IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORDINARY ORIGINAL CIVIL JURISDICTION)

THURSDAY, THE 30TH DAY OF SEPTEMBER 2021

THE HON'BLE MR. JUSTICE R.SUBRAMANIAN

C.S.No.215 of 2009

Lotte India Corporation Ltd.,
Second Floor, Murugesan Complex,
84, Greams Road, Thousand Lights,
Chennai – 600 006.
rep. by its Company Secretary,
Mr.S.Murali Krishna ...Plaintiff

-Vs-

1. Cadbury UK Limited,
Bournville,
Birmingham,
United Kingdom.

*2. Mondelez India Foods Private Limited,
First Floor, Tower A, Bannari Amman Towers,
29, Radhakrishnan Road, Mylapore,
Chennai – 600 004
And having Registered Office at
Unit No.2001, 20th Floor, Tower -3(Wing C),
Indiabulls Finance Centre, Parel,
Mumbai – 400013.
(Amended as per Order dated 30.08.2018)

...Defendants

Civil suit praying that this Hon'ble Court be pleased to grant a decree and judgment

a) a declaration that the threats issued by the defendants by legal notice dated 11.02.2009 against the plaintiff's use of the trademarks CARAMILK, ECLAIRS, picture of Broken Eclairs are groundless, unjustifiable and such use by the plaintiff is not in violation of the defendants purported rights;

b) a permanent injunction restraining the defendants, their men, servants, agents, distributors, stockists, dealers or any one claiming through or under them from in any manner either directly or indirectly, interfering with the plaintiff's use of the trademarks CARAMILK, ECLAIRS, picture of broken eclairs by issuing letters, circulars, notices, advertisements or otherwise which are unjustifiable, malafide and groundless or in any other manner whatsoever;

c) a declaration that the picture of broken eclairs is common to confectionary / chocolate trade and the defendants cannot claim any monopoly in respect thereof;

d) the defendants be ordered to pay to the plaintiff a sum of RS.10,05,000/- as liquidated damages on account of the interference with the plaintiff's business by issuing groundless and unjustifiable threats thereby causing loss to the reputation and goodwill, business, image of the plaintiff .

e) costs of the suit.

This Civil Suit having been heard on 02/09/2021 in the presence of Mr.Arun C. Mohan for Mrs.Brinda Mohan, advocates for the Plaintiff herein and Mr.Chander Lal, Senior Counsel for Mr.Rajesh Ramanathan, advocates for the defendants herein and upon reading the pleadings filed herein and the other exhibits therein referred to and upon perusing the evidence adduced therein and having stood over for consideration till this date and coming on this day before this court for orders in the presence of the said advocates for the parties hereto and this court having observed that no doubt, substantial evidence has been adduced by the parties regarding the validity of the registrations, customary practice in the industry regarding the user of the names Eclairs and Caramilk, considering the scope of Section 142, this court do not think that it will be proper to go into the evidence and decide on the question of infringement or the right of the defendants based on the registrations abroad and as persons having some rights over certain marks, the defendants are entitled to call upon the plaintiff to cease and desist from using the marks, therefore, mere issuance of a notice seeking discontinuance of the user and warning of a statutory suit by a person, who has a semblance of a right over the marks would not amount to a groundless threat or unjustified threat, this court do not think it will be proper to pronounce upon these issues as any decision in this suit, which is under

Section 142 would effect the rights of either of the parties in an infringement action, which may be brought in future and though the plaintiff had claimed damage at Rs.10,05,000/-, this court do not find any evidence in support of such claim, no material has been placed as to how the plaintiff had quantified the loss and **it is ordered as follows:-**

That the suit in C.S.No.215 of 2009 be and is hereby dismissed.

2) That the Plaintiff herein do pay to the defendants herein the costs of this suit as and when taxed by the taxing officer of this court and noted in the margin thereof.

WITNESS THE HON'BLE MR. JUSTICE SANJIB BANERJEE, CHIEF JUSTICE, HIGH COURT AT MADRAS AFORESAID, THIS THE 30TH DAY OF SEPTEMBER 2021.

Sd/-
ASSISTANT REGISTRAR (Comm.Cases)

//Certified to be true copy//
Dated at Madras this the day of 2021.

COURT OFFICER(O.S.)

From 25th Day of September 2008 the Registry is issuing certified copies of the Orders/Judgments/Decrees in this format.

ED
22.10.2021

C.S.No.215 of 2009

ORDER:

DATED : 30/09/2021

THE HON'BLE MR. JUSTICE
R. SUBRAMANIAN

FOR APPROVAL: 25/10/2021

APPROVED ON : 25/10/2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Judgment Reserved on 02.09.2021	Judgment Delivered on 30.09.2021

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THE HONOURABLE MR.JUSTICE R.SUBRAMANIAN

C.S.No.215 of 2009

Lotte India Corporation Ltd.,
Second Floor, Murugesan Complex,
84, Greams Road, Thousand Lights,
Chennai – 600 006.
Rep. By its Company Secretary,
Mr.S.Murali Krishna ...Plaintiff

Vs.

