APPELLATE CIVIL

Before Mr. Justice Niamat-ullah and Mr. Justice Rachhpal Singh

1933
April, 20

GANESHI LAL AND OTHERS (PLAINTIFFS) *v.* ANWAR KHAN MAHBOOB CO. (DEFENDANT)*

Specific Relief Act (I of 1877), section 42—Suit for a negative declaration—Declaration that defendant is not entitled to restrain plaintiff from using a particular trade mark, although plaintiff does not claim it as his property—"Right to property"—Suit brought as counterblast to criminal charge by defendant of using false trade mark—Declaratory relief discretionary.

The defendant brought a criminal charge, under sections 482 and 486 of the Indian Penal Code, against the plaintiffs of having counterfeited and used his trade mark on *biris* (cigarettes) manufactured and sold by them. Thereupon the plaintiffs brought a suit for a declaration that they were entitled to use that particular mark and the defendant had no right to restrain them from doing so. The plaintiffs' case was that neither they, nor the defendant, nor any one else had an exclusive right to the use of that mark, and the defendant's case was that it was his exclusive trade mark. The question was whether such a suit was maintainable and whether such a relief should be granted.

Per RACHHPAL SINGH, J.—As no exclusive right of property was claimed by the plaintiffs in the particular mark, the defendant had not infringed any "property right" of the plaintiffs and the negative declaration sought by the plaintiffs should, in the exercise of the discretion of the court dealing with declaratory suits, be refused. Moreover, the result of entertaining a suit of this description, filed on the heels of the criminal charge brought against the plaintiffs, would be to render the provisions of the Indian Penal Code nugatory and prevent the owners of trade marks from seeking relief in any but a civil court, although they have a choice of two remedies open to them.

*Second Appeal No. 1169 of 1931, from a decree of S. Nawab Hasan, Subordinate Judge of Aligarh, dated the 30th of July, 1931, reversing a decree of Yudhishtra Singh Gahlaut, Munsif of Aligarh, dated the 7th of March, 1931.

Per NIAMAT-ULLAH, J.—Ordinarily there can be no objection to a plaintiff seeking a declaration which negatives the defendant's right and in so doing affirms some right claimed by the plaintiff; a cloud is removed from the plaintiff's own title when the defendant's alleged right is negatived. The position is not materially different where the right claimed by the defendant adversely affects the plaintiff's position in common with that of others similarly situated. Where the effect of negativing a right claimed by the defendant is to directly or indirectly affirm a right claimed by the plaintiff in common with others, a suit for a declaration that the defendant does not possess such right is maintainable.

Not only is the monopoly enjoyed by the proprietor of a trade mark a "right to property", but the *liberty* to use a particular trade mark is equally a "right to property".

Having regard to the circumstances that the object of the suit was to stay or to influence the decision of the criminal case, that the suit was not a representative one framed under order I, rule 8 of the Civil Procedure Code, and that the criminal case having ended in an acquittal no immediate necessity existed for the relief sought, the declaration should, in the exercise of discretion, be refused.

Mr. *P. L. Banerji*, for the appellants.

Dr. *K. N. Katju*, Messrs. *S.K. Dar*, *Mukhtar Ahmad* and *Abdul Khalik*, for the respondents.

RACHHPAL SINGH, J. :—This is a second appeal by the plaintiffs appellants arising out of a suit for a declaration to the effect that the plaintiffs are entitled to use "Chand Tara" mark on *biris* (cigarettes) manufactured by them and the defendant was not entitled to refrain them from using this trade mark. They also claimed to recover Rs.200 as damages. The suit was decreed by the first court. The defendant preferred an appeal to the court of the Subordinate Judge. He allowed the appeal and dismissed the suit of the plaintiffs. The plaintiffs have come up to this Court in second appeal.

The plaintiffs carry on the business of manufacturing *biris* at Sihora in the Jubbulpur district. They have an agency in Aligarh district for the sale of these *biris*.

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Their *biri* packets bear the trade mark of "Chand Tara", that is, crescent and star. The lower appellate court has found that the firm of the plaintiffs started their business some time in 1927 and since then they have been using the abovementioned trade mark. The defendant has also been manufacturing *biris* at Jubbulpur since at least 1919. Their packets also bear the trade mark of "Chand Tara". The learned Subordinate Judge has also found it established that there are in the market at least one dozen brands of *biris* bearing "Chand Tara" trade mark.

The defendant claimed to be exclusively entitled to use the aforesaid trade mark and lodged a complaint against the plaintiffs in the court of the City Magistrate of Lucknow under sections 482 and 486 of the Indian Penal Code for infringing their trade mark. Thereupon, the plaintiffs instituted the present suit for declaration and damages against the defendant.

