

MANU/DE/2885/2006

**Equivalent Citation:** 2006(90)DRJ700

**IN THE HIGH COURT OF DELHI**

CCP No. 22/2006 in CS(OS) No. 959/1998

Decided On: 31.07.2006

Appellants: **JCB India Limited**  
**Vs.**

Respondent: **Action Construction Equipment Ltd. and Anr.**

**Hon'ble Judges/Coram:**

Reva Khetrapal, J.

**Counsel:**

For Appellant/Petitioner/plaintiff: C.M. Lall and Pradyuman Dubey, Advs

For Respondents/Defendant: Parag P. Tripathi, Prathiba M. Singh and Sanjeev Narula, Advs.

**Subject: Contempt of Court**

**Acts/Rules/Orders:**

Contempt of Court Act, 1971 - Section 2, Contempt of Court Act, 1971 - Section 12, Contempt of Court Act, 1971 - Section 13; Designs Act, 1911; Designs (Amendment) Act, 2000; Code of Civil Procedure, 1908 (CPC) - Section 151, Code of Civil Procedure, 1908 (CPC) - Order 39 Rule 2A

**Cases Referred:**

Chhaganbhai Norsinbhai v. Soni Chandubhai Gordhanbhai and Ors. (1976) 2 Supreme Court Cases 951; Welset Engineers and Anr. v. Vikas Auto Industries and Ors. 2006 (32) PTC 190 (SC); Redwing Ltd. v. Redwing Forest Products Ltd. (1947) 177 LT 387; Austin Nichols & Co. and Anr. v. Arvind Behl and Anr. 2006 (32) PTC 133

**Disposition:**

Petition dismissed

**Case Note:**

**Intellectual Property Rights - Infringement - Petitioner instituted suit to interdict respondents from infringing its copyright in industrial drawings of excavator loaders - Suit decided and defendants gave an undertaking that they will not introduce excavator loaders in market - However, petitioner found that respondents exhibited a product almost similar to that of petitioner's product - Thus, present contempt petition filed by petitioner - Held, the claim of the petitioner in respect of the copyright was not yet established as a suit filed by petitioner for claiming copy right in the product was still pending - Undertaking given by respondents was a contingent one and operational only on establishment of copyright of the plaintiffs - As the copy right of the petitioner had not yet been established, respondents could not be said to have breached any conditions - Petition dismissed**

**JUDGMENT**

**Reva Khetrapal, J.**

1. This is a petition under Order 39 Rule 2A and Section 151 Code of Civil Procedure read with Section 12 of the Contempt of Court Act, 1971 whereby the respondents are alleged to be in contempt of order of this Court dated 12th March, 2001 which reads as under:

12.3.2001

Present: Mr. Chander M. Lali for the plaintiffs.  
Mr. A.K. Matta for the Defendants.

S. No. 959/98.

Learned Counsel for the Defendants states that their clients will not introduce in the market excavator loaders in violation of the copyright of the plaintiffs, if any. This was a statement made by learned Counsel for the Defendants on 22nd May, 1998 and learned Counsel for the

Defendants stands by this statement.

He further says that his clients stand by the written statement and reply to it which have already been filed.

In the event that the plaintiffs feel that the Defendants have violated the copyright, the plaintiffs will be entitled to apply for contempt of Court. This does not preclude the Defendants from contending that the plaintiffs have no copyright.

In view of the above statement, nothing further survives in the suit and the same is, accordingly, disposed of.

IAs No. 4285/98, 5435/98, 5436/98, 5437/98 & 12441/99.

In view of the above order, no further orders are required to be passed in these applications.

The applications stand disposed of.

2. For the purpose of deciding this petition, however, it is necessary to revert back to the genesis of the dispute between the parties. Sometime in the year 1998, the petitioner instituted a Civil Suit bearing No. 959/1998 in order to interdict the respondents from infringing its copyright in industrial drawings in respect of excavator loaders. In the said suit, at the outset, an order was passed which is dated 22nd May, 1998 and the operative part of which reads as follows:

...The learned Counsel for the defendants states that they will not introduce in the market excavator loaders in violation of the copyright of the plaintiffs, if any.