1.Cadbury UK Limited,
Bournville, Birmingham,
United Kingdom.

2.Mondelez India Foods Private Limited,
First Floor, Tower A, Bannari Amman Towers,
29, Radhakrishnan Road, Mylapore,
Chennai – 600 004
and having Registered Office at
Unit No.2001, 20th Floor, Tower -3(Wing C),
Indiabulls Finance Centre, Parel, Mumbai – 400013.
(Amended as per Order dated 30.08.2018 in
A.No.6425 of 2018) ...Defendants

Prayer: Plaint filed under Order IV Rule 1 of the Original Side rules and under Order VII Rule 1 of C.P.C., r/w. Sections 134 & 142 of the Trademarks Act, 1999 and Section 60 of the Copyright Act, 1957, praying as follows:-

a) a declaration that the threats issued by the defendants by legal notice dated 11.02.2009 against the plaintiff's use of the trademarks CARAMILK, ECLAIRS, picture of Broken Eclairs are groundless, unjustifiable and such use by the plaintiff is not in violation of the defendants purported rights;

b) a permanent injunction restraining the defendants, their men, servants, agents, distributors, stockists, dealers or any one claiming through or under them from in any manner either directly or indirectly, interfering with the plaintiff's use of the trademarks CARAMILK, ECLAIRS, picture of broken eclairs by issuing letters, circulars, notices, advertisements or otherwise which are unjustifiable, malafide and groundless or in any other manner whatsoever;

c) a declaration that the picture of broken eclairs is common to confectionary / chocolate trade and the defendants cannot claim any monopoly in respect thereof;

d) the defendants be ordered to pay to the plaintiff a sum of RS.10,05,000/- as liquidated damages on account of the interference with the plaintiff's business by issuing groundless and unjustifiable threats thereby causing loss to the reputation and goodwill, business, image of the plaintiff

e) costs of the suit.

For Plaintiff : Mr.Arun C.Mohan
for Mrs.Brinda Mohan

For Defendants : Mr.Chander Lal, Senior Counsel
for Mr.Rajesh Ramanathan

JUDGMENT

The plaintiff, a leading manufacturer of confectionery products particularly, toffees, chewing gum etc., under a trademark “LOTTE”, has sued for injunctive reliefs, on the ground that the defendants are indulging in issuing groundless threats, claiming ownership over certain trademarks, trade names and trade dress in respect of confectionary products manufactured by the plaintiff.

2.The plaintiff would claim that its parent Company Lotte Confectionery Company Ltd, South Korea had acquired the business of one of the leading confectioners in India namely, Parrys Confectionery Limited, which was a leading manufacturer of Toffees and Chocolates in the year 2004. The name of the Company was changed as “Lotte India Corporation Limited” in the year 2004. The plaintiff would claim that its predecessor has been manufacturing toffees named, 'CARAMILK' and 'ECLAIRS' in conjunction with its original trademark 'PARYYS', since 1982. It is claimed that the plaintiff has a expansive market all over India.

3.According to the plaintiff, Caramilk Toffees are made with Caramel and Milk as its essential ingredients. Eclairs is a variety of Toffee with soft chocolate filling in the centre. According to the plaintiff, almost all Toffee manufacturers have a Eclair Chocolate. The plaintiff would also claim that it had infact, expended substantial sums towards advertisement as well as promotion of the above two brands of Toffees for over a long period and it has also got registration of the trademark, since the year 1982. It is also contended that the right in these trademarks stood transferred to the plaintiff upon the change of name of Parrys of Confectioners Ltd., to LOTTE India Corporation Limited.

4.It is the further contention of the plaintiff that the 1st defendant, which is also a manufacturer of Chocolates having its principle place of business in United Kingdom is also engaged in manufacturing Toffees and Chocolates. According to the plaintiff, while the defendants manufacture and sell Eclairs Toffees, which is commonly known as Cadbury's Eclairs, it is yet to commence production of Caramilk Toffees in India. While conceeding the fact that the 1st defendant is engaged in manufacture of confectionaries particularly, Chocolates across the world and it manufactures and markets Chocolates in the name of Cadbury's Caramilk in other countries, the plaintiff would specifically plead that the defendants are yet to commence manufacturing Caramilk Toffees in India. The 2nd defendant, which is the Indian arm of the 1st defendant was originally known as Cadbury India Limited.