The principal question for our consideration is whether the plaintiffs are entitled to the declaration claimed by them in these terms: "The court may be pleased to declare that the plaintiffs have got the right to use the trade mark and design 'A' and that the defendants have no right to restrain the plaintiffs using the same." I am of opinion that the court should not grant, in the exercise of its discretion, the declaration prayed for. Section 42 of the Specific Relief Act provides that any person entitled to any legal character, or to any right as to any property, may institute a suit against any person denying or interested to deny his title to such character or right. Now, what do the plaintiffs ask? They ask that the court should declare that they have the right to the use of the trade mark of "Chand Tara". In the plaint there is no suggestion, and no such case has been made out, that the right to the use of the aforesaid trade mark is the "exclusive right of property" which they have acquired to the exclusion of every one else. The

plaintiffs say that they use the trade mark of "Chand Tara" on their *biri* packets. They are entitled to use this trade mark so long as they do not infringe the rights of others. There is no necessity for them to get a declaration that they have the right to the use of any particular trade mark. In India, under the law as it stands now, every one has the right to use any kind of trade mark he likes, so long as he does not infringe the right of others already acquired. The second prayer of the plaintiffs is that it be declared that the defendants have no right to restrain them from using the above-mentioned trade mark. This implies that the defendant has no right to the trade mark which would be infringed by the plaintiffs using the same. In my opinion, a declaration of this kind should not be granted. In a Burma case in which the facts were very similar to the one before this Court, *Mohammed Abdul Kader* v. *Finlay Fleming and Co.* (1), CHARI, J., made the following observations, with which I entirely agree: "It is for the person whose trade mark is infringed to complain of the infringement. Such a person has two remedies open to him. He can file a complaint in a criminal court, or he can get an injunction from a civil court. He may choose the former remedy as being the more expeditious. Whatever his reasons may be, the choice is entirely his, and it is not for the person who is alleged to have infringed on his rights to dictate to the owner or proprietor of the trade mark what remedy he shall seek. In the case of a private prosecution in which a civil or *quasi* civil right is involved, a Magistrate, naturally and properly, is bound to stay his hands till a civil suit in which the same right is in question is adjudicated upon. The judgment of the civil court, whether binding or not, can always be tendered in evidence in the criminal case. The result of entertaining a suit of this description in which an extraordinary negative declaration is sought will be to render the provisions of the Indian Penal Code nugatory

(1) (1928) I.L.R., 6 Rang., 291 (296).

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and prevent the owners of the trade marks from seeking relief in any but a civil court. When the aggrieved party files a complaint before a Magistrate, his opponent, by the simple expedient of a declaratory suit and at the trifling expense of ten rupees, can drag him out of the criminal court to the civil court." These remarks are applicable to the case before us. In suits brought to obtain declarations under section 42 of the Specific Relief Act it is discretionary with the court to grant or refuse the relief and in every case the court will consider whether the relief should be granted having regard to the circumstances of each case. In the present case the plaintiffs ask for a sort of a negative declaration. It is not their case that they have an exclusive right to the use of the trade mark in question and that the defendants have infringed that "property right" of theirs. As no right of the plaintiffs has been infringed by the defendants, the plaintiffs should not have the declaration claimed by them. It should be distinctly understood that I express no opinion on the rights of the parties as regards the use of the trade mark in question.

The plaintiffs also claimed to recover Rs.200 as damages. In my opinion, the claim for damages was entirely misconceived. The defendants lodged a complaint against the plaintiffs under sections 482 and 486 of the Indian Penal Code for infringing their exclusive trade mark. In connection with that complaint a sub-inspector visited the plaintiffs' premises at Aligarh and seized 20 labels containing the "Chand Tara" emblem. In my opinion, this does not give any right to the plaintiffs to recover damages from the defendants. The sub-inspector simply carried out the orders of the court and it is difficult to see how any damages can be claimed from the defendants.

For the reasons given above I dismiss the appeal with costs of the defendants in all the three courts.

NIAMAT-ULLAH, J. :—I agree with the conclusions arrived at by my learned brother, namely, that the court

should not, in the exercise of its discretion, grant the declaratory relief claimed by the plaintiffs. I desire, however, to make it clear that it is in the peculiar circumstances of this case that I concur in the view that the declaratory relief should be withheld.

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My learned brother has detailed the circumstances in which the plaintiffs instituted this declaratory suit. It is clear that their object was to influence the decision of the criminal case brought against them by the defendant. It is equally clear that, according to the plaintiffs, no one has any right to the use of the trade mark in question but that the defendant claims an exclusive right to use it. In other words, the defendant denies the right of the plaintiffs and every one else to use that trade mark. It is common ground that, besides the plaintiffs, there are others who are actually infringing the defendant's alleged right to use the trade mark to the exclusion of every one else. In the state of the pleadings arising from the necessities of a case framed as this one is, the plaintiffs are inviting the defendant to establish in the civil court the right which he (the defendant) claims, and after merely filing the plaint and thereby challenging the defendant's right they adopt a defensive role. Cases sometimes arise in which the plaintiff does not so much desire to establish a positive right in himself but calls upon the defendant to establish the right set up by him which, if assumed to exist, would affect the plaintiff's right. Ordinarily there can be no objection to a plaintiff seeking a declaration which negatives the defendant's right and in so doing affirms some right claimed by the plaintiff. Suits for a declaration that the defendant is not the adopted son of another whose heir, in the absence of adoption, the plaintiff admittedly is, or that the defendant is not the owner of the land of which the plaintiff is a tenant, are familiar instances of negative declarations which a court may well grant. In such cases a cloud is removed from the plaintiff's own title when the defendant's alleged right is negatived.

