



IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 21.04.2023

PRONOUNCED ON : 14.06.2023

CORAM:

THE HON'BLE Mr. JUSTICE S.SOUNTHAR

A.Nos.5879 of 2022 and 1581 of 2023
in C.S.No.327 of 2014

Application No.5879 of 2022:

Hatsun Agro Product Limited,
1/20 A, Rajiv Gandhi Salai (OMR),
Karapakkam,
Chennai – 600 097.

... Applicant

Vs.

Hindustan Unilever Limited,
Ponds House,
101, Santhome High Road,
Chennai – 600 028.

... Respondent

Common Prayer: Application is filed, praying to pass a summary judgment under order XIII-A of the Code of Civil Procedure (as amended) to decree the suit in favour of the plaintiff and pass such further or other orders.



WEB COPY



For Applicant

:Mr.N.Surya Senthil
for M/s.Surana and Surana

For Respondents in
all Application

:Mr.Madhan Babu
for M/s.Rahul Balaji

Application No.1581 of 2023:

Hindustan Unilever Limited,
Ponds House,
101, Santhome High Road,
Chennai – 600 028.

... Applicant

Vs.

Hatsun Agro Product Limited,
1/20 A, Rajiv Gandhi Salai (OMR),
Karapakkam,
Chennai – 600 097.

... Respondent

Common Prayer: Application is filed, praying to summarily decide and dismiss the suit C.S.No.327 of 2014 filed by the plaintiff and pass such further or other orders.

For Applicant

:Mr.Madhan Babu
for M/s.Rahul Balaji

For Respondents in
all Application

:Mr.N.Surya Senthil
for M/s.Surana and Surana

C.S.No.327 of 2014:



Hatsun Agro Product Limited,
1/20 A, Rajiv Gandhi Salai (OMR),
Karapakkam,
Chennai – 600 097.

... Plaintiff

vs

Hindustan Unilever Limited,
Ponds House,
101, Santhome High Road,
Chennai – 600 028.

... Defendant

Prayer: Civil Suit is filed under Order VII Rule 1 of CPC r/w Order IV Rule 1 of the Original Side Rules, 1956, and Section 23 of the Designs Act, 2000 r/w Section 106 of Indian Patents Act, 1970, praying to

(a) for declaration declaring that the Bar Ice-Cream marketed by the plaintiff under the trademark 'Arun I-Bar is not an infringement of the defendant's design under No.205811 for application to Ice-Cream;

(b) for declaration that the threats made out by the defendant in the notice dated 29.04.2014, alleging that the plaintiff is infringing the defendant's design under No.205811 by producing and marketing bar ice-cream under the trademark “Arun I-Bar is unjustifiable, groundless, illegal and baseless;

(c) for permanent injunction restraining the defendant by itself, its



WEB COPY

servants or agents or anyone claiming through it from in any manner issuing or continuing groundless, illegal and baseless threats by alleging that the plaintiff's bar Ice-Cream sold under the trademark Arun I-Bar infringes the defendant's design under No.205811 for application to Ice-Cream as made in the notice dated 29.04.2014 or in future;

(d) Directing the defendant to pay to the plaintiff the cost of the suit;

(e) Grant such further or other reliefs as this Court may deem fit and proper under the circumstances of the case.

ORDER

These applications has been filed by the applicant/defendant seeking summary judgments.

2. The respondent herein filed a suit seeking declaration that the Bar Ice-Cream marketed by the plaintiff under the trademark “ARUN I-BAR” is not an infringement of the applicant/defendant's design under No.205811. The respondent also sought for a declaration that the threats made out by the applicant's notice dated 29.04.2014, alleging that respondent was infringing



WEB COPY

the applicant's design under No.205811 by producing and marketing bar ice-cream under the trademark “ARUN I-BAR” was unjustifiable, groundless, illegal and baseless. The respondent also sought for an injunction restraining the applicant from any manner issuing or continuing groundless, illegal threats by alleging the respondent's bar Ice-Cream sold under the trademark “ARUN I-BAR” infringes the appellant's design.

3. The applicant herein filed a written statement and resisted the suit on various grounds. He also sought for a permanent injunction restraining the respondent from any manner passing off its goods/products as that of the applicant by using applicant's trade dress, shape and configuration of Ice Cream by way of counter claim. The applicant also sought for accounts in respect of the goods sold by the respondent under the impugned trade dress, shape and configuration.