5.According to the plaintiff, it is a prior user of both the trademarks namely, Eclairs and Caramilk, while it was trading in the name of Parrys Confectionary Limited. These two products of the plaintiff were known as Parry's Eclairs and Parry's Caramilk. After the incorporation and change in the name in 2004, these products are called as 'LOTTE Eclairs' and 'LOTTE Caramilk'. Contending that these two marks namely, Caramilk and Eclairs are common marks, which are used widely in the confectionery industry particularly, in toffees, the plaintiff would submit that the defendants cannot claim exclusive ownership of these marks. In order to justify the said claim, the plaintiff would point out that the user of the marks namely, Eclairs and Caramilk by several other manufacturers like ITC Limited – (Candyman Chocolates) Nestle and Nutrine.

6.Relying upon the fact that almost all these manufacturers used the names, Eclairs and Caramilk, the plaintiff would contend that these marks are not unique marks, which would enable the registered proprietor to claim exclusive ownership and to prevent others from using these names. The ignition for the present suit is the notice dated 11.02.2009 in and by which, the 2nd defendant required the plaintiff to cease and desist from using

the trademark and copyright in the marks Caramilk and Eclairs. Contending that the threat of legal action and the call to cease an desist from using the above marks is a ground less threat, the plaintiff would claim that it is entitled to the reliefs of injunction sought for under Section 142 of the Trademarks Act, 1999.

7.The suit is resisted by the defendants contending that the issuance of a cease and desist notice by itself would not amount to a groundless threat as contemplated under Section 142 of the Trademarks Act. It is the further claim of the defendants that the plaintiff, which had not obtained a assignment of the marks of Parry's Confectionery Limited, is not entitled to maintain the suit on the ground of prior user. It is also contended by the defendants that the 1st defendant has got registration of these trademarks in various countries, including Canada, Australia, Ireland and Newzealand. The defendants would also contend that the 1st defendant has been producing the Caramilk and Eclairs Toffees for more than 40 years. The defendants would concede that the Cadbury's Caramilk Toffees and Chocolates are not sold in India but as a registered proprietor of the mark, it is entitled to require the plaintiff to desist from infringing its trademark.

8.The defendants would further claim that the trademark Eclairs

with a broken Chocolate has been used by the defendants for more than 40 years and neither the plaintiff nor the other manufacturers have any right to infringe the trademark by copying or using the deceptively similar mark namely, a broken Chocolate. The defendants would also add that the 1st defendant was infact, the first in the world, to use Caramilk in Chocolates. The said coinage was conceived way back in 1930's. The 1st registration was obtained in Canada in the year 1938. As regards the Eclairs, it is claimed that the Cadbury's Eclairs was discovered in 1960's by a local confectioner firm Pascal in London, which later became a part of the defendants. The defendants claimed to have launched the Toffee Cadbury Eclairs in India in the year 1972. It is also claimed that this Cadbury's Diary Milk Eclairs with a distinct trade dress has been in use since 1971.

9.It is the further contention of the defendants that the trademark Cadbury's Diary Milk Eclairs has been registered in the year 1974 and the said registration is said to be alive even today. In fact, even on 04.06.1990, the defendants had initiated objection proceedings for the registration of the plaintiff's trademark application for Caramilk. Therefore, according to the defendants, the plaintiff was aware of the objection to the adoption and use of the mark by the plaintiff. The cease and desist notice was issued, according to the defendants, only to assert its rights and it cannot be said that issuance of a cease and desist notice by a registered proprietor would amount to a groundless threat.

10.On the above pleadings, the following issues were framed by this Court:-

"1. Whether the threats issued by the defendants by legal notice dated 11.02.2009 against the plaintiff's use of the trademarks CARAMILK, ECLAIRS, picture of Broken Eclairs are groundless, unjustifiable ?

2. Whether the use of the trademarks CARAMILK, ECLAIRS, picture of Broken Eclairs by the plaintiff is not in violation of the defendants purported rights ?

3. Whether the plaintiff is entitled for a permanent injunction restraining the defendants, from in any manner interfering with the plaintiff's use of the trademarks CARAMILK, ECLAIRS, picture of Broken Eclairs ?

4.Whether the plaintiff is entitled for a declaration that the picture of Broken Eclairs is common to confectionary / chocolate trade ?

5.Whether the plaintiff is entitled for a sum of Rs.10,05,000/- as liquidated damages ?

6. Relief and cost."

11.At trial, one C.M.Anand, Assistant Manager (Legal) of the plaintiff's Company was examined as P.W.1. However, he suffered a medical condition and he was not able to appear in Court. An application was filed in A.No.3782 of 2017 to eschew the evidence of P.W.1 and permit the plaintiff to examine another witness. This application came to be allowed partially on 17.08.2017 wherein, this Court while eschewing the evidence of P.W.1, due to absence of cross-examination, permitted the other witness on the side of the plaintiff to be examined as P.W.2. Pursuant to the said order, one Mr.Venkatesh Parthasarathy, General Manager (Marketing) of the plaintiff was examined as P.W.2 and Exs.P1 to P21 were marked. On the side of the defendants, Mr.Kartikeya Rawal, Assistant Manager (Legal) was examined as D.W.1 and Exs.D1 to D33 were marked.

