

Bombay High Court Bal Pharma Ltd. vs Centaur Laboratories Pvt. Ltd. ... on 28 August, 2001 Equivalent citations: 2002 (24) PTC 226 Bom Bench: B Srikrishna, N Mhatre ORDER P.C. 1. Appeal admitted. Notice made returnable forthwith. Respondents waive service through counsel. 2. By consent, appeal called out and heard. 3. This appeal, is directed against an ad-interim order granted by the learned Single Judge retraining the appellant from using the trade mark "MICRODINE" of which the Respondent is the registered proprietor from the year 1982 when it was registered. 4. Learned counsel for the Appellant (original Defendant) raises the following contentions :- (a) That the trade mark "MICRODINE" in respect of specified pharmaceutical products has been used from the year 1992, as evidenced by the invoices placed on record. On the other hand, the Respondent has not been able to show that there has been any use or attempt to use the trade mark "MICRODINE" by the Respondent at any time prior to the year 1998. (b) There is honest concurrent user of the trade mark by the Appellant and, as such, the Appellant is entitled to get registered under Section 12(3) of the Trade and Merchandise Marks Act, 1958. This gives a right to the Appellant to oppose any relief being asked for in the suit by reason of conjoint reading of Section 17(3) and Section 30(1)(d) of the Act. (c) The Appellant coined the mark "MICRODINE" by combining a part of the name of its associate company "MICRO LABS" with a part of the name of chemical product "Iodine" and this was done honestly ; that the Appellant has invested considerable amount of money in sales promotion expenses as evidenced by the documents placed on record. The Respondent, though the registered proprietor of the mark "MICRODINE" is shown to have spent a negligible amount of about Rs. 10,000/- in sales promotion activity, that too as late as in the year 1998. Hence, the balance of convenience is in favour of not granting any ad-interim injunction. (d) Though two Respondent got its mark registered in the year 1982, the Respondent has never used the mark upto the year 1998. That the Appellant has been using the mark, freely and openly, and to the knowledge of all in the trade, is apparent from the record of CIMS right from the year 1994-95. Having allowed grass to grow under its feet, the Appellant should not now be permitted to interfere with the use of the mark by the Respondents as delay and laches amounting to acquiescence are anathema to injunction which is an equitable relief. 5. Section 28 gives the registered proprietor of a trade mark the exclusive right to user of that trade mark. User of an identical mark as a registered Trade Mark by a person other than its proprietor is an infringement of the Trade Mark under Section 29 of the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as "the Act"). There is no doubt that the marks are identical. Section 17 of the Act prohibits registration of identical or deceptively similar trade marks. The exception made in Sub-section (3) is that where there is honest concurrent use or other special circumstances warranting it, the Registrar may permit registration by more than one proprietor of trade marks which are identical in respect of the same goods or description of goods subject to such conditions or restrictions as he may think fit to impose. Section 30 of the Act deals with acts which are declared not to constitute an infringement. Clause (d) of Sub-section (1) of Section 30 provides that where

two or more trade marks registered under the Act are identical, the use of the registered trade mark by one or the other cannot give rise to an action for infringement. 6. The other exceptions which could provide a defence to an action for infringement of the copy right are Section 33 and Section 34. Section 34 was not pleaded ; so, we need not be detained by it. Since much was argued by the Counsel for the Appellant on the common law rights, we need look at Section 33 of the Act. Section 33 of the Act reads as under :- 33. Saving for vested rights. – Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior - (a) to the use of the first-mentioned trade mark in relation to those goods by the proprietor or a predecessor in title of his ; or (b) to the date of registration of the first-mentioned trade mark in respect of those goods in the name of the proprietor or a predecessor in title of his ; whichever is the earlier, and the Registrar shall not refuse (on such use being proved) to register the second-mentioned trade mark by reason of the registration of the first-mentioned trade mark" (emphasis ours) In our view, for this defence to succeed, even at ad-interim stage, the Appellant was required to show in the present case that the Appellant's user of the mark "MICRO-DINE" was from a date earlier than 1982 when the mark was registered at the instance of the Respondent. That not being the case, prima facie, the defence under Section 33(1)(b) would not be available. 7. A number of judgments were brought to our notice to contend that the Trade Marks Act does not take away common law rights. Since this is only an appeal against an ad-interim order, we do not propose to refer to, discuss or distinguish each of those cases. We leave that exercise to the learned Single Judge before whom we are quite sure the same exercise will be carried out at a subsequent stage. Suffice it for our present purpose that the judgments referred to hold that, merely because a person is the proprietor of a registered trade mark, that does not give him a defence against an action for passing off at the instance of a person who has a vested common law right to the mark. In the present case, the boot is on the other foot. This is not a case where the Appellant has brought the action. It is defending the action for infringement brought against it by the Respondent owner of the registered trade mark. In our judgment, therefore, the argument based on common law rights has no relevance, at any rate, at this stage. 8. Then it is argued by the learned Counsel Mr. Srinivasan that, at least propriety, if not strict terms of law, require that where a defence under Section 30(d) read with Section 12(3) is available, the defence should not be foreclosed by the Court acting precipitously. All that we notice in the present case is that, as on the date on which the suit was filed, there was not even an application made for registration under Section 12(3), though we are informed at the Bar that, on the date on which the learned Judge passed the order, he had been advised that an application had been filed under Section 12(3). No particulars of such application, much less a copy thereof, was produced before the learned Single Judge for his perusal or consideration. Since we are at the ad-interim stage,