3. Subsequently, by order dated 12th March, 2001 reproduced hereinabove, the suit was disposed of along with all interim applications including the application of the petitioner for grant of ad interim injunction orders.

4. The petitioner submits that since the passing of the aforesaid order dated 12th March, 2001, there was no further information of the respondents infringing or attempting to infringe the petitioner's rights, and the petitioner believed that the respondents had given up the manufacture of products which infringed the copyright of the petitioner. The petitioner was, Therefore, shocked when it came to its knowledge recently, in an exhibition held in Bangalore, that in flagrant violation of the undertaking furnished before the Court, the respondents had exhibited a product exactly similar in design and specifications to that of the petitioner's JCB 3D Model, which had been the subject matter of Suit No. 959/1998 disposed of on 12th March, 2001. The petitioner, Therefore, got the respondents' product inspected in February, 2006 and on finding that while copying all the essential and basic features of the petitioner's product, the respondents had introduced minor variations in their product, the present contempt petition has been filed by the petitioner under the apprehension that the respondents will be launching their infringing products in the market in the near future.

5. Notice of the contempt petition was issued to the respondents who filed a detailed reply maintaining that the petitioner is not entitled to any relief as the respondents have neither violated the undertaking given by them to this Court nor disobeyed the directions of the Court nor infringed the copyright of the petitioner, as has been sought to be projected by the petitioner in the petition. It is the case of the respondents that the petitioner is indulging in multiple litigation and forum shopping to harass the respondents, its sole aim and object being to stifle competition and claim monopoly in backhoe loaders, which monopoly cannot be claimed in view of the fact that the said articles are in public domain.

6. By way of preliminary objections, it is asserted by the respondents that the petition is even otherwise not maintainable in view of orders dated 26th May, 2006 passed by this Court in CS(OS) No. 566/2006, which is another and subsequent suit filed by the petitioner on the same cause of action as the earlier suit and relates to the same product as the earlier suit CS(OS) No. 959/1998. In fact, it is stated, the allegations made in Suit No. 959/1998 have been repeated almost verbatim in Suit No. 566/2006. In Suit No. 959/1998, the petitioner had claimed copyright in the industrial drawings used in the manufacture of the product in question as well as its machines and machine parts. The very same claim is reiterated in Suit No. 566/2006. The claim of copyright of the plaintiffs, it is further asserted, was not decided in the earlier suit, being Suit No. 959/1998, in as much as no finding was returned by this Court in the earlier suit to the effect that the petitioner had any copyright in the product and the question was left open, as is evident from the order dated 12th March, 2001 by which the suit was disposed of. In the fresh suit, it is pointed out, the petitioner has once again claimed copyright in backhoe loaders and the question of alleged copyright infringement is Therefore pending adjudication in the said suit.

7. In the course of arguments, this factual position was not disputed by counsel for the petitioner and, as a matter of fact, counsel for the petitioner placed on record order dated 26th May, 2006, a cursory reading of which shows that after considering the matter in detail, the application of the petitioner for ad interim injunction was rejected by the learned Single Judge. The observations made in para 8 and 13 of the said order being relevant are reproduced hereunder:

8. Admittedly, there is no registration under the Designs Act, 1911 or Designs Act, 2000. Accordingly, so far as the design of the machine is concerned, there is no copyright available with the plaintiffs. The Defendants have claimed that the product has been manufactured more than 50 times, and Therefore, Section 15 of the Copyright Act takes away any copyright in the design of the machine. The counsel for the plaintiffs, however, clarified that the plaintiffs are actually not claiming any right over the design and that the plaintiffs are only seeking its copyright in the drawings....

...The photographs placed by the parties show that all loaders look more or less the same just as all cranes, television sets or other industrial products of common use do....

20. On a prima facie view it is not possible for this Court to hold that the drawings which are the basis of the 38 components are the same as the drawings which are the basis of the plaintiffs products. So far as the 9 components forming the main body of the machine are concerned, the dissimilarity is admitted by the plaintiffs. Therefore prima facie the drawings for the main body of the machine has to be taken as different. It is Therefore, difficult to say that the plaintiffs have a prima facie case on facts.