4. Thereafter, the applicant/defendant has come up with this application in A.No.1581 of 2023 seeking dismissal of the suit by way of summary judgments.



WEB COPY

5. The respondent/plaintiff on his part filed Application No.5879 of 2022, seeking summary judgment and decree in his favour.

6. In these orders the term applicant refers to the applicant in A.No.1581 of 2023 and the respondent in A.No.5879 of 2022. The term respondent refers to the respondent/plaintiff in A.No.1581 of 2023 and applicant in Application No.5879 of 2022.

7. During the course of the arguments of these applications, the learned counsel appearing for the respondent/plaintiff submitted that his client is not pressing the prayer “A” of the plaint and the same is recorded.

8. The learned counsel for the applicant/defendant by taking this Court to the averments of the parties submitted that relief of declaration of non infringement sought for by the respondent/plaintiff is not provided for under Section 23 of Designs Act. It is the specific submission of the learned counsel for the applicant under Section 23 of Designs Act, the provisions of the Patent Act, with regard to (a) the certificate of validity (113) and (b)



WEB COPY

groundless threat (105) alone are made applicable to the designs. On the other hand, declaration of non-infringement provided for under Section 105 of Patent Act is consciously not made applicable to the designs Act. Therefore, the learned counsel submitted that the first prayer in the plaint is not legally tenable. Alternatively, the learned counsel or the applicant further submitted that even otherwise the negative declaration prayed for under prayer (a) is not maintainable. The learned counsel for the applicant submitted that the communication of the applicant to the respondent dated 29.04.2014 was not a legal notice, but it is only an email forwarding the Design Registration Certificate of the applicant with comparative pictures and there was no threat of initiation of legal proceedings. The learned counsel further submitted that the communication of the applicant is only with an aim of settling the dispute between the parties as recognized by Section 12A of Commercial Courts Act and hence the same cannot be treated as a groundless threat giving cause of action for other suit. The learned counsel further submitted that even assuming the said communication of the applicant can be treated as a threat of legal proceedings, the same would not be qualified as groundless in view of the fact that the applicant holds registration for the design under No.205811.



WEB COPY

9. In support of his contention, the learned counsel relied on the unreported judgment of this Court in Lotte India Corporation Ltd., Vs. Cadbury UK Limited, made in C.S.No.215 of 2009, dated 30.09.2021.

10. The learned counsel for the respondent assailed the arguments of the learned counsel for the applicant on the ground that the Design Registration by the applicant was valid only for 15 years and its validity got expired as early as on 07.03.2021 and consequently the applicant cannot rely on the registration whose validity has already expired. The learned counsel by relying on Section 9(3) (b) of Trademark Act submitted that the shape of the goods is necessary to obtain a technical result the said shape cannot be a subject matter of registration. The learned counsel further submitted that the email communication of the applicant dated 12.09.2014 was sent by the Legal Manager of the applicant complaining design infringement and hence it was treated as a threat. In support of his contention, the learned counsel relied on ***Sidharth Wheels Pvt Ltd., Vs. Bedrock Limited and another reported in 1987 SCC online Del 365.***



WEB COPY

11. Heard the arguments of the learned counsel for the applicant and the learned counsel for the respondent.

12. As far as the prayer (a) in the plaint is concerned, the learned counsel for the respondent submitted that his client is not pressing prayer (a) in the plaint. Therefore, the suit is deserved to be dismissed in respect of the prayer (a), based on the submission made by the learned counsel for the respondent/plaintiff. Even otherwise, a reading of Section 23 of Designs Act would make it clear only provisions of the Patent Act, with regard to the certificate of validity (113) and groundless threat (106) are made applicable to the designs. The relief of declaration of non-infringement recognized under Section 105 of Patent Act is not made applicable to Designs under Section 23 of Designs Act. Therefore, the prayer (a) made in the plaint is not legally tenable and consequently the present application for summary judgment is dismissed in respect of prayer (a).

13. The cause of action for the respondent to present plaint is the



WEB COPY

email communication of the applicant dated 29.04.2014, which reads as follows:

“We wish to record that the recent launch by your company of “Arun-i bar” is a clear design infringement or Unilever's Magnum ice cream. We are herewith attaching the design registration for Magnum. We are also attaching snapshots of “Arun – i bar” and Magnum, wherein similarities between the two are clearly established.”