12.I have heard Mr.Arun C.Mohan, learned counsel appearing for the plaintiff and Mr.Chander Lal, learned Senior Counsel appearing for Mr.Rajesh Ramanathan for the defendants.

13.Mr.Arun C.Mohan, while elaborating on the law relating to groundless threats would submit that the defendants, who do not have a valid registration of its trademark Caramilk in India and who does not in fact, manufacture Caramilk Toffees in India cannot issue a notice requiring the plaintiff, which is a registered proprietor of the mark “LOTTE Caramilk” for its Toffees from using the said trademark in its products.

14.As regards the Eclairs, the learned counsel for the plaintiff

would submit that Eclairs is a particular variety of Chocolates or Toffees, which are filled with soft Chocolate in the centre and various confectionery manufacturers have been using the term Eclairs in their products. Therefore, according to the learned counsel for the plaintiff, the word Eclairs by itself independently, cannot constitute a trademark. According to the learned counsel for the plaintiff, Eclairs is a common term used to signify a particular variety of Toffees and therefore, neither the defendants nor the other manufacturers could claim any exclusive right for the terms Eclairs or Caramilk. Therefore, the issuance of a cease and desist notice by the defendants, requiring the plaintiff to stop user of the above two marks namely, Caramilk and Eclairs would definitely tantamount to a groundles threat within the meaning of Section 142 of the Trademarks Act.

15.Reliance is also placed by the learned counsel for the plaintiff on the order of the Intellectual Property Appellate Board (IPAB) dated 31.10.2013 wherein, certain trademarks of the defendants have been directed to be removed from the Trademarks Register to contend that having not challenged the order and having allowed the registrations to be struck off from the Trademark Register, the defendants cannot now claim exclusive right over the trademarks Eclairs and Caramilk. The learned counsel for the plaintiff would also draw my attention to the oral evidence of D.W.1 wherein, he had admitted that the Caramilk Toffees manufactured by the defendants are not sold in India. The learned counsel for the plaintiff would also take serious objection to the production of print outs from Wikipedia, pointing out that the authenticity of the information even in the Wikipedia has been doubted by the Courts in India. The learned counsel would also fault the defendants for non-production of originals of certain documents namely, the Newspapers and Periodicals, which were published in Canada during 1960's.

16.Reliance is also placed by the learned counsel for the plaintiff on the judgment of Hon'ble Supreme Court in **Toyota Jidosha Kabushiki Kaisha Vs. M/s.Prius Auto Industries Ltd. & Others** reported in **2018 2 SCC Page 1.** Mr.Arun C.Mohan would rely upon the above judgment of the Hon'ble Supreme Court to contend that when the defendants had admitted that they are not either manufacturing or selling Caramilk Toffees in India, the notice issued on 11.02.2009 requiring the plaintiff to cease and desist from marketing its products with the mark "LOTTE Caramilk" is nothing but a groundless threat.

17. As far as the mark Eclairs is concerned, considerable reliance is placed on the order of the Intellectual Property Appellate Board in and by which, certain marks of the defendants have been directed to be struck off

from the Trademark Register on the application of a rival manufacturer namely, ITC Limited. The learned counsel for the plaintiff would also point out that the Intellectual Property Appellate Board had infact, found that atleast three registrations were not used by the defendants in India and therefore, these registrations have been cancelled. Out of the three registrations, two relate to "Cadbury's Eclairs" and therefore, according to the learned counsel, the threat requiring the plaintiff to cease and desist from using the name Eclairs in its products is a groundless threat and the defendants will have to be injuncted.

18.Responding to the above contentions, Mr.Chander Lal, learned Senior Counsel appearing for the defendants would submit that the mere issuance of a notice would not amounts to groundless threat. Relying upon the language of Section 142 of the Trademarks Act, 1999, which reads as follows:-

"*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 deligence 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.

Objects and Reasons – Clause 142. - This clause seeks to protetct the persons against groundless threats of infringement by giving him an opportunity to bring a suit against the person making such threats and obtain a declaration that the threats are unjustifiable and an injunction against the continuance of the threats and recovery of damages. This is in line with section 120 of the existing Act."

the learned Senior Counsel would contend that the groundless threat can only be by means of circulars, advertisements and not by issuance of a legal notice. He would also contend that the words or otherwise used in the section should be considered *ejusdem generis* with the words that precede the same namely, circulars and advertisements. Therefore, according to the learned Senior Counsel, unless there is a publication of a groundless threat, a suit under Section 142 cannot be maintained.