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The position is not, in my opinion, materially different where the right claimed by the defendant adversely affects the plaintiff's position in common with that of others similarly situated. I see no reason why, if it is otherwise maintainable, a suit for a declaration that the defendant does not possess the right which he asserts cannot lie. Where the effect of negativing a right claimed by the defendant is to directly or indirectly affirm a right claimed by the plaintiff in common with others, a suit for a declaration that the defendant does not possess such right is, in my opinion, maintainable. However the relief may be worded, the test is always the same, namely, whether the right claimed by the defendant implies a denial of the plaintiff's "right as to any property" or to some legal character.

If the defendant has the monopoly of the use of the trade mark in question, the plaintiff or any one else cannot use it for advertising his own goods by adopting the same trade mark. Indeed, in that case, using such a trade mark may amount to an offence. Where goods bearing a certain trade mark find a better market than otherwise, the right to use it is a profitable right. There can be no doubt that the monopoly enjoyed by the proprietor of a trade mark is "right to property" in view of the gain which accrues from the use of it. The *liberty* to use the same trade mark is equally a "right to property" for the same reason, namely that its use results in gain, the goods finding better market, and therefore more profit, though not to the same extent as in the case of a person having an exclusive right to use it. Cases are easily conceivable in which no one has the monopoly of using a particular trade mark, for instance, where the original proprietor has abandoned his exclusive right to use it. If, therefore, the defendant claims, falsely according to the plaintiff, an exclusive right to use a certain trade mark, to the detriment of the plaintiff in common with others, who may be inclined to use it and make some profit through it, even though it may be only

for a short time, the plaintiff is adversely affected. Sooner or later the customers are likely to discover that the trade mark affords no guarantee as regards a particular make. A person may in good faith believe that he is at liberty to use a certain trade mark and yet does not wish to run the risk of facing a criminal trial with all the inconvenience and expense involved in it. Before embarking on any extensive use of the trade mark in question, which may entail expenditure, he may have the defendant's pretended right examined in a court of law with a view to ascertaining his own position. The court may, if the ends of justice so require, make a declaration whether the defendant has the right claimed by him, which carries with it an implication for or against the plaintiff's liberty to use the same trade mark. At the same time, the relief of declaration being in the discretion of the court, it may, in certain circumstances, refuse to grant it, even though it may be assumed that the defendant has no right. The suit may be dismissed on presentation of the plaint or after contest. It is, however, of importance to distinguish between a case which is not maintainable at all and one in which the court should not, in the exercise of its discretion, grant the relief prayed for by the plaintiff.

For the reasons discussed above, I am unable to subscribe to the broad view expressed by CHARI, J., in *Mohammed Abdul Kader* v. *Fenlay Fleming and Co.* (1), that such a suit is not maintainable at all. But I am in agreement with him and with my learned brother that, in the circumstances like those of this case, the court should not grant the relief claimed by the plaintiffs.

It was alleged in the plaint that the defendant had no exclusive right to use "Chand Tara" as his trade mark, but that he claimed to have it and was prosecuting the plaintiffs for an offence under sections 482 and 486 of the Indian Penal Code. The date on which the plaintiffs'

(1) (1928) I.L.R., 6 Rang., 291.

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cause of action accrued was given in the plaint as the date on which the defendant filed his complaint in the criminal court. The object obviously was to have the criminal proceedings stayed pending the civil suit. This object was not, however, attained. The criminal case ended in conviction before the trying Magistrate but in acquittal on revision before the Chief Court of Lucknow. It is common ground that the trade mark in dispute is being used by several other persons besides the parties to this case. The defendant is claiming a right against every one else. The plaintiffs' suit is not one framed under order I, rule 8, of the Civil Procedure Code. Any judgment on the merits of the case will bind only the parties to this case, though the defendant will have to establish his right whether his adversaries are only the plaintiffs or all those interested in the controversy. The immediate necessity which led the plaintiffs to institute the suit no longer exists. It is fair to leave the defendant to choose his own time and convenience for establishing his alleged right. He should have the liberty to implead as many persons in the suit as, according to him, deny or are interested in denying his alleged right. In all these circumstances, I concur with my learned brother in holding that the declaratory relief claimed by the plaintiffs should be refused, regardless of the merits of the case.