and prosecutes an action for infringement of the copyright claimed by him. In the present case, it is an admitted fact that prosecution has already been launched by the applicant/first defendant. Even in para No.19 of the plaint, the first respondent/plaintiff has specifically averred that, based on the complaint lodged by the applicant/first defendant, since there was search and seizure conducted by the defendants with the aid of the Police in the plaintiff's premises, the suit has to be instituted before this Court under the provisions of the Specific Relief Act. Therefore, after the launching of criminal prosecution, the first respondent/plaintiff is estopped from invoking the provision of Section 60 of the Copyright Act. Hence, the first respondent/plaintiff filed the suit under Section 34 of the Specific Relief Act, and the non obstante clause contained in Section 60 of the

Copyright Act will not act as bar to file the present suit.

9. Further, this Court would like to point that, the right to file the suit under Section 60 of the Copyright arises only when the plaintiff anticipates any legal proceeding against the alleged use of the copyright from the defendant, and as stated above, present suit has been filed only after the launching of criminal prosecution by the applicant/first defendant. Therefore, section 60 of the Copyright will not stand attracted to the present case and the non-abstante clause contained thereunder will not apply. Therefore, the judgements relied upon by the learned counsel for the applicant are not applicable to the facts of the present case.

10. Further, this Court makes it clear that there is no statutory bar for the plaintiff to file the suit under Section 34 of the Specific Relief Act to adjudicate their civil rights and mere launching of criminal prosecution will not act as bar. The Section 60 of the Copyright Act will not prevent the plaintiff from filing the suit under Section 34 of the Specific Relief Act and the plaintiff filed the suit to adjudicate their civil right subsequent to the launching of prosecution by the applicant/defendant. In the present case, the criminal proceeding is launched by the defendant on the pretext that the plaintiff is infringing the artistic work, which is deceptively similar as that of the defendant's. In case, in the civil suit, the plaintiff establishes their right over the artistic work and proved the fact that they are not copying the artistic work of the defendant for selling their product, by letting in evidence and documents, and the suit is decreed in favour of the plaintiff, then, the criminal prosecution launched against the plaintiff would become futile and the plaintiff cannot prove their civil rights in the criminal proceedings.

Therefore, the suit filed by the plaintiff does not amounts to abuse of

process of law.

11. In view of the above findings, the application filed by the applicant/first defendant for rejection of plaint is liable to be dismissed. Accordingly, the same is dismissed.

Sd/.K.R.J.

24.07.2019

//Certified to be a true copy//

Dated this the day of 2019.
SU/24.07.2019

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