19.He would also, while admitting that the pleadings and evidence of the plaintiff may consititute a valid defence in a suit for an infringement contend that the same cannot be a foundation of an action for a groundless threat under Section 142. The learned Senior Counsel would also point out that the prayers 'A' and 'C' in the suit are contradictory, where the plaintiff claims a declaration that it is entitled to use the trademarks Caramilk, Eclairs, the picture of broken Eclairs and the same is not in violation of the defendants purported rights, the plaintiff would also seek a declaration that the picture of broken Eclairs is common feature in confectionery industry and Chocolate trade therefore, the defendants cannot claim any monopoly for the same.

20.According to the learned Senior Counsel, while prayers 'A' is made with an object to protect the exclusive user by the plaintiff, prayer 'C' is with an object to make the trademark or the picture of broken Eclairs as a common trade practice, the user of which would not amount to infringement of the trademark of the other. The learned Senior Counsel would also submit that in as much as the 1st defendant is a renouned manufacturer of Chocolates and Confectionaries across the world and it has got registration of its marks in various countries, including India, the dictum of the Hon'ble Supreme Court in **N.R.Dongre Vs. Whirlpool Corporation and Another** reported in **(1996) 5 SCC 714** would apply and the defendants would be entitled to prevent others from using its registered trademarks in India also, though they may not have a registration of a particular trademark in India. Arguing further, the learned Senior Counsel would submit that Section 51 of the Copyrights Act protects an international copyright.

21.Answering the submission of the learned counsel for the plaintiff on the basis of the order of the Intelletual Property Appellate Board dated 31.10.2013, Mr.Chander Lal would submit that the defendants have obtained registrations of the mark, Diary Milk Eclairs on 09.06.2009 with user claimed from 01.04.2009 under Ex.D33. The learned Seior Counsel would also point out that the trademark No.1827326 was not the subject matter of the order of the IPAB dated 31.10.2013. Therefore, according to the learned Senior Counsel counsel, the defendants had the right to use of

the Trade mark, which was registered in No.298102 and therefore, it did not take steps to challenge the order of the IPAB. The learned Senior Counsel would however, contend that the registration granted under Ex.D33 would enable the defendants to protect their rights over the mark "Cadbury Diary Milk Eclairs".

22.Referring to the other certificates issued by the Trademark Registry to show that the registrations, which are struck off by the IPAB are shown to be in force, Mr.Chander Lal would submit that it is a mistake on the part of the Registry and the plaintiff is trying to make the mountain out of a mole hill. Mr.Chander Lal would also rely upon the judgment of the Delhi High Court in **Chartered Institute of Taxation Vs. Institute of Chartered Tax Advisers of India Ltd.,** reported in **2019 SCC Online Del 10037** wherein, the Delhi High Court had an occasion to consider as to what amounts to a groundless threat. While considering the question of groundless threat, the Delhi High Court had held that the pleas taken or contained in legal / statutory proceedings cannot tantamount to a groundless threat under Section 142 and hence, the suit itself, according to the learned Senior Counsel is not maintainable.

23.Reliance is also placed by the learned Senior Counsel on the

judgment of this Court in **Value Invest Wealth Management (India) Pvt.**

Ltd., Vs. B.G.Kishore Kumar and Others reported in **2012 (1) CTC 401** wherein, it was held as follows:-

> *"19.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 under Section 142 of the Act cannot restrain the holder of the registered trade mark to bring out action in accordance with law. The Suit under Section 142 of the Act cannot bar the Defendants from filing the Suit under Section 29 of the Act, where trade mark is registered."*

Considering the scope of Section 142 of the Trademarks Act, 1999, it was held that the said provision permits the defendant in a suit under Section 142 to satisfy the Court that the trademark is registered and that the acts in respect of which the proceedings were threatened, constitute or if done, would constitute an infringement of a trademark.

24.In **Dolphin Laboratories Pvt. Ltd., Vs. Kaptab Pharmaceuticals** reported in **AIR 1981 Cal 76**, it was pointed out that the object of Section 120 of the Trademark and Merchandise Act, 1958 (present

Section 142 of the Trademarks Act, 1999) is not to prevent a registered proprietor or a person, who claims that his / her trademark has infringed from filing a suit. The learned Senior Counsel would also further contend that there cannot be an injunction restraining a person from filing a suit to vindicate his or her rights.

25.A Division Bench of this Court in **Exxon Corporation Vs. Exxon Packing Systems Pvt. Ltd.,** reported in **1988 (2) LW 421** had considered the question of threat and the meaning of the word 'otherwise' used in Section 120 of the Trademark and Merchandise Act, which is in parimateria with Section 142 of the Trademarks Act, 1999. After referring to the judgments in **Skinner and Co., Vs. Perry** and **Benmax Vs. Austin Motor Co. Ltd.,** the Hon'ble Division Bench held that the word 'otherwise' would take within its fold a lawyer's notice also but the Hon'ble Division Bench has also held that the Court, while considering the question of groundless threat, is bound to render a finding on facts as to whether the threats are unjustified or not. The Hon'ble Division Bench further observed that the said decision will have to be made ultimately in the suit on an analysis of the evidence on record.

