

Legal Issues in ‘Remedies and Defenses in IP matters’

Issue: What is the threshold of use of a trademark to claim Quia Timet Action?

Relevant Legal Provisions

❖ Section 29 (1) of the Trade Marks Act, 1999

Infringement of registered Trade Marks

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark. (*Emphasis Supplied*)

❖ Order VII Rule 11, CPC 1908

(11) Rejection of Complaint

The complaint shall be rejected in the following cases:—

(a) where it does not disclose a cause of action (*Emphasis Supplied*)

Relevant Judicial Decisions

❖ Kuldip Singh v. Subhash Chander Jain & Ors. [AIR 2000 SC 1410]; Supreme Court of India; Division Bench

"6.It is an action preventive in nature and a specie of precautionary justice intended to prevent apprehended wrong or anticipated mischief and not to undo a wrong or mischief when it has already been done."

"..In Fletcher v. Bealey [(1885) 28 Ch D 688 : 54 LJ Ch 424 : 52 LT 541] ,Mr Justice Pearson explained the law as to actions quia timet as follows: "There are at least two necessary ingredients for a quia timet action. There must, if no actual damage is proved, be proof of imminent danger, and there must also be proof that the apprehended damage will, if it comes, be very substantial. I should almost say it must be proved that it will be irreparable, because, if the remedy is delayed the damage will be suffered, I think it must be shown that, if the damage does occur at any time, it will come in such a way and under such circumstances that it will be impossible for the plaintiff to protect himself against it if relief is denied to him in a quia timet action". (Emphasis Supplied)

Relevant Judicial Decisions

❖ Mars Incorporated v. Kumar Krishna Mukerjee [2002 SCC OnLine Del 1218]; Delhi High Court; Division Bench

“18. Be that as it may, a party who is under threat of infringement or passing off of its trade name cannot be left remediless or in lurch merely for the reasons that the said threats have not materialised causing damage or loss either in trade or reputation or goodwill whether a party is entitled to injunction to restrain the threatened infringement upon its trade name, there have been varying views. (Emphasis Supplied)

One view is that injunctive relief may be obtained even before defendant actually opens for business, if the threatened act of defendant is imminent and impending as one does not have to await consummation of the threatened injury to obtain preventive relief (Cleveland Opera Co.v. Cleveland Civic Opera Ass'n., 22 Ohio App. 400 : 5 Ohio L. Abs. 297). (Emphasis Supplied)

Relevant Judicial Decisions

Other view is that before injunction may properly be issued the complaining party must show infringement of its trade mark rights as the right of a proprietor of registered trade mark to protect its mark is confined or limited to the goods specified in registration certificate. According to this view, unless and until the actual damage has been caused or there is likelihood of damage because of confusion or mistake as to the source or origin of the goods on account of deceptively similar mark. (Emphasis Supplied)

32. The plaintiff's apprehension of real and tangible possibility that the defendants may start manufacturing in the food sector is neither imaginary nor misplaced. It is the plaintiff which will suffer a greater hardship than the defendants. All these factors lead to the conclusion that injunction by Quia Timet Action is not only appropriate but essential..."

Relevant Judicial Decisions

❖ **Radico Khaitan Ltd vs Nakshatra Distilleries & Breweries and Anr. [CS(OS) No.1891/2015]; Delhi High Court; Single Judge Bench**

"22. It is also the settled principle in law that the Court even while considering the application under Order VII Rule 11 of the CPC is to scrutinise the plaint and the documents filed therewith to see whether the pleas are substantial and material or not or merely a play of words so as to initiate the legal process. The words “dynamic effect” and “credible and imminent threat” sound impressive but are without any particulars and hollow. Such words cannot be permitted to create territorial jurisdiction of the Court."

