

Delhi High Court Pfizer Products Inc. vs Rajesh Chopra And Ors. on 31 May, 2007 Equivalent citations: MIPR 2007 (2) 323, 2007 (35) PTC 59 Del Author: G Mittal Bench: G Mittal JUDGMENT Gita Mittal, J. Page 1654 1. The plaintiff filed the present suit originally seeking injunction against the defendants from infringing its registered trademarks and on grounds of dishonest passing off its products as those having an association with those of the plaintiff and damages. Along with the present suit, the plaintiff has filed an application under Order 39 Rule 1 and 2 of the Code of Civil Procedure which has been registered as I.A. No. 1879/2005. During the pendency of Page 1655 the suit, the defendant has also filed several applications from time to time including an application seeking rejection of the plaint (under Order 7 Rule 11) and return of the plaint (under Order 7 Rule 10) amongst others. The defendant has also filed an application under Section 124 of the Trademarks Act, 1999. 2. By the present judgment, I propose to decide IA No. 1879/2005, an application filed by the plaintiff under Order 39 Rule 1 & 2 and IA No. 8252/2006 filed by the defendant under Section 124 of the Trademarks Act, 1999 wherein the defendant has prayed for stay of the suit of the plaintiff. 3. Inasmuch as there is no material dispute to the facts and circumstances giving rise to the present case, the same are briefly noticed hereafter. The plaintiff has claimed that it is a corporation constituted under the laws of State of the United States of America and is a wholly owned subsidiary of Pfizer Inc. - a global research based pharmaceutical company claiming responsibility and credit for discovery and development of innovative value-added medicines which improve the quality of life of people around the world. Amongst the various drugs developed and sold by the plaintiff after investment of enormous sums of money on research and development worldwide, the plaintiff developed an anti-depressant drug and coined the trademark 'Zoloft' in 1989 for use in its respect. The earliest registration for the trademark 'Zoloft' relates to 1989 and the plaintiff claims to have applied for and obtained registration of this mark in over 90 countries around the world. This drug has received the approval of the United States Food and Drug Administration ('FDA' for short) for its manufacture in marketing in December, 1991 and is stated to be sold in over 90 countries worldwide. Apart from the expenditure incurred on development of this medication, since 1991 the plaintiff has expended millions of dollars to promote and educate patients and medical professionals about the product sold under the trademark 'Zoloft'. This product is stated to have received enormous media attention. According to the plaintiff it has also achieved instant fame and recognition in the medical community as also members of the general public. This drug is utilized as an anti-depression drug and the plaintiff's product sold under the trademark 'Zoloft' is the first and only medicine approved by the United States Food and Drug Administration for the treatment of postphromatic stress disorder. 4. The plaintiff submits that it applied for registration of the trademark 'Zoloft' in India on the 18th of November, 1992 in class 5 under the Schedule to the Trademark & Merchandise Marks Act, 1958. This trademark has been registered by the Trademark Registry and the plaintiff is thus the registered proprietor thereof having exclusive statutory rights to use the same in respect of its goods. This

registration is stated to be subsisting and valid even on date. The registration certificate dated 4th June, 2005 of the trademark 'Zoloft' in favor of the plaintiff, which was issued on 4th of June, 2005 related back to its application dated 18th November, 1992. The same has been placed on record. 5. The plaintiff has complained that the defendant dishonestly made an application bearing No. 1165372 B in class-5 in respect of an identical trademark 'Zoloft' which was advertised for acceptance in the Trademark Journal Page 1656 No. Megha VI dated 25th November, 2003 wherein the defendant was claiming proprietorship of the trademark 'Zoloft' which was identical to the plaintiff's well-known prior trademark 'Zoloft'. The defendant has also claimed use of this mark since 1st January, 2003. The application was filed in the name of Shri Rajesh Chopra, defendant No. 1 trading as the defendant No. 2. 6. In these circumstances, the plaintiff caused a legal notice dated 8th July, 2004 to be issued to the defendants calling upon them to cease and desist from manufacturing, selling or offering for sale, any goods under the trademark 'Zoloft' or any other mark similar thereto. By a letter dated 15th July, 2004, the defendant's attorney informed the plaintiff that the defendants had searched the record of the Trademark registry and that the plaintiff's application was not shown in the pending applications in the Registry. In response thereto, the plaintiff's attorney enclosed the copy of the prior application of the plaintiff also mentioning that since the application was not opposed, it was likely to proceed to registration. 7. The plaintiff also filed a notice of objection against the defendant's trademark application seeking registration of the trademark 'Zoloft'. This opposition was filed on the 8th of June, 2004. The plaintiff's attorney again reminded the defendant by a communication dated 10th August, 2004 to comply with the requisitions contained in the previous letter. Instead of abiding by the notice demand, by a communication dated 16th August, 2004 the defendant sought proof of use by the plaintiff of the trademark 'Zoloft'. Despite responses from the plaintiff's attorney on the 20th of August, 2004 and a reminder on 24th September, 2004, nothing further was received from the defendant. Instead the defendant filed a cancellation petition dated 9th November, 2005 against the plaintiff's trademark 'Zoloft' at the IPAB. The plaintiff filed a counter dated 25th January, 2006 to the defendant's cancellation petition. The defendant also filed a counter statement thereto on the 25th February, 2006. So far as the cancellation petition filed by the defendant on 9th November, 2005 is concerned, the defendant has filed the reply to the counter. However, no hearing has taken place in these proceedings. 8. In the present suit the plaintiff has also claimed exclusive proprietary rights in the trademark 'Geodon' in respect of which it received registration in India on the 18th of July, 1996. The plaintiff received the approval of this drug and name of the United States Food and Drug Administration in the year 2001. So far as 'Geodon' was concerned, the plaintiff launched the product under this trademark for the treatment of brain disorder called Schizophrenia and this product of the plaintiff contains Ziprasidone and is sold under the names Zeldox and 'Geodon' in more than 40 countries worldwide. 9. The plaintiff had applied for registration of the trademark 'Geodon' with the Trademark Registry in India on the 18th of July, 1996 in class-5 of the Schedule to the Trademark & Mer-

chandise Marks Act, 1958. For this drug and mark, the plaintiff received the trademark registration certificate dated 24th February, 2005 from the Registrar of Trademarks after the filing of the suit which related back to the date of the application made on 18th of July, 1996. Consequent upon the registration of the trademark, and by virtue of Page 1657 the applicable statutory provisions, and now by virtue of Section 31 of the Trademarks Act, 1999 the plaintiff has exclusive proprietary rights in such trademark 'Geodon' also. The registration of the trademark 'Geodon' in favor of the plaintiff stands renewed till 18th of July, 2016 and copy thereof has been placed before this court. 10. The plaintiff became aware of the defendant's action when it saw the advertisement in respect of an identical trademark 'Geodon' advertised in the Trademark Journal No. Megha VI dated 25th November, 2003 issued in the name of Mr. Rajesh Chopra, defendant No. 1 herein also trading as defendant No. 2. The defendant had claimed proprietorship of 'Geodon' and use of the mark since 1st of June, 2003. Investigations revealed that the product under the trademark 'Geodon' of the defendants was available in the market and that the defendant No. 1 was also the director of defendant No. 2. The defendant No. 1 was using the trademark 'Geodon' for B-complex, multi-vitamins and zinc capsules. 11. The plaintiff immediately filed a notice of objection against the defendant's trademark application on the 21st of July, 2004. By a notice dated 3rd November, 2004, the defendants were called upon to seize and desist against the use of the trademark 'Geodon'. The defendants denied the plaintiff's contentions by the reply dated 8th November, 2004. Further correspondence included a letter of 17th December, 2004 from the plaintiff's counsel enclosing details of their trademark application and a legal notice dated 11th February, 2005 enclosing their drug license. On 23rd February, 2005, the defendant responded to the plaintiff's communication without enclosing any drug license. The defendant filed a counter statement dated 25th February, 2005 in form TM-6 to the plaintiff's opposition to its trademark application. 12. The plaintiff has asserted that it has expended millions of dollars not only in developing these drugs but in promoting and educating patients and medical professionals about the products sold under such trademarks. These products have also received extensive media attention and have been highly publicised having received coverage in many publications and periodicals whereby the drugs received instant fame and recognition in the medical community and general public which publicity has also reached the shores of India and is stated to be widely appreciated by members connected with the medical profession and the general public. 13. The plaintiff's website www.geodon.com provides extensive information about these drugs and their use which website is accessible anywhere in the world including in India. The products are extremely well known and have been discussed in several international conferences and seminars which were attended by members of the medical profession worldwide including by those from India. 14. As the defendant failed to respond positively, the plaintiff was left with no option but to file the present suit seeking an injunction against the defendant in respect of the user of the trademark 'Zoloft' and 'Geodon' on grounds of passing off and unfair competition on or around 7th of March, 2005. Page 1658 15. The defen-