26.Referrence could also be made to the judgment of the Hon'ble

Supreme Court in **EXPHAR SA AND ANOTHER Vs. EUPHARMA**

LABORATORIES LTD. AND ANOTHER reported in **(2004) 3 SCC 688** wherein, the Hon'ble Supreme Court held that a cease and desist notice would constitute cause of action for a suit under Section 60 of the Copyright Act. Section 60 of the Copyright Act is in parimateria with Section 142 of the Trademarks Act, 1999. While pointing out that a cease and desist notice would provide sufficient cause of action for a suit based on a groundless threat, the Hon'ble Supreme Court had remitted the matter to the High Court for disposal on merits.

27.Issue Nos.1 to 4:-

These issues are taken up together, since they are interlinked and it will be convenient to answer them cumulatively. The notice dated 11.02.2009 issued on instructions of the 2nd defendant is a cease and desist notice calling upon the plaintiff to discontinue the user of the marks "Caramilk" and "Eclairs" in its confectionary products. Section 142 of the Trademarks Act, 1999 enables recipient of a threat to sue for injunctive reliefs. It is common knowledge that there cannot be an anti suit injunction except under exceptional circumstances.

27.1.Reading of Section 142 itself would show that the right

conferred on the recipient on such threat is to seek a declaration that the threat is groundless and consequent, injunction against continuance of the threat and for damages. As I had already pointed out, Section 142 cannot be construed as an enabling provision, which would be invoked by the plaintiff to prevent the defendants from bringing in an infringement action that is precisely why Sub-section 2 of Section 142 provides that Sub-Section 1 would not apply, if a registered proprietor of a trademark or a registered user commenced and prosecuted an action for infringement of a trademark. Therefore, the very declaration and injunction sought for or obtained under Section 142 (1) would be valid only till initiation of an infringement proceeding by the registered proprietor or a person, who issues the threat.

27.2.While a notice to discontinue user would amount to a threat, as pointed out by the Hon'ble Division Bench of this Court in **Exxon Corporation,** supra, the Court must also examine as to whether the threat is unjustified or not. Unless the Court comes to a conclusion that the threat is unjustified, there cannot be a decree as contemplated under Section 142. If we examine the evidence in the case on hand, it could be seen that the defendants have got a registered trademark for the label Cadbury's Diary Milk Eclairs. It has also a registered trademark for the word Eclairs with a depiction of a broken Eclair Toffee. Therefore, in so far as the mark

"Eclairs" is concerned, the defendant has some rights. I do not propose to pronounce upon an extent and scope of the rights of the parties or the customary trade practice and other issues, since they could be best decided in an action for infringement and not in a suit under Section 142. The scope of the suit under Section 142(1) is restricted to find out as to whether there is a threat and whether such threat is unjustified.

27.3.The Hon'ble Division Bench of this Court in Exxon Corporation as well as the Hon'ble Supreme Court in EXPHAR SA AND ANOTHER have held that the issuance of a notice would amount to a threat but the question, whether the threat is unjustified or not or whether it is a groundless threat or not has to be decided on the facts of each and every case with reference to the evidence available on record. As I had already pointed out, the evidence available in this case would show that the defendants are also leading manufacturers of Chocolates and Toffees. Though the registrations for the mark Cadbury's Caramilk is in various countries except India, they have a registration for the word mark "Cadbury's Diary Milk Eclairs" as well as a label mark. These registrations are substituting valid, therefore, they are entitled to claim prorection to those registrations. Whether they would succeed in such a claim or not is wholly irrelevant in deciding the question as to whether the cease and desist

notice amounts to an unjustified threat or a groundless threat. Once it is found that the defendants have a semblance of right for the trademarks, which are in dispute, the issuance of notice by the defendants could not be termed as unjustified or groundless.

27.4.No doubt, substantial evidence has been adduced by the parties regarding the validity of the registrations, customary practice in the industry regarding the user of the names Eclairs and Caramilk, considering the scope of Section 142, I do not think that it will be proper for me go into the evidence and decide on the question of infringement or the right of the defendants based on the registrations abroad.