8. It is also pointed out by counsel for the respondents that after the passing of the above order by the learned Single Judge, rejecting the petitioner's application for grant of interim injunction in the subsequent suit, the petitioner filed an appeal which is on date pending adjudication before the Division Bench. He, Therefore, urges that the question as to whether the petitioner has a prima facie copyright claim and is on that basis entitled to interdict the respondents from using the same has yet to be finally decided.

9. Learned Counsel for the respondents has also highlighted that a bare perusal of order dated 12th March, 2001, the violation of which is alleged by the petitioner, shows that the said order does not preclude the respondents from contending that the plaintiffs have no copyright in the product in question. He urges that this being the position, and the petitioner having filed a suit to establish its claim to copyright of market excavator loaders in question, until and unless the claim of the petitioner is upheld by the court, there can be no question of any violation of the order dated 12th March, 2001, and this is also evident from the fact that the said order records that the respondents will not introduce in the market excavator loaders 'in violation of the copyright of the plaintiffs (petitioner), if any'. Further, the very fact that the petitioner has filed a fresh suit in order to establish its aforesaid claim of copyright clinches the matter and leaves no manner of doubt that the claim of the petitioner is yet to be established. He also refers to order dated 4.12.2000, which is an order immediately preceding order dated 12th March, 2001. The said order reads as under:

04.12.2000

Present: Mr. C.M. Lal for the plaintiffs.  
Mr. A.K. Mata for the Defendant.

IAs No. 4285/98, 5435/98, 5436/98, 5437/98 & 12441/99 in S.No. 959/98

Learned Counsel for the Defendant says that the plaintiffs do not have any copyright in the industrial drawings pertaining to excavator loaders.

To come up for arguments in this respect on 12th March, 2001.

4th December, 2000 Madan B. Lokur, J.

10. Counsel for the petitioner, on the other hand, contends that the present contempt petition was filed prior to the institution of the second suit {CS(OS) No. 566/2006} and has no nexus with the same. This argument, to my mind, is totally devoid of merit. Had the right of the petitioner been established by the alleged undertaking of the counsel for the defendants recorded in CS(OS) No. 959/1998, there would have been no reason for the petitioner to file a fresh suit to establish its copyright claims. Moreover, the use of the words 'if any' positively suggests that on the date of the recording of the order the claim of the petitioner in respect of the copyright was not established to the knowledge of the petitioner. This is also evident from paragraph 3 of the order wherein it is recorded that the defendants (respondents herein) will not be precluded from contending that the plaintiffs (one of whom is the petitioner herein) have no copyright. Thus, the defendants were left unshackled to raise such legal pleas as were open to them for the purpose of contending that the plaintiffs had no copyright as claimed by them.

11. Counsel for petitioner places reliance on two judgments of the Apex Court in Chhaganbhai Norsinbhai v. Soni Chandubhai Gordhanbhai and Ors. MANU/SC/0078/1976 : [1976]3SCR786 and Welset Engineers and Anr. v. Vikas Auto Industries and Ors. 2006 (32) PTC 190 (SC) to contend that any violation of the orders of the Court or breach of undertaking given by counsel for one of the parties must be dealt with by the Court with a heavy hand. These decisions of the Apex Court, in my view, are of no assistance to the petitioner for the reason that they are clearly distinguishable on facts, there being an express undertaking recorded by the court in the first case and an injunction order in the second case. In the present case, the petitioner as one of plaintiffs in Suit No. 859/98 felt content with an innocuous order that the respondents-defendants will not

manupatra introduce in the market excavator loaders in violation of the copyright of the plaintiffs, if any. In the course of arguments, it is not disputed by counsel for the petitioner, as indeed it cannot be that the petitioner is yet to have the matter adjudicated from the Division Bench, the Single Bench having declined to entertain its claim. In these circumstances, it is, to my mind not possible to hold that the respondents have breached any undertaking given by their counsel on their behalf.