dants were served with the summons in the suit and notice in the application and entered appearance on 3rd of May, 2005. Long thereafter, the defendant filed a cancellation petition on the 9th of November, 2005 against the plaintiff's registered trademark 'Geodon' at the IPAB. The plaintiff is contesting this cancellation petition. Evidence stands filed while the defendant's evidence is still awaited. 16. There is no dispute that these proceedings before the IPAB and the Registrar of Trademarks are still pending in respect of both the trademarks. 16. During the pendency of the present case, the plaintiff received the registration certificates in respect of these trademarks and filed an application seeking amendment of the plaint to incorporate an action for infringement of its registered trademark. This amendment was allowed by this Court by an order passed on 8th February, 2006 and hence the present suit in the present form. 17. It is noteworthy that during the pendency of the present case, the defendant filed I.A. No. 1347/2006 being an application under Order 7 Rule 11 of the Code of Civil Procedure, 1908 praying for rejection of the plaint for want of territorial jurisdiction. By a detailed judgment passed on 8th of February, 2006, this Court held that the courts at Delhi has jurisdiction to entertain the present suit claiming an injunction in respect of the threat of the defendant to sell the offending goods in Delhi. 18. So far as the present application seeking injunction is concerned, long arguments have been addressed by the defendant on the same issue. However, the order dated 8th February, 2006 passed by this Court in the facts of the present case has attained finality. It is well settled that principles of res judicata apply to different stages of the same proceedings as well. Ref : Satyadhyam Ghosal and Ors. v. Deorajin Devi ; Hindalco Industries Ltd. v. Suman Lata Tuteja I have no manner of doubt that the findings returned by this Court in the order dated 8th February, 2006 would guide and bind adjudication even on the objection again raised by the defendant so far as territorial jurisdiction of this Court is concerned during the hearing on these applications. 19. Even otherwise, I find that in para 48 of the plaint, the plaintiff has stated that the defendant has threatened to sell the offending goods under the infringing trademark at Delhi. There is no denial to these averments in the written statement filed by the defendant. The defendant has only made the application for registration of the trademarks at Delhi and has not restricted the same to any particular area. 20. I find that the judgment relied on by the defendant in support of this objection which is reported at (2006) 33 PTC 107 (Del) Dabur India Ltd. v. K.R. Industries is clearly distinguishable on facts. In this case, the defendant was not only based in Andhra Pradesh but was restricted to its business activities within Andhra Pradesh and the neighbouring States. The defendant had clearly stated that it had never sold any of its goods within the territorial Page 1659 jurisdiction of this court. The defendant had also averred that it had neither any place of business nor any dealer in Delhi. On these facts, the court came to a conclusion that so far as the cause of action of the plaintiff pertaining to passing off by the defendant was concerned, this Court does not have the territorial jurisdiction to entertain and adjudicate upon the present case. For this reason, this judgment in (2006) 33 PTC 348 Dabur India Ltd. v. K.R. Industries, has no application, which was upheld by the

Division Bench. 21. Mr. N.K. Manchanda, learned Counsel for the defendant has also vehemently urged that the plaintiff is selling these drugs only in the United States of America and is not selling them in Delhi and consequently, it cannot maintain the present suit in Delhi. 22. In my view, this fact would have no bearing so far as the examination of an issue or an objection relating to territorial jurisdiction of the court is concerned. Section 20 of the Code of Civil Procedure mandates that a suit is required to be filed, either where the cause of action has arisen wholly or in part or where the defendant resides. Section 133(5) of the Trademarks Act, 1999 enable a plaintiff to bring an action for infringement of its registered trademark at a place where it is located. This in my view, is merely an additional option made statutorily available to the plaintiff as a place of suing the defendant for infringement of the trademark. 23. A threat received by the plaintiff of effecting sales in Delhi and apprehension of sales in this particular region would constitute cause of action for bringing an action for prohibitory injunction in the courts at Delhi. I find that on 8th of February, 2006, this Court has already held that cause of action has arisen within the territorial jurisdiction of the court. For these reasons as well, the objection of the defendant has to be rejected. 24. The defendant before this Court has raised a strong objection that the plaintiff has failed to establish use of the trademark in India and consequently, on account of such non-use, it can claim no benefit there under and that the trademark is liable to be removed from the Register of Trademarks. So far as this submission is concerned, it is necessary to examine Section 47(1)(b) of the Trademarks Act, 1999 which is the relevant statutory provision in this behalf. This Section reads thus: Section 47 - Removal from register and imposition of limitations on ground of non-use.- (1) A registered trade mark may be taken off the register in respect of the goods or services in respect of which it is registered on application made in the prescribed manner to the Registrar or the Appellate Board by any person aggrieved on the ground either- (a) ... (b) that up to a date three months before the date of the application, a continuous period of five years from the date on which the trade mark is actually entered in the register or longer had elapsed during which the trade mark was registered and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof for the time being. Page 1660 This provision has not so far been the subject of interpretation by courts so far. However, I find that Section 46 of the earlier Trade & Merchandise Marks Act, 1958 is akin to Section 47 of the later statute. The expression "use" in this statutory provision has been the subject matter of authoritative judicial pronouncement and would guide adjudication in the present case as well. In this behalf, it would be useful to refer to the pronouncement of the Apex Court reported in (2003) 27 PTC 241 Hardie Trading Ltd. v. Addisons Paint & Chemicals Ltd. The appellant herein was seeking an injunction based on the registered trademarks 'Sparton' and 'Sparton Velox'. These trademarks were used by the appellant/plaintiff or its predecessor in interest in respect of the paints and lacquers and others surface coatings since its registration in Australia, New Zealand and thereafter in this country. Consequently, by virtue of agreement between them, the appellants and the respondents were engaged in