27.5.As rightly pointed out by the learned Senior Counsel for the defendants, may be the plaintiff would have a valid defence in a suit for infringement (this observation of mine is only prima facie and will not have any binding effect on the rights of the parties) but that alone would not entitle the plaintiff to a decree in a suit under Section 142. As persons having some rights over certain marks, the defendants are entitled to call upon the plaintiff to cease and desist from using the marks. Therefore, mere issuance of a notice seeking discontinuance of the user and warning of a statutory suit by a person, who has a semblance of a right over the marks would not amount to a groundless threat or unjustified threat. One such a conclusion is reached, the Issue No.1 is to be answered against the plaintiff.

28.As regards the Issue Nos.2, 3 and 4, I am of the considered opinion that these issues are beyond the scope of the very suit. Hence, I do not think it will be proper for me to pronounce upon these issues as any decision by me in this suit, which is under Section 142 would effect the rights of either of the parties in an infringement action, which may be brought in future. Therefore, Issue Nos.2, 3 and 4 are left open to be decided in a proper proceeding.

29. Issue No.5 :- Though the plaintiff had claimed damage at Rs.10,05,000/-, I do not find any evidence in support of such claim. No material has been placed as to how the plaintiff had quantified the loss. Therefore, Issue No.5 is also answered against the plaintiff.

30.In fine, this suit is dismissed with costs of the defendants.

30.09.2021

kkn
Internet:Yes/No
Index:Yes/No
Speaking/Non-speaking

List of witness examined on the side of the plaintiff:-

Mr.C.M.Anand (P.W.1)

Mr.Venkatesh Parthasarathy (P.W.2)

List of documents marked on the side of the plaintiff:

S.No.	*Description of Documents*	*Exhibit*
1	The original authorisation letter dated 08.09.2017	Ex.P1
2	The certified copy of the fresh certificate of incorporation.	Ex.P2
3	The certified copy of the registration LOTTE CARAMILK label under No.1364713 dated 17.06.2005.	Ex.P3
4	The certified copy of the registration LOTTE CARAMILK label under No.1364712 dated 17.06.2005.	Ex.P4
5	The certified copy of the registration LOTTE CARAMILK label under No.1364707 dated 17.06.2005.	Ex.P5
6	The certified copy of the registration LOTTE CARAMILK label under NO.1364714 dated 17.06.2005.	Ex.P6
7	The certified copy of the registration LOTTE CARAMILK label under NO.1364716 dated 17.06.2005.	Ex.P7
8	The certified copy of the registration LOTTE CARAMILK label under No.1364715 dated 17.06.2005.	Ex.P8
9	The certified copy of the registration LOTTE ECLAIRS label under No.1364706 dated 17.06.2005.	Ex.P9
10	Photo copies of the sales promotional material of LOTTE CARAMILK & LOTTE ECLAIRS.	Ex.P10
11	Photo copy of the Article about Parrys Confectionery between 1914 and 1994 proving use of the marks Caramilk and Eclairs since 1980's.	Ex.P11
12	Photo copy of the extracts from Diary of Parrys Confectionary Ltd. (1996)	Ex.P12
13	(Series 10 Nos.) Photo copies of the annual reports for the period 1985-1986, 1989-1990, 1990-1991, 1991-1992, 1992-1993, 1993-1994, 1995-1996, 1997-1998, 2001-2002 and 2004-2005.	Ex.P13
14	Series (9 Nos.) Photo copy of the Invoices bearing the mark CARAMILK and ECLAIRS.	Ex.P14
15	Original cease and desist notice dated 11.02.2009.	Ex.P15

S.No.	Description of Documents	Exhibit
16	Copy of the Dictionary extract for Eclair.	Ex.P16
17	Series (8 Nos.) Original wrappers of Specimen of ITC's Candyman Eclairs wrapper, Specimen of ITC's Candyman Choco Double Eclairs wrapper, Specimen of Nestle's Chocolate Eclairs wrapper, Specimen of Nestle's Milkybar Eclairs wrapper, Specimen of Nutrine's Chocolate Eclairs, Specimen of Plaintiff's Lotte CARAMILK wrappers, Specimen of Plaintiff's ECLAIRS wrapper, Specimen of Cadbury's Dairy Milk Eclairs wrappers.	Ex.P17
18	Series (4 Nos.) Photo copies of the wrappers of Specimen of ITC's Candyman Choco Double Eclairs pouch containing broken eclair, Specimen of Nestle's Chocolate Eclairs pouch containing broken Eclair, Specimen of Nestle's Milkybar Eclairs Pouch containing broken Eclair, Specimen of Nutrine's Chocolate Eclairs Pouch containing broken Eclair.	Ex.P18
19	Certified copy of the prosecution history of the application No.298102.	Ex.P19
20	Certified copy of the prosecution history of the application No.353398.	Ex.P20
21	Whois data for www.mondelezinternational.com.	Ex.21

List of witness on the side of the defendants:-

Kartikeya Rawal (DW1)