12. The gravamen of the charge of contempt is willful disobedience of an order of the court or intentional violation of an undertaking given to the court. Civil Contempt is defined in Section 2(b) of the Contempt of Courts Act as meaning willful disobedience to a judgment, decree, direction, order, writ or other process of a Court, or willful breach of undertaking given to a Court. In case there is any such breach in a particular case, Section 12 of the Act may be attracted, wherein punishment is provided for contempt of Court. Section 13 of the Contempt of Courts Act after the non-obstante clause mandates that no Court shall impose a sentence under the Act unless it is satisfied that the contempt is of such a nature that it substantially interferes or tends substantially to interfere with the due course of the justice. Whether the Court should take action for contempt or not must depend on the circumstances of each case and discretion is to be exercised by the Court bearing in mind all the circumstances of a particular case. It is, however, the settled position that willful conduct is the primary and basic ingredient of the offence of contempt and is the sine qua non for bringing home the imputation of guilt. Contempt proceedings cannot be permitted to be used as a legal thumb-screw to serve an ulterior purpose. The jurisdiction should not be used for vindictiveness, malafides or a desire to harass the opponent. The order or undertaking flouted must be one with clear-cut contours for the petitioner to be able to allege that the interdict of the Court has been violated or an undertaking given to the Court has been flouted.

13. Borrie & Lowe in 'Law of Contempt' Third Edition at page 579 have held that to establish a case of contempt for breach of an undertaking as in the case of proving a breach of an injunction, it must be shown that the terms of the undertaking are themselves clear and unambiguous, that the defendant has had proper notice of the terms and the breach by the defendant is clearly established.

14. In *Redwing Ltd. v. Redwing Forest Products Ltd.* (1947) 177 LT 387, Jenkins, J. of the High Court of Justice, Chancery Division, laid down that where the undertakings were not clearly drawn, the defendant cannot be committed for contempt on the ground that upon one of two possible constructions of his undertaking, he had broken his undertaking. For the purpose of relief of this character, the undertaking must be clear and the breach must be clear beyond all question.

15. Where, as in the instant case, the undertaking is a contingent one and operational only upon the happening of a particular event, punishing the person in the absence of unimpeachable evidence to show willful and intentional defiance of the undertaking would be making a mockery of contempt jurisdiction and destroying the *raison d'etre* for taking action for contempt. In the instant case, on a plain and literal reading of the order of which the respondents are alleged to be in contempt, the undertaking of the respondents is to become operational on the establishment of the right of the plaintiffs which, it is not in dispute, has yet to be established.

16. Even otherwise, a bare glance at paragraphs 12 & 13 of the contempt petition are sufficient to hold that the petitioner is not even alleging that the respondents have infringed their copyright, but has merely expressed an apprehension that they may do so. The said paragraphs read as under:

12. The Petitioners have also come to know that the Respondents' infringing product called ACE AX 130 has not yet been certified for roadworthiness by the Automotive Research Association of India (hereinafter referred to as ARAI), of the address S. No. 102, Vetal Hill, Off Paud Rd., Kothrud, Pune-411038, Maharashtra, which is the authorized certification agency of Ministry of Road, Transport & Highway, Government of India.

13. It is submitted that the Respondents are threatening to launch their infringing product in the market in near future, in gross violation of the undertaking given to this Hon'ble Court. In the circumstances, it is submitted that the Respondent is liable for contempt of court and liable for appropriate legal action and consequences.

17. Before parting with the order, it may be mentioned that counsel for the respondents contended that the petitioner be called upon to pay exemplary costs for the harassment caused to the respondents by the aforesaid contempt petition. Reliance was placed by learned Counsel for the respondents in this regard upon a judgment of this Court in *Austin Nichols & Co. and Anr. v. Arvind Behl and Anr.* reported in 2006 (32) PTC 133, wherein the application for injunction filed by the defendants having been dismissed, costs incurred by the plaintiffs to the tune of Rs. 18,85,000/- were ordered to be paid by this Court. Accordingly, before the parties addressed arguments in right earnest, it was pointed out to counsel for the petitioner that no cause of action for initiating contempt had surfaced from his petition, which on the face of it was liable to be dismissed, and hence, it would be in the fitness of things if he withdrew the contempt petition and that in the event he chose not to do so, it would be at the peril of imposition of costs upon his clients. Notwithstanding, counsel for the petitioner chose to press for contempt against the respondents, and there was no alternative left other than to decide the contempt petition on its merits. On merits, as discussed above, the petitioner has failed to make out a case of breach of any undertaking given by the respondents.

manupatra 18. In view of the aforesaid, the petition is dismissed with costs of Rs. 10,000/- which shall be paid by the petitioner to the respondents within four weeks from today.

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