the introduction and sale in the Indian market of paints and lacquers prepared under the appellant's preparation and under its trademark. In this case, the appellant had filed an application in the Calcutta suit for stay of the rectification proceedings which had been filed by the respondents in Calcutta for rectification of the Register of Trademarks by deleting Hardie's trademarks under Section 46(1) of the Trade & Merchandise Marks Act, 1958. A rectification was sought *inter alia* on the ground that there was no bona fide use by the proprietor of the trademark and it ought to be removed. The court construed the meaning of the expression 'use' in Section 46(1) of the statute which required non-use for a period of five years prior to the date of the application. It was held that a proprietor's intention to abandon the trademark is a necessary component of their non-user justifying their removal. This was recognised as early as in 1884 by Chitty, J. in *Mouson & Co. v. Boehm* 26 Ch. D. 398. 25. So far as the expression 'use' in Section 46(1) of the Act of 1958 is concerned, it was observed by the Apex Court that the phrase which is used in Section 46 is 'bona fide use thereof in relation to those goods' which has been defined in Section 2(2)(b) of the Act (Act of 1958) thus: 2(2) In this act, unless the context otherwise requires any reference- (a) ... (b). to the use of a mark in relation to goods shall be construed as a reference to the use of the mark upon, or in any physical or in any relation whatsoever to such goods; Further, Section 46(3) of the Act statutorily prescribes the intention to abandon as an essential component of non-use for the purpose of Section 46(1) 26. It is also necessary to bear in mind that under Section 18 of the Act of 1958 that any person who is claiming to be a proprietor of the trademark which is used or proposed to be used by him can apply for registration. Consequently, even if the plaintiff had not been manufacturing its products under these trademarks, it could have applied for the registration. Page 1661 The Apex Court thus held that the use of the trademark may therefore be other than physical use thereof. It may be in any other relation to the goods. Given this statutory meaning, there was no reason to limit the use of the trademark to use of the goods or to the sale of goods bearing the trademark. In so holding the Apex Court placed reliance on *Hermes Trademark*, (1872) RPC 425, wherein the registered proprietor had inserted an advertisement in which the trademark appeared in relation to the watches it manufactured in the annual trade publication. It was also in evidence that the registered proprietor placed an order for parts of the watches during the period of alleged non-use although actual sale of the watches took place subsequently. The court held that the words 'other relation' in an identical statutory provision in the United Kingdom meant 'something other than actually being upon the goods or in physical relation to them that would cover the use of the mark... for example, in advertisements, in invoices, in orders and so on'. It was also said that the phrase 'in the course of trade' must be wide enough to embrace the steps necessary for the production of the goods as well the actual placing them on the market. Thus, it was held that even though there was no use of the mark upon or in physical relation to the goods, but it was used in 'other relation' i.e. to say in non-physical use. 27. In *Bon Matin Trade Mark* 1989 RPC 536 use of the trademark by issue of price lists and promotional literature on two occa-

sions prior to the application for rectification, had been held to be ‘non physical use’ of the trademark. 28. The Apex Court thus held that the additional words ‘any’ and ‘whatsoever’ qualifying the words ‘other relation’ in Section 2(2)(b) of the Act of 1958 gave the words a much wider meaning. Reading this definition into Section 46(1), the Apex Court held that the word ‘use’ in Section 46(1) may encompass actions other than actual sale. The court also noticed that there may be other special circumstances existing which may provide a special defense to the registered proprietor in an action under Section 46(1) seeking removal of its trademark with the Registrar of Trademarks. This may include business exigencies even. In this case, the appellant before the Supreme Court had urged the restriction on its importing goods etc. The question therefore which had to be examined was as to whether there was non-physical use of the trademark within the meaning of the expression under Section 2(2)(b) of the Act of 1958 or any special circumstances which could be urged as a defense to a petition under Section 46(1). 29. It is imperative to notice that the Trade Marks Act of 1999 contains statutory provisions which are akin to the provisions contained in The Trade & Merchandise Marks Act, of 1958. Section 2(2)(c) of the Trade Marks Act of 1999 is *pari materia* to Section 2(b)(b) of the Act of 1958 which fell for consideration before the Apex Court in the *Hardie Trading Ltd. case* (Supra). Therefore, the principles of law laid down in *Hardie Trading Ltd. v. Addisons Paint & Chemicals Ltd.* will be applicable under the Trademarks Act, 1999 which has similar provisions. Page 1662 30. In the present case, the plaintiff has placed extensive details of advertisements published by it and the seminars held by it in respect of both the trademarks ‘Zoloft’ and ‘Geodon’. Such advertisements/material would in my view, satisfy the test of non-physical use laid down by the Apex Court in *Hardie Trading Ltd.* (supra) and would *prima facie* give a valid defense to the assertion of the defendant of non-use of the trademarks on the part of the plaintiff before this Court within the meaning of Section 2(2)(c) of the Trademarks Act, 1999. The plaintiff has placed before this Court copies of the worldwide registration certificates of their trademarks in ZOLOFT as well as GEODON. The plaintiff has also listed several conferences and international functions conducted in USA, Europe and Canada where the trademarks ZOLOFT and GEODON have been discussed. These include the 57th APA Institute on Psychiatric Services in October 2005 in San Diego, USA; the 35th NCCBH Annual Training Conference in March, 2005 in San Francisco, USA; the 18th European Collage of Neuropsychopharmacology in October, 2005 in Amsterdam, Netherlands, and the 159th APA Annual Meeting in May, 2006 in Ontario, Canada. I find that the Food and Drug Administration Approval (FDA) for marketing ziprasidone (Zoloft & Geodon) have been placed before this Court as well as articles relating to Geodon in journals and newspapers such as *American Family Physician*, June 1st, 2002 entitled ‘Significant FDA Approvals in 2001’; *Clinical Psychiatry News*, March 2005, Vol. 33 No. 3 entitled ‘The Art of Meghan Caughey’; *DG News (Doctors Guide)*, October 12th, 2004 discussing the comparative study between ziprasidone and olanzapine; *Psychiatric Times*, May, 2001, Vol. xviii Issue 5 entitled ‘Examining the Factors that influence Antipsychotic Prescribing Decisions’; *American Family Physician*, June 1st,