List of documents marked on the side of the defendants:-

S.No.	Description of Documents	Exhibit
1	Original Power of Attorney by the 1st Defendant dated 20.03.2018.	Ex.D1
2	Screenshots of the 1973 Cadbury Caramilk Commercial from Youtube https://www.youtube.com/watch?v=k4yqlttpJvk	Ex.D2
3	(Colly) Copies of the International Registrations certificates for Cadbury CARAMILK, earliest from Canada dated 27.07.1938.	Ex.D3
4	Photo copy of Advertisement as published in the newspaper "La Presse Newspaper"in Canada dated 17.09.1960.	Ex.D4
5	Advertisement as published in the Canadian periodical titled	Ex.D5

S.No.	Description of Documents	Exhibit
	"Perspectives", in Canada dated 01.10.1960.	
6	Screenshots from Defendant's Website & Brand Family Page- http://ca.mondelezinternational.com/brand-family.	Ex.D6
7	Article evidencing Cadbury Caramilk's 40th Birthday https://archive.is/20120910195712/http://www.pubzone.com/newsroom/2008/x080925x071629.cfm. Dated 01.10.2008.	Ex.D7
8	(Series) Printouts from the Snackworks Canada Website – http://www.snackworks.ca/en/products/cadburycaramilk_old_bak_092017.	Ex.D8
9	Printouts from Wikipedia pertaining to the brand information about the CADBURY CARAMILK – https://en/wikipedia.org/wiki/Cadbury_Caramilk.	Ex.D9
10	(Series) Screenshots of the 1976, 1980, 1982, 1984, 1990 and 2014 Cadbury Caramilk Commercial from YouTube.	Ex.D10
11	Printout of a variety of third party e-commerce platforms, showcasing the availability of the Defendants' CARAMILK on the internet.	Ex.D11
12	Printouts of such online news articles from Australia and NewZealand.	Ex.D12
13	Printouts of photographs of the packaging used by the Defendants for their CARAMILK products, from 1994, the early 2000s and their new 2017 product.	Ex.D13
14	(Series) Pictures of bespoke media kits and press release kits prepared by the defendants as part of the re-launch media campaign.	Ex.D14
15	(Series) Printouts of these articles publishing news of the re-launch of the defendants' Kiwi Celebrations, evidencing the outreach and knowledge of CARAMILK.	Ex.D15
16	Printout of the news article, as published in the specific edition of the magazine.	Ex.D16
17	News of this campaign received over 12,00,000 views online, and printout of an article posted online by More FM.	Ex.D17
18	Printout of the post run by More FM on their Facebook page.	Ex.D18
19	Photographs of these electronic posters and billboards, along with their precise locations, date of erections, etc.	Ex.D19
20	Screenshots of the posts run by the Defendants on their Facebook.	Ex.D20
21	Photographs of various product arrangement at various supermarkets and stores from across the country.	Ex.D21
22	(Series) Copies of Trademark Registration Certificate in respect of the above mentioned registrations.	Ex.D22
23	(Series) Copies of select registration certificates / online status, including the earliest registrations.	Ex.D23

S.No.	Description of Documents	Exhibit
24	(Series) Samples of banners and posters used by the defendants to advertise their earlier well-known trademark in India.	Ex.D24
25	(Series) Copies of invoices raised by Hindustan Cocoa Products Limited for Cadbury Dairy Milk Eclairs.	Ex.D25
26	(Series) Copy of promotional scheme, run exclusively in retail confectionery stores in June, 1972.	Ex.D26
27	(Series) Extracts from the website www.agencyfaqs.com, showing the clippings of the advertisements for the Defendants' brand CADBURY DAIRY MILK ECLAIRS as broadcasted on the Indian Television.	Ex.D27
28	(Series) Screenshots of extracts from these websites, giving rave reviews of the Defendants' products, and also discussing the defendants' products.	Ex.D28
29	Printout from the Defendants website, showing use of the earlier well-known trademark.	Ex.D29
30	Printout of the Wikipedia page of the Defendants' CADBURY ECLAIRS.	Ex.D30
31	(Series) Printouts of various third party, E-commerce platforms, showcasing the availability of the defendants' products under the earlier well-known trade mark are being filed along with the present affidavit.	Ex.D31
32	A certificate under Sec.65A and B of the Indian Evidence Act, 1872 in support of the said electronic documents as mentioned above, particularly Ex.D2 to D21 and D24 to D30.	Ex.D32
33	(Series) Certified copies of Registration of Trademark under Nos.1827326 in Class 30, under No.298102 in Class 30, 353398 in Class 30, 1827325 in Class 30.	Ex.D33

Sd./- R.S.M.J.
30.09.2021

//Certified to be true copy//

Dated at Madras this the day of 2021.

COURT OFFICER(O.S.)

From 25th Day of September 2008 the Registry is issuing certified copies of the Orders/Judgments/Decrees in this format.