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"Moreover, whether a Court has a territorial jurisdiction or not is a question of law and a party to the lis cannot be permitted to “create” territorial jurisdiction. When a threatened act cannot be done without following a procedure and that procedure has not even been initiated, the threat cannot be said to be real and imminent so as to vest the Court with the jurisdiction even in a quia timet action.“(Emphasis Supplied)

Relevant Judicial Decisions

❖ **Maan Pharmaceuticals Ltd. Vs. Mindwave Healthcare Pvt. Ltd [FAO (COMM) 78/2022] ; Delhi High Court; Division Bench**

"7. ... in para 77, Pfizer products Inc. Vs. Rajesh Chopra & Ors. was referred wherein also it was observed that the threat of selling the offending goods in Delhi would confirm the jurisdiction in the court in Delhi to entertain a suit claiming an injunction in respect thereof and in so far as Order VII Rule 10 is concerned, assuming that whatever is stated in the plaint is correct, one would have to assume that the threat of the defendant to sell and offer for sale the offending goods in Delhi was also correct. Therefore, if the threat exists, then the court certainly has jurisdiction to entertain the present suit. The legal position is well settled that the question as to whether the court has territorial jurisdiction to entertain a suit or not has to be arrived at on the basis of averments made in the plaint and defence being immaterial, cannot be gone into at this stage". (Emphasis Supplied)

Relevant Judicial Decisions

- ❖ **Bennet, Coleman and Co Ltd vs E! Entertainment Television LLC [CS (COMM) 253/2019]; Delhi High Court; Single Judge Bench**

" 37. As noted above, from the notice dated 30th May, 2018 the defendant filing evidence in support of opposition under Rule 45 and the rejoinder filed it is evident that there was an imminent threat of action and hence a quia timet action which is preventive in nature was maintainable based on the pleadings in the suit."

- ❖ **International Coffee & Tea, LLC; versus Sanjay L. Mansukhani [(2008) 152 DLT 357]; Delhi High Court; Single Judge Bench**

"80. In case of a future nuisance, a mere possibility of injury will not provide the plaintiff with a cause of action unless the threat be so certain or imminent that an injury actionable in law will arise unless prevented by an injunction. The Court may not require proof of absolute certainty or a proof beyond reasonable doubt before it may interfere; but a strong case of probability that the apprehended mischief will in fact arise must be shown by the plaintiff." (Emphasis

Supplied)

Relevant Judicial Decisions

❖ **International Coffee & Tea, LLC; versus Sanjay L. Mansukhani [(2008) 152 DLT 357]; Delhi High Court; Single Judge Bench**

"14. The aforesaid imminent threat has become more real during the pendency of the present proceedings in view of the submission made on behalf of the plaintiff that in the meantime, the plaintiff has already entered the Indian market by launching its store in Delhi in the month of March, 2008. Merely because the defendant is no longer using the impugned trademark or has left this country and shifted to Philippines, would not in itself and be sufficient to defeat the present suit or hold that the threat expressed and apprehended by the plaintiff is not real or tangible for the reason that the registration of the impugned trademark remains on the Sword of Democlese continues to hang over the head of the plaintiff. As a result, the present 'Quia Timet' suit instituted by the plaintiff is held to be bona fide. The injury apprehended by the plaintiff and the threat extended by the defendant by registering the impugned trademark in his favour is sufficient to invoke the jurisdiction of this Court for seeking the relief as prayed for in the plaint so as to nullify any threat faced by the plaintiff although no actual injury or damage has yet been caused to the plaintiff. "

Conclusion

- ❖ Quia Timet Action is a Preventive Legal Remedy with Specific Preconditions of (i) Imminent threat of infringement (ii) The threat being substantial or irreparable, which cannot be remedied later.
- ❖ Territorial Jurisdiction in Quia Timet Cases Depends on Plausible Threats, Not Speculative Claims. For a court to have territorial jurisdiction in Quia Timet cases, the threat must be tangible and specific. Vague, abstract language or hypothetical risks are insufficient. Courts scrutinize the Plaint to ensure that the claim isn't an attempt to manufacture jurisdiction.
- ❖ Judicial Opinions Vary on Threshold for Granting Relief. Where some courts favor granting injunctions at the stage of imminent threat, even if business operations haven't started yet, others require some level of actual or likely confusion/damage before intervening. This variation underscores the subjective interpretation of what constitutes a valid threat, impacting consistency in legal outcomes.

THANK YOU!

Questions?

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