2003 entitled 'Use of Atypical Antisychotic Drugs in Patients with Dementia'; Psychiatric Times, April, 2001, Vol. xviii, Issue 4 entitled 'Treating Bipolar Disorder : Toward the 3rd Millennium'; JSWE Vol. 38 No. 2 entitled 'Research On the Drug Treatment of Schizophrenia : A Critical Appraisal and Implications for Social Work Education and also articles in newspapers featuring Zoloft such as Times of India, February 21st, 2001 entitled 'Medication Can Lessen the Trauma of OCD Patients'; Times of India, May 24th, 2000 entitled 'Anti Depressants Drive Midlife Blues Away'; Business Standard, October 25, 2005 entitled 'An Epidemic of Sadness and other newspaper articles published outside India in USA, France, Spain, Canada, Japan, Australia, UK, Korea, Germany, New Zealand, Pakistan, Singapore, South Africa, Argentina and Mexico. There are print outs from the plaintiff's website www.geodon.com and www.zoloft.com on record. 31. Further the annual reports of the plaintiff company for the years 2001-2005 prima facie evidence the extensive sales of the products Geodon and Zoloft and articles have been placed on record by the plaintiff regarding a drug sold by it under the trademark geodon and zoloft. 32. In view of the principles laid down in *Hardie Trading Ltd. v. Addisons Paint & Chemicals Ltd.*, this certainly brings the action of the plaintiff within the meaning of use in Section 2(2)(c) and Section 47 of Trademarks Act of 1999. Page 1663 33. The second limb of the defendant's objection has been that it is an admitted position that the plaintiff is not selling in India and there is no material of its sales placed before this court. For this reason, the defendant submits, that the plaintiff is disentitled to maintain an injunction action in India. It has further been urged that the plaintiff is bound to establish a presence and use within the territorial jurisdiction of this Court in order to be entitled to an injunction. In this behalf, reliance has been placed on *Consolidated Foods Corporation v. Brandon & Co. Corn Products Refinery Co. v. Shangrila Food Products Ltd.* 2001 PTC 889 *Veerumal Praveen Kumar v. Needle Industries (India) Ltd. and Anr.* (1992) PTC *Roebuck & Co. v. Happy House* (2004) 8 PTC 585 *Milment Ophtho Industries v. Allegan Inc.* (1998) PTC 18 156 *Cluedent Body v. Aero Apparels*. 34. There can be no dispute with the proposition laid down by the Apex Court in *Corn Products Refining Co. v. Shangrila Food Products Ltd.* wherein the Apex Court has observed that the presence of a mark in the register does not by itself prove its use at all. However, even the principles laid down by the Apex Court cannot be applied in abstract without regard to the facts of the case. Regard has to be had to the fact that the products in the present case are medicines and drugs. It is trite that an applicant can seek registration of a trademark on a proposed use basis as well. 35. In an action for infringement, it has been held in 1965 SCR 737 *Kaviraj Pandit Durgadutt Sharma v. Navrattan Pharmaceutical Laboratory* that the plaintiff must make out use by the defendant's of the plaintiff's trademark or adoption of its essential features of the trademark of the plaintiff. It was further held by the court that in an action for infringement, where the trademark of the defendant is so close to the plaintiff's mark, nothing further is required to establish the violation. 36. In this regard it is necessary to consider the relevant statutory provision which reads thus: 29. 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. (2) 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 because of- (a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or Page 1664 (b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or (c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark. (3) In any case falling under Clause (c) of Sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public. (4) 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- (a) is identical with or similar to the registered trade mark; and (b) is used in relation to goods or services which are not similar to those for which the trade mark is registered and; (c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark. (5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered. x x x 37. The plaintiff before this Court has endeavored to establish the reputation of the trademark in question. However, I find that in 1986 PTC 71 American Home Products Corporation v. Mak Laboratories Pvt. Ltd., the court while dealing with the action for injunction against infringement of a registered trademark held that for the purposes of the registration of the trademark, it is not necessary that the goods should be in existence at the date of the application for registration and that in an infringement action, the plaintiff is not required to prove the reputation of his mark. The observations of the Apex Court in this behalf deserve to be considered in extenso and reads thus: 35. The reason why the two conditions specified in Clause (a) are made cumulative is obvious. As the definition of “trade mark” contained in Clause (v) of Section 2(1) shows, a trade mark is a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right to use the mark. It is, therefore, not necessary for the purpose of registering a trade mark that those goods should be in existence at the date of application for registration. A person who intends to manufacture goods or has made preparations for the manufacture of goods but the manufacture has not commenced and, therefore, goods have not been marketed is none the less entitled to get the trade mark which he proposes to

use in relation to those goods registered. In the present-day world of commerce and industry, a Page 1665 manufacturing industry can neither be commenced nor established overnight. There are innumerable preparatory steps required to be taken and formalities to be complied with before the manufacture of goods can start and the manufactured goods marketed. The process must of necessity take time. If the position were that the mere non-user of a trade mark for the period mentioned in Clause (a) or Section 46(1) would make a trademark liable to be taken off the Register, it would result in great hardship and cause a large number of trade marks to be removed from Register, because the moment one month has elapsed after the registration of a trademark has been ordered, a trade rival can make an application on the ground set out in Clause (a) of Section 46(1) claiming that there has been no bona fide use of the trade up to a date one month before the date of his application. It is in order to prevent such harassment and absurd result that the two conditions specified in Clause (a) have been made cumulative. 36. The object underlying Section 46(1) is to prevent trafficking in trade marks. This is, in fact, the object underlying all trade marks laws. A trade mark is meant to distinguish the goods made by one person from those made by another. A trade mark, therefore, cannot exist in vacuo. It can only exist in connection with the goods in relation to which it is used or intended to be used. Its object is to indicate a connection in the course of trade between the goods and some person having the right to use the mark either with or without any indication of the identity of that person. Clause (v) of Section 2(1) which defines the expression "trade mark" makes this abundantly clear. Trade marks became important after the Industrial Revolution as distinguishing goods made by one person from those made by another; and soon the need was felt to protect traders against those who were unauthorisedly using their marks and accordingly registration of trade marks was introduced in England by the Trade Marks Registration Act, 1875, which was soon replaced by more detailed and advance legislation. When a person gets his trade mark registered, he acquires valuable rights by reason of such registration. Registration of his trade mark gives him the exclusive right to the use of the trade mark in connection with the goods in respect of which it is registered and if there is any invasion of this right by any other person using a mark which is the same or deceptively similar to his trade mark, he can protect his trade mark by an action for infringement in which he can obtain injunction, damages or an account of profits made by other person. In such an action, the registration of a trade mark is prima facie evidence of its validity. After the expiry of seven years from the date of the registration a trade mark is to be valid in all respects except in the three cases set out Section 32. The proprietor of an unregistered trade mark whose mark is unauthorisedly used by another cannot, however, sue for the infringement of such trade mark. His only remedy lies in bringing a passing-off action, an inconvenient remedy as compared to an infringement action. In a passing-off action the plaintiff will have to prove that his mark has by user acquired such reputation as to become distinctive of the plaintiff's goods so that if it is Page 1666 used in relation to any goods of the kind dealt with by the plaintiff, it will be understood by the trade and public as meaning that

the goods are the plaintiffs goods. In an infringement action, the plaintiff is not required to prove the reputation of his mark. Further, under Section 37 a registered mark is assignable and transmissible either with or without goodwill of the business concerned while under Section 38, an unregistered trade mark is not assignable or transmissible except in the three cases set out in Section 38(2). 38. So far as acquisition of reputation in relation to a trademark attached to a product is concerned, law has evolved in tune with the technical developments and the milestones achieved in trade, industry, communication and the media especially the electronic modes. The courts have repeatedly held that goods do not now require to be physically traded for establishing existence of goodwill and reputation of the trademark attached to them. Non-physical use of a trademark is legally accepted as being covered under the expression 'use' under the trademark statute. 39. The principles which would govern a passing off action in deciding the question of deceptive similarity were laid down by the Apex Court in 2001 PTC 300 (SC) Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd. wherein the question had been raised as to whether the mark 'Falicigo' and 'Falcitab' were deceptively similar. 40. In this case, the Apex Court held that public interest support lesser degree of proof showing confusing similarity in the case of trademark in respect of medicinal products. Emphasising that confusion between medicinal products may be life threatening and not merely inconvenient, the court held thus: Public interest would support lesser degree of proof showing confusing similarity in the case of trade mark in respect of medicinal product as against other non-medicinal products. Drugs are poisons, not sweets. Confusion between medicinal products may, therefore, be life threatening, not merely inconvenient. Nothing the frailty of human nature and the pressures placed by society on doctors, there should be as many clear indicators as possible to distinguish two medicinal products from each other. It is not uncommon that in hospitals, drugs can be requested verbally and/or under critical/pressure situations. Many patients may be elderly, infirm or illiterate. They may not be in a position to differentiate between the medicine prescribed and bought which is ultimately handed over to them. This view finds support from McCarthy on Trade Marks, 3rd Edition, para 23.12 of which reads as under: The tests of confusing similarity are modified when the goods involved are medicinal products. Confusion of source or product between medicinal products may produce physically harmful results to purchasers and greater protection is required then in the ordinary case. If the goods involved are medicinal products each with different effects and designed for even subtly different uses, confusion among the products caused by similar marks could have disastrous effects. For these reasons, it is proper to require a lesser Page 1667 quantum of proof of confusing similarity for drugs and medicinal preparations. The same standard has been applied to medical products such as surgical sutures and clavicle splints. The decisions of English Courts would be relevant in a country where literacy is high and the marks used are in the language which the purchaser can understand. While English cases may be relevant in understanding the essential features of trade mark law but when we are dealing with the sale of consumer items in India, you have to see and bear in mind the difference in situation