we have to consider whether the ad-interim order granted by the learned Single Judge was right or wrong. We are of the view that the defence was not made out at all on the material placed on record. As to whether such a defence would be available after trial, we opine nothing. 9. Then we turn to the question of delay and acquiescence. Mr. Tulzapurkar, learned Counsel appearing for the Respondent cites the judgment of the Supreme Court in *Power Control Appliances and Ors. v. Sumeet Machines Pvt. Ltd.*, wherein the Supreme Court approvingly referred to the judgment of the Appeal Court in England in *Electrolux LD v. Electrix* and quoted a passage therefrom in paragraph 34 of its judgment. Our attention was also drawn to the judgment in *Electrolux* itself. Reference to the judgment in *Electrolux* shows that there is no hard and fast rule that delay per se would defeat an application for interlocutory injunction. The judgment indicates that in a situation where the defendant to an action has been using the mark, even if concurrently, without making himself aware of the fact as to whether the same mark is the subject-matter of the registration and belongs to another person, the first person cannot be heard to complain for he has been using it negligently inasmuch as he has not taken the elementary precaution of making himself aware by looking at the public record of Registrar as to whether the mark in question is the property of another. If, however, he had taken search and, knowing full well that the mark was the property of another person, continues to use the mark, then he runs the risk of a registered proprietor challenging his action for infringement and merely because it is done at a subsequent stage, he cannot be heard to complain on the ground of delay. Further discussion in the judgment shows that in order to deny an interlocutory injunction, the delay must be such as to have induced the defendant or at least to have lulled him into a false sense of security to continue to use the trade mark in the belief that he was the monarch of all he surveyed. In our judgment, such are not the circumstances here. We are not satisfied from the record that a search was taken of the registry by the Appellant to assure itself that there was no other person who owned the mark “MICRODINE”. Assuming that the search was taken, and the Appellant has done it consciously, then the Appellant has to thank itself for having gambled by investing large amounts in a risky venture. Either way, we do not think that the defence can succeed, at this stage, at least. 10. Then we come to the question of whether the suit should be stayed. A judgment of the Division Bench of the Mysore High Court in *D. Adinarayana Setty, v. Brooke Bond Tea of India Ltd.*, AIR 1960 MYSORE 142 was brought to our attention. We notice that this was a case where the Defendant had, even before filing of the suit, presented an application under the provisions of law corresponding to Section 12(3) of the present Act. In our case, such being not the situation, we are afraid that the judgment does not help us. It is unnecessary for us to pronounce on the principle enunciated in this judgment as to the stay of the suit, which we shall reserve for a future occasion. 11. Finally, that brings us to the question of balance of convenience. Even on balance of convenience, we are of the view that the learned Single Judge is right. The damage caused to the goodwill of the proprietor of a trade mark may be intangible and not computable in terms of money, but it has the long term effect of devaluing the

trade mark itself which is the property of the registered proprietor. Another person, who consciously or without taking the necessary steps to assure himself of the existence of such a mark, uses it and invests money therein, does not obviously have the balance of convenience in his favour. At any rate, at this stage at least, we are satisfied that the judgment of the learned Single Judge cannot be faulted on the ground of balance of convenience also. Our attention is drawn to the judgment of Kurdukar, J. dated 8th March, 1989 in Notice of Motion No. 1920 of 1988 in Suit No. 2903 of 1986, *Pepsico Inc. v. Express Bottlers Services Pvt Ltd. and Anr.*, which was confirmed in appeal by the judgment dated 8th February 1991 in Appeal No. 436 of 1989 by the Division Bench to which one of us (B.N. Srikrishna, J.) was a party and we stand confirmed in our view. 12. There are no other factors to be considered. We see no reason to fault the order of the learned Single Judge granting ad-interim injunction. 13. Though we have been drawn into discussion of some of the principles, we keep all questions open for further debate since we are sitting in appeal over an ad-interim order. The learned Single Judge would be entitled to take his own view on the questions of law presented to him as our views were only prima facie, tentative and intended to dispose of the present appeal against an ad-interim order. 13. Appeal dismissed. 14. Parties to act on an ordinary copy of this order duly authenticated by the Associate of this Court.