14. A perusal of the above communication would make it clear that the applicant herein attached its design registration certificate for perusal of the respondent and to take corrective action. The attachment of the said communication would make it clear that the applicant is holding registration of the business under No.205811. Section 11 of Designs Act makes it clear when a design is registered, registered proprietor of the design shall have copy right in the design initially for a period of 10 years and which may be extended for another five years by application. The registration certificate in the name of the applicant was issued on 08.03.2006. Therefore, when the



WEB COPY

suit was filed in the year 2014, the registration was in force and the applicant was entitled to protection. The communication of the applicant was only based on the right available to the applicant under Section 11 of the Designs Act.

15. The learned counsel for the respondent submitted that the validity of the registration is only for 15 years and the same got expired on 07.03.2021 is not acceptable to this Court. While, adjudicating a lis, the Court is expected to decide the rights of the parties with reference to the date of filing of the suit. In the case on hand, when the present suit was laid by the plaintiff, the registration of the design obtained by the applicant/defendant was very much valid. The communication of the applicant, which is termed as a groundless threat by the respondent stemmed out of the statutory rights available to the applicant under Section 11 of the Designs Act.

16. In this connection, it would be appropriate to refer to the decision of this Court in Lotte India Corporation Ltd., Vs. Cadbury UK Limited, made



WEB COPY

in C.S.No.215 of 2009, dated 30.09.2021, wherein, after referring to the analogous provision of Trademark Act, this Court is observed as follows:

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 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



WEB COPY

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 Dairy 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



WEB COPY

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 protection to those registrations. Whether they would succeed in such a claim or not is wholly irrelevant in deciding the question as to 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.”

17. In an action against the groundless threat, the Court is expected to see whether there is a threat and if the answer is in affirmative, The Court has to see whether such a threat is unjustified. In the case on hand, the legal Manager of the applicant had issued a communication bringing it to the notice of the respondent, the registration of the design in favour of the applicant. In the said communication, he also requested the respondent to make corrective measures. Even if we agree with the contention of the



WEB COPY

learned counsel for the respondent that such a communication by legal Manager would amount to threat certainly it cannot be termed as an unjustified threat. The said communication was made by the applicant based on the registration certificate for design in favour of the applicant. Under Section 11 of Designs Act, the applicant is copy right holder of the design registered. Therefore, the applicant is entitled to send such a communication to the respondent and the same cannot be, by no stretch of imagination, termed as groundless threat.

18. In view of the discussions made earlier, the application filed by the applicant in A.No.1581 of 2023 deserves to be allowed. As a necessary consequence, the application filed by the respondent seeking summary judgment and decree is liable to be dismissed. In view of allowing application No.1581 of 2023, the suit in C.S.No.327 of 2014 is dismissed.

19. It is settled law, dismissal of the suit would not automatically result in dismissal of the counter claim filed by the defendant. In the case on



WEB COPY

hand, the applicant/defendant filed a counter claim seeking injunction restraining the respondent from committing/passing off the applicant's design.

In the affidavit filed in support of the present application seeking summary judgment, the applicant in paragraph No.7 has averred as follows:

The defendant most humbly states and submits that should this Hon'ble Court be of the considered view or opinion that the suit filed by the plaintiff is liable to be rejected and dismissed, the defendant is willing to yet again hold discussions with the plaintiff to explore the possibility of finding an out of Court solution for its grievance, and in the event of such solution not being able to arrived at between the parties, to agitate its grievance at a latter point in time rather than seeking the adjudication of its present counter-claim.

20. In view of the above said averments of the applicant that he is interested in exploring the possibility of out of Court settlement and he is not interested in seeking the adjudication of the present counter claim before exploring the possibility of settlement, the counter claim by the applicant is also dismissed.



WEB COPY

21. However, the validity of the applicant's designs registration got expired on 07.03.2021, subsequent to filing of the suit. Therefore, in case of future threats by the applicant, the statutory protection available under Section 11 of Designs Act is no longer available to the applicant. It is also made clear that the dismissal of the counter claim, in view of the peculiar averments made by the applicant will not bar him from filing a separate suit for the relief prayed for in the counter claim, if so advised.

22. With these observations, the application No.1581 of 2023 is allowed and the application No.5879 of 2022 is dismissed. Consequently, the suit in C.S.No.327 of 2014 and counter claim filed by the applicant are dismissed.

14.06.2023

ub

S.SOUNTHAR, J.

ub

17/18



WEB COPY



A.Nos.5879 of 2022 and 1581 of 2023
and C.S.No.327 of 2014

14.06.2023