between England and India. Can English principles apply in their entirety in India with no regard to Indian conditions? We think not. In a country like India where there is no single common language, a large percentage of population is illiterate and a small fraction of people know English, then to apply the principles of English law regarding dissimilarity of the marks or the customer knowing about the distinguishing characteristics of the plaintiff's goods seems to over look the ground realities in India. While examining such cases in India, what has to be kept in mind is the purchaser of such goods in India who may have absolutely no knowledge of English language or of the language in which the trade mark is written and to whom different words with slight difference in spellings may sound phonetical the same. While dealing with cases relating to passing off one of the important tests which has to be applied in each case is whether the misrepresentation made by the defendant is of such a nature as is likely to cause an ordinary consumer to confuse one product for another due to similarity of marks and other surrounding factors. What is likely to cause confusion would vary from case to case. However, the appellants are right in contending that where medicinal products are involved, the test to be applied for adjudging the violation of trade mark law may not be at par with cases involving non-medicinal products. A stricter approach should be adopted while applying the test to judge the possibility of confusion of one medicinal product for another by the consumer. While confusion in the case of non-medicinal products may only cause economic loss to the plaintiff, confusion between the two medicinal products may have disastrous effects on health and in some cases life itself. Stringent measures should be adopted specially where medicines are the medicines of last resort as any confusion in such medicines may be fatal or could have disastrous effects. The confusion as to the identity of the product itself could have dire effects on the public health. Keeping in view the provisions of Section 17B of the Drugs and Cosmetics Act, 1940 which inter alia indicates an imitation or resemblance of another drug in a manner likely to deceive being regarded as a spurious drug it is but proper that before granting permission to manufacture a drug under a brand name the authority under that Act is satisfied that there will be no confusion or deception in the market. The authorities should consider requiring such an applicant to submit an official search report from the Trade Mark office pertaining to the trade mark in question which will enable the drug authority to arrive at a correct conclusion. Page 1668 So far as medicinal products are concerned, the courts have emphasised that an exacting judicial scrutiny is required if there is a possibility of confusion over marks on medicinal products because the potential harm may be far more dire than that in confusion over ordinary consumer products Ref : American Cyanamid Corporation v. Connaught Laboratories Inc. 231 USPQ 128 (2nd 1986). Physicians, pharmacists, nurses and patients are human and are not infallible or immune from confusion or mistakes. Prescriptions are often handwritten and frequently telephoned. If drugs of markedly different compositions have trademarks which may be visually or phonetically similar, human life may be imperiled. The Apex Court also observed that in view of the varying infrastructure for supervision of physicians and pharmacists of medical profession in our country due to lin-

guistic, urban, semi-urban and rural divide across the country and with high degree of possibility of even accidental negligence, strict measures to prevent any confusion arising from similarity of marks among medicines are required to be taken. 41. The Apex Court did not interfere with the judgments of the lower courts on the ground that the matter required evidence. However, the following principles in relation to adjudication on the question of deceptive similarity in a passing off action were laid down: (a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks, i.e. both words and label works. (b) The degree of resemblance between the marks, phonetically similar and hence similar in idea. (c) The nature of the goods in respect of which they are used as trade marks. (d) The similarity in the nature, character and performance of the goods of the rival traders. (e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods. (f) The mode of purchasing the goods or placing orders for the goods, and (g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks. 42. These principles were reiterated in a recent pronouncement of the Apex Court reported in 2004 (28) PTC 585 (SC) *Milment of the Industries and Ors. v. Allergan Inc.* The appellants were an Indian pharmaceutical manufacturing company while the respondents were a pharmaceutical company manufacturing pharmaceutical products in several countries. The respondents filed a suit for injunction based on an action for passing off in respect of the mark 'Ocuflox' used on the medicinal preparations Page 1669 manufactured and marketed by it claiming prior user of this trademark in respect of eye care products, they sought an injunction against the appellants using 'Ocuflox' in medicinal preparation also for treatment of eye and ear. The appellants assailed the grant of injunction on the ground that the respondent's products were not being sold in India and that the appellants were the first who introduced the product in India. The court laid down the principles on which judicial scrutiny is required to be conducted in respect of medicinal products and observed thus: 8. In respect of medicinal products it was held that exacting judicial scrutiny is required if there was a possibility of confusion over marks on medicinal products because the potential harm may be far more dire than that in confusion over ordinary consumer products. It was held that even though certain products may not be sold across the counter, nevertheless it was not uncommon that because of lack of competence or otherwise that mistakes arise specially where the trade marks are deceptively similar. It was held that confusion and mistakes could arise even for prescription drugs where the similar goods are marketed under marks which looks alike and sound alike. It was held that physicians are not immune from confusion or mistake. It was held that it was common knowledge that many prescriptions are telephoned to the pharmacists and others are handwritten, and frequently the handwriting is not legible. It was held that these facts enhance the chances of confusion or mistake by the pharmacists in filling the prescription if the marks appear too much alike. 9. We are in full agreement with what has been laid down by this court. Whilst considering the possibility of likelihood of deception or confusion,

in present times and particularly in the field of medicines, the courts must also keep in mind the fact that nowadays the field of medicine is of an international character. The court has to keep in mind the possibility that with the passage of time, some conflict may occur between the use of the mark by the applicant in India and the user by the overseas company. The court must ensure that public interest is in no way imperiled. Doctors particularly eminent doctors, medical practitioners and persons or companies connected with medical field keep abreast of latest developments in medicine and preparations worldwide. Medical literature is freely available in this country. Doctors, medical practitioners and persons connected with the medical field regularly attend medical conferences, symposiums, lectures etc. It must also be remembered that nowadays goods are widely advertised in newspapers, periodicals, magazines and other media which is available in the country. This results in a product acquiring a worldwide reputation. 10. In the present case, the marks are the same. They are in respect of pharmaceutical products. The mere fact that the Respondents have not been using the mark in India would be irrelevant if they were first in the world market. The Division Bench had relied upon material which prima facie shows that the Respondents product was advertised before the Appellants entered the field. On the basis of that material, the Division Page 1670 Bench has concluded that the Respondents were first to adopt the mark. If that be so then no fault can be found with the conclusion drawn by the Division Bench. 43. I find that to the same effect are the observations and findings returned by a learned single Judge of the High Court of Judicature at Calcutta in the judgment rendered on 27th of February, 2006 in CS No. 349/1996 entitled *Al-lergan Inc. v. Sun Pharmaceutical Industries Ltd.* 44. The Apex court has repeatedly held that so far as medication was concerned, especially where it is extensively advertised, worldwide use would guide adjudication and that the mere fact that the plaintiff was not in the Indian market, in a given case may be irrelevant. 45. It is necessary to notice that in *Milment Optho Industries*, the trademark of the respondent was not even registered with the Registrar of Trademarks in India. 46. Entitlement to injunction relief based on trans-border reputation even without selling the product in India has been the subject matter of several judicial pronouncements today. The judgment in *N.R. Dongre v. Whirlpool Corporation* reported at is a landmark decision on several legal issues. In this case the appellants got the mark “Whirlpool” registered in respect of washing machines. The Whirlpool Corporation (respondent before the Apex Court) brought a passing off action to restrain the appellants from manufacturing, selling, advertising or in any way using the trade mark “Whirlpool” over which they claimed exclusive rights. It was held that an injunction was a relief in equity and was based on equitable principles and that passing off action was maintainable in law even against the registered owner of the trademark. The court observed that the name “Whirlpool” was associated for long with the Whirlpool Corporation and that its trans-border reputation extended to India. It was held that the mark “Whirlpool” gave an indication of the origin of the goods as emanating from or relating to the Whirlpool Corporation. It was held that equity required that an injunction be granted in favor of the Whirlpool

Corporation and that the refusal of an injunction could cause irreparable injury to the reputation of the Whirlpool Corporation, whereas grant of an injunction would cause no significant injury to the appellants who could sell their washing machines merely by removing a small label bearing the name “Whirlpool”. 47. The defendants have placed reliance on the judgment reported at Consolidated Foods Corporation v. Brandon & Co. Pvt. Ltd. to urge that registration of the trademarks by itself without use of the trademark would not establish the case of the plaintiff. This case raised a challenge by the petitioner to the rejection of its opposition to the application submitted by the respondent for registration of its trademark. The observations of the High Court in para 42 of the judgment deserve to be considered in extenso inasmuch as international or worldwide reputation has been accepted as Page 1671 an indicator of reputation and goodwill. Further the court has accepted promotional activity in India also as a concomitant of such reputation without the plaintiff having effected sales of the products in this country. Such advertisements were also accepted to attribute knowledge of the plaintiff’s reputation to the defendant and the dishonest intention of the defendant. In this behalf, the court observed thus: 42. Lastly, it was urged by Mr. Shah, the learned Counsel for the respondent company, as also by Mr. Sastri learned Counsel appearing for the Registrar of Trade Marks, that I should exercise my discretion under Sub-section (3) of Section 12 of the Act and order concurrent registration of the word ‘Monarch’ both in favor of the petitioner corporation as well as the respondent company. I am afraid, however, I cannot accept this contention in view of my finding that the respondent company has been guilty of having copied the mark of the petitioner corporation. The discretion under the section referred to by the two counsel can only be exercised where two or more parties unknown to each other innocently adopt and use the same mark in respect of their respective goods of the same nature. In this case, however, as I have found that the petitioner corporation was already the sole proprietor of the mark ‘Monarch’ in respect of its food products in several countries of the world and its products were widely advertised in various American magazines having a large circulation in different parts of the world including this country and in view of the fact that the petitioner corporation could have without importing any of its food products to this country bearing that mark applied for registration of that mark as proprietor thereof prior to 1951 before the respondent company started using that mark, it is difficult to hold that the respondent company had started using that mark quite innocently and without any knowledge on its part about the same being widely used by the petitioner corporation on its food products. On the facts of this case and also in the interest of business morality, it is impossible to exercise my discretion under Sub-section (3) of Section 12 of the Act and order concurrent registration of the mark ‘Monarch’ in favor of both the petitioner corporation and the respondent company. 48. In Consolidated Foods Corporation v. Brandon, the court was concerned with the trans-border reputation of the products and the trademark which were not being used in India especially the international character of medicines and the need to protect them. Taking notice of the extensive advertising by the petitioner, the court held that the

adoption of the identical mark by the respondent were held to be deliberate and with the knowledge of the petitioner's mark. In these circumstances, the order passed by the Joint Registrar of the Trademark on the respondent's application registering the trademark of the plaintiff in favor of the respondent was set aside. The principles laid down by the court in my view support the case of the plaintiff before this court. Page 1672 49. Mr. N.K. Manchanda, learned Counsel for the defendant has vehemently urged that delay in bringing the suit would itself disentitle the plaintiff to the relief of injunction. In this behalf, reliance has been placed on 2001 PTC 889 Veerumal Praveen Kumar v. Needle Industries (India) Ltd. and Anr. This case is clearly distinguishable on facts of the present case. The suit was filed two years after the cause of action stated to have arisen in favor of the plaintiff. 50. In any case in the instant case, the trademark 'Zoloft' is registered with effect from 18th November, 1992 and 'Geodon' is registered from 18th July, 1996. The plaintiff has placed extensive evidence to show international use of the trademark 'Zoloft' since 1991 and of 'Geodon' since 2001. There is no dispute that the defendant's claimed use is much later. 51. Before this court, the plaintiff has urged that it learnt of the illegal actions of the defendants from the advertisements which were issued in the Trademark Journal. So far as 'Geodon' was concerned, the defendant's application was advertised in Trademark Journal of which the plaintiff learnt in 2004 and it immediately filed the notice of objection with the Registrar of Trademark. Its counsel also issued legal notices to the defendant to cease and desist from using the registered trademark 'Geodon' of the plaintiff. So far as 'Zoloft' was concerned, the plaintiff learnt of the same from the publication of the defendant's application in Trademark Journal in 2004 and identical steps were taken by the plaintiff. The defendants have not claimed to have been a long user of these trademarks. The defendants have also admitted that the plaintiff had registrations in these trademarks and that, long after the filing of the present suit and receipt of summons by the defendants, they have initiated the steps for removal of these trademarks from the Registrar of Trademarks. 52. In these circumstances, on facts it cannot be held that the suit or the application of the plaintiff would be barred on grounds of unreasonable delay and laches. 53. In any case, I find that in a judgment of the Apex Court reported at 2004 (28) PTC 121 Midas Hygiene Industries Pvt. Ltd. v. Sudhir Bhatia and Ors. the Apex Court has held that in cases of infringement of trademark or copyright, normally an injunction must follow and that mere delay in bringing the action would not be sufficient to defeat grant of injunction in such cases. In this behalf, the Apex Court has held thus: 5. The law on the subject is well settled. In cases of infringement either of Trade Mark or of Copyright normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the mark was itself dishonest. 54. This issue had also fallen for consideration before this Court in the pronouncement reported at 1989 PTC 61 Hindustan Pencils Pvt. Ltd. v. Page 1673 India Stationery Products Co. and Anr. wherein the court succinctly laid down the principles thus: 29. It would appear to be difficult to accept that

relief of temporary injunction should not be granted, because of the delay on the part of the plaintiff, even though the court feels, at that point of time, that ultimately permanent injunction will have to be granted. 30. Even though there may be some doubt as to whether laches or acquiescence can deny the relief of a permanent injunction, judicial opinion has been consistent in holding that if the defendant acts fraudulently with the knowledge that he is violating the plaintiff's rights then in that case, even if there is an inordinate delay on the part of the plaintiff in taking action against the defendant, the relief of injunction is not denied. The defense of laches or inordinate delay is a defense in equity. In equity both the parties must come to the Court with clean hands. An equitable defense can be put up by a party who has acted fairly and honestly. A person who is guilty of violating the law or infringing or usurping somebody else's right cannot claim the continued misuse of the usurped right. It was observed by Romer, J. in the matter of an application brought by J.R. Parkington and Co. Ltd. 63 R.P.C. 171 at page 181 that "in my judgment, the circumstances which attend the adoption of a trade mark in the first instance are of considerable importance when one comes to consider whether the use of that mark has or has not been a honest user. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently". It was further noted by the learned Judge in that case that he could not regard the equitable relief will be afforded only to that party who is not guilty of a fraud and whose conduct shows that there had been, on his part, an honest concurrent user of the mark in question. If a party, for no apparent or a valid an reason, adopts, with or without modifications, a mark belonging to another, whether registered or not, it will be difficult for that party to avoid an order of injunction because the 'Court may rightly assume that such adoption of the mark by the party was not an honest one. The Court would be justified in concluding that the defendant, in such an action, wanted to cash in on the plaintiff's name and reputation and that was the sole, primary or the real motive of the defendant adopting such a mark. Even if, in such a case, there may be an inordinate delay on the part of the plaintiff in bringing a suit for injunction, the application of the plaintiff for an interim injunction cannot be dismissed on the ground that the defendant has been using the mark for a number of years. Dealing with this aspect Harry D. Nims in his "The Law of Unfair Competition and Trade-Marks", Fourth Edition, volume Two at page 1282 noticed as follows: Where infringement is deliberate and willful and the defendant acts fraudulently with knowledge that he is violating plaintiff's rights, essential elements of estoppel are lacking and in such a case the protection of plaintiff's rights by injunctive relief never is properly denied. The doctrine of estoppel can only be invoked to promote fair dealings. Page 1674 31. It would appear to me that where there is an honest concurrent user by the defendant then inordinate delay or laches may defeat the claim of damages or rendition of accounts but the relief of injunction should not be refused. This so because it is the interest of the general public, which is the third party for such cases, which has to be kept in mind. In the case of inordinate delay or laches, as distinguished from the case of an acquiescence, the main prejudice which may be caused to the defendant is that by reasons

of the plaintiff not acting at an earlier point of time the defendant has been able to establish his business by using the infringing mark. Inordinate delay or laches may be there because the plaintiff may not be aware of the infringement by the defendant or the plaintiff may consider such infringement by the defendant as not being serious enough to hurt the plaintiff's business. Nevertheless, if the Court comes to the conclusion that prejudice is likely to be caused to the general public who may be misled into buying the goods manufactured by the defendant thinking them to be the goods of the plaintiff then an injunction must be issued. The Court may, in appropriate cases, allow some time to the defendants to sell off their existing stock but an injunction should not be denied. For these reasons, the plaintiff cannot be denied relief on account of culpable delay and laches. 55. I also find that in the light of the principles laid down by the Apex Court in the afore noticed judgment and the facts of the instant case, the judicial pronouncements reported at AIR 1992 Delhi 302 Gopal Engineering v. POM Laboratories and PTC Supp. 1 page 681 Kerala Jewelleries Madras v. Kerala Jewel Trichy would have no bearing to the instant case. In any case, these judgments were rendered in the facts of the case and had not laid out an absolute principle of law prohibiting grant of an injunction. For the same reason, the pronouncement at 1997 PTC 17 at page 794 would also have no application. Therefore in this factual and legal background, it certainly cannot be held that the suit is belated or that the plaintiff cannot be granted interim injunction on any such ground. 56. The defendant has placed reliance on 1992 PTC 59 Sears Roebuck & Co. v. Happy House (T.V.) Manufacturing Co. Pvt. Ltd. and Ors. In this case, on facts, the plaintiff was unable to establish reputation and goodwill of the trademark or the product and injunction was refused. I find that the other pronouncements relied upon by the defendant in 2001 PTC 417 Uniply Industries v. Unicon Plywood and 1987 PTC 240 Usha International v. Usha Television also have no application inasmuch as in those cases, injunctions were not granted on the facts of the case. 57. I have no manner of doubt that the plaintiff has made out a prima facie case for grant of an ad interim injunction. I find that principles laid down in the judgment reported at Cluett Peabody & Co. Inc. v. Arrow Apparals 1998 PTC (18) relied upon by the defendants themselves render it imperative that the plaintiff is granted interim protection. In this case, the court had Page 1675 succinctly laid down the principles which are required to be noticed under the Trademarks Act, 1999 and culled out thus: (i) Trademark is a property. A mark which is used in the course of trade to indicate a connection between the goods and the proprietor of the mark is a trademark. (See Trade Marks by Shavaksha, page 14). It is not a property in pervasive sense. It is property in the sense that proprietor is entitled to exclusive use of it or to prevent others from using it in relation to goods in respect of which it is registered or used. It must be adopted and used to distinguish the goods of the proprietor from goods of others. The mark must be distinctive. It must show the source or the goods to the customer. Words like, 'Best', 'Superior', etc. are not distinctive of the goods. They are only descriptive and hence cannot constitute trademark. The vendor who sells his goods under a trade mark acquires a limited right to the use of the mark. (ii)

The above mentioned limited exclusive right to the use of the mark is acquired by use. It is recognised as property. A person can also acquire it by registration. (See para 1.01 of Narayanan). The proprietor of the mark gets a perpetual right to the exclusive use of it in respect of particular goods in respect of which it is registered or used (see para 10.2 of Narayanan). Therefore, it can be acquired in three ways viz. Registration, User and Assignment. (iii) An application for injunction is an infringement action based on trade marks. It is an application in support of the right to property. (iv) An infringement action is based on invasion of the statutory right. The issues which arise in this action are whether the plaintiff is a proprietor of the Trade mark and whether the defendant's mark is identical or similar to trade mark of the plaintiff. In an infringement action the question of deception or confusion will not arise. (v) Registration enables the registered proprietor to sue for infringement of registered trade mark irrespective of the fact whether it is used or not used. Registration confers on the proprietor a monopoly right over the use of the mark. But, proprietary rights in a trade mark acquired by use are superior to rights obtained by registration under the Act. This is the main defense put up on behalf of the defendants in this notice of motion. Therefore, prior user of the marks should be protected against monopoly rights conferred by the Act. (Pages 5 & 6 of Narayanan). A trade mark has no meaning even if it is registered unless it is used in relation to goods. Otherwise, its non-use may lead to its death. A trade mark which drops out of the use dies. Where there are no goods offered for sale, there is no use of trade mark. (vi) In an infringement action, defendant is restrained from using the infringed mark whereas in passing off defendant is restrained from using the mark in such a way so as to pass off his goods as that of the plaintiff. (vii) Use of the trademark does not mean user by affixing the word on the goods. It could be in the form of advertisements in magazines, T.V. etc. It would be with regard to goods exported out of India. With advancement of technology and globalization after 1991, use of trade mark can take place in different ways. But, this case essentially concerns the period 1985-1990. Property in trade mark can be acquired by public use of it. (viii) The mark can lose its distinctiveness by non-user (para 26 of Narayanan). Therefore, the enforcement of the right of exclusive use of a trade mark will depend on continuous use of the mark by the proprietor. If he fails, piracy will result and the mark will become common to the trade because there is no exclusive ownership of the symbol constituting a trade mark apart from the use of it in respect of vendible goods, particularly in context of principles governing them. Acquisition of proprietary right is different from enforcement of rights/reliefs. (ix) Courts shall not protect this right of a proprietor unless there is sale of the articles to which trade mark is attached or related to (para 28 of Narayanan). Without use of the mark, the proprietor cannot restrain others from use of it on similar goods (page 29 of Narayanan). (x) An infringement action is a suit on trade mark and not on reputation. The defendant (infringer) who copies the mark cannot plead delay as a defense particularly because the defendant is dishonest as he has copied the mark. But, priority in use cannot be dishonest and, therefore, the defendant who has prima facie evidence of priority in use,

could plead delay as a strong defense. This principle is in context of defense to infringement action, particularly in context of this notice of motion. (xi) Object of the Act is to protect the right and not to be a source of monopoly. It is also to protect bona fide interests of traders from harassment by registered owners of a trade mark, apart from protection of public fraud, fraud by infringers of genuine trademark. (xii) The test as to 'who gets it there first' is not applicable in cases where registration is sought under Section 18 (page 26 of Narayanan). After laying down these principles, the court had denied injunction to the plaintiff in this case only for the reason that the defendant had made out a prima facie case for using the trademark since 1985 to the knowledge of the world at large and without any objection from the plaintiff till 1994 when the suit was filed. 58. In the instant case, the defendants have failed to make out any such case. Learned Counsel for the plaintiff has urged at great length that the defendant has placed no evidence of sales of the products. As noticed above, the Apex Court has held that trade mark infringements so far as medical products are concerned have to be treated strictly. The medicines of the plaintiff's are used towards treatment of serious diseases and any confusion in the minds of the medical experts, pharmacists and the patients may lead to disastrous results. In my view, balance of convenience, interest of justice and equity are clearly in favor of the plaintiff and against the defendants. The applicable principles of law are clear and unambiguous and lead up to only one inevitable consequence. In my view therefore this application deserves to be granted for all these reasons. 59. In a judgment dated 27th April, 1994 rendered by the Bombay High Court in Misc. Petition No. 3/1992 entitled Marion Merrell Dow. Inc. v. Unichem Page 1677 Laboratories Ltd. and Ors., the court held that the medical field has assumed an international character which is a fact of which judicial notice must be taken. The observations of the court in this regard are not only instructive but extremely topical for the purpose of the decision in the facts of the instant case. The court laid down the applicable principles as follows: 33. I am unable to accept the submissions of Mr. Tulzapurkar. All the authorisation relied by Mr. Tulzapurkar very significantly do not deal with the medical field. As already stated above and as set out in the various authorities relied upon by Mr. Chitnie, the medical field has assumed an international character. It is a fact of which judicial notice must be taken. Doctors particularly eminent Doctors, medical practitioners and persons of companies connected with the medical field keep abreast of latest developments in medicine and preparations worldwide. Medical literature is freely available in this country. Doctors, medical practitioners and persons connected with medical field regularly attend medical conference, symposium, lectures etc. Also set out hereinabove what is involved in public interest. It would be anomalous situation if an identical mark in respect of an identical drug is associated all over the world with the petitioner but that mark remains of the registered ownership of the 1st Respondents in India. Such a situation would cause immense confusion and deception in the minds of the public. Also as stated above, the authority of the Supreme Court in the case of national Swening Thread Co. Ltd. is binding on this Court and prevails over all contrary authorisation of Foreign Courts. 60. The defendants

had not proved any research or development and the court consequently held that the defendant had not developed the product but merely copied it. In this background, the court observed that the defendant had come to know of the product from international magazines, seminars. If the drug is copied, it follows that the mark is also copied. In this behalf, the observations of the court deserve to be considered in extenso and read thus: 11. The 1st respondents had filed a counter statement. It is an admitted position that in the counter statement they have not explained as to how they came upon the word "CARAFATE". In this Court also no affidavit in reply is filed. Thus, on record admittedly there is no explanation or submitted before this Court to show how the 1st respondents came upon the word "CARAFATE". In his behalf it is relevant to note that the 1st respondents company is a company dealing in manufacture of medicines and pharmaceutical products. In my view, it is well known and well established that, in the field of medicine, doctors and persons connected with the field, keep themselves well abreast of developments which take place abroad. In my view, it is very relevant that the petitioners have applied for registration of this same mark for use in treatment of duodenal ulcer. It is also not denied that the composition of the petitioners product is identical to the product of the 1st respondents, i.e. both are complex salt of polyaluminium hydroxide with a sulphated disaccharide skeleton. It is well known that before a medicinal product can be put into the market there would have to be research and development. This may sometimes take years. Very significantly, 1st respondents have not relied upon or shown that any research or development was carried out by them before they sought to register the mark. 12. Mr. Tulzapurkar submitted that the 1st respondent invented the word "CARAFATE" from sacralfate. He submitted that the letters "SU" from the beginning of the word that the letter from the middle of the word were omitted. He submitted that the letter "A" was added between the letters "c" and "r". This ingenuines explanation given by the Counsel is made for the first time across the Bar. It is nowhere to be found in the proceedings before the Trade Mark Registry or in any affidavit before this court. It is undoubtedly an invention of the counsel, Such an oral submission made by the counsel cannot be accepted. In this behalf, it is pertinent to note that as shown by international Bibliography voluminous literature on sucralfate has been existing for a number of years. Not only that but in 1982 there was an international sucralfate symposium in the 7th world congress of Gastroenterology at Stockholm. Prior to that in June 1980 there was the 11th International Congress of Gastroenterology at Hardburg wherein the effect of Sucralfate on ulcer has been discussed. Not only that in October 1981 there is an article on Petitioners' product 'CARAFATE' as it being an anti-ulcer drug. The 1st respondents are a medicinal company. It is impossible to believe that they were not aware of these developments in the use of Sucralfate as an anti-ulcer drug and the invention of drug "CARAFATE" by the petitioners as an anti-ulcer drug. In my view, it is too much of a coincidence that the exact mark and the same preparation for treatment of duodenal ulcers has been suddenly thought of by the 1st respondent. As stated above a drug or a medicine is not something which can just be thought of. It needs

years research and development. It is very clear that the 1st respondents have done no research and/or development in respect of this drug. It has not even been claimed, before the Trade Mark Registry as well as before this Court that any research was done. No proof of any research or development has been produced. It would therefore be clear that the 1st respondents have not developed this drug but merely copied it. They could only have learnt about it from international magazines or seminars. If the drug is copied, it follows that this mark is also copied. In the international market only the petitioners own the mark "CARAFATE" for an anti-ulcer drug. It is thus clear that it is the petitioners' mark and product which has been copied by the 1st respondents. Thus it was held that judicial notice has to be taken of the fact that doctors and nurses connected with the case keep themselves abreast and updated on the developments in the pharmaceutical fields. 61. Before this Court also I find that the defendant has not placed any evidence or material of having developed these products. The defendants' "Zoloft" is identical with the product of the plaintiff. Even the trademarks are identical. The defendant gives no explanation as to why it has adopted the registered trademarks of the plaintiff. Page 1679 62. The defendants have filed documents of sales being conducted by it only in the year 2003. There is therefore admittedly no prior use of the trademark by the defendants conferring any rights in the defendant which could be urged to be superior than those of the plaintiff in its registered trademark. Other than the bald claim by the defendants in their application for registration of trademark that they commenced production in 2003, there is hardly any material on record to substantiate or support this assertion. There is therefore nothing on record to establish any promotional activity undertaken by the defendants nor any substantial evidence of any sales effected in the trademark ZOLOFT and GEODON. So far as Zoloft is concerned, the trademark and the product of the defendant is identical to that of the plaintiff and the same class of consumers is being targeted. The mark Geodon of the defendant is also identical to that of the plaintiff's Geodon. Inasmuch as the plaintiff is extensively publicizing its products which is also feating in medical journals of repute, the plaintiff has made out a good prima facie case. So far as balance of convenience is concerned, the defendant has adopted the registered trademark which is identical to that of the plaintiff. 63. I also find that Section 34 of the Trademarks Act requires that in order to successfully assert a right against the registered proprietor of a trademark, the defendant has to establish use of the trademark which is prior to the date of registration of the plaintiff's trademark. In this case, the plaintiff's registrations for Zoloft though granted in the year 2005 related back to 18th of November, 1992 while for the trademark Geodon, the registration granted in later related back to 18th of July, 1996. The defendant has filed documents of sales being conducted by it only in the year 2003. There is therefore admittedly no prior user giving the defendant any right which could be urged to be superior to the rights of the plaintiff in the registered trademark. 64. Undoubtedly in the present case, though the suit is prior to the registration of the trademarks, however the registration which relates to the year 1992 & 1996. The application for injunction cannot be defeated only on the ground that the defendants have

sought rectification. The defendant could not have filed the applications for rectification of the register of trademarks under Section 124 of the Act of 1999 without showing and obtaining prior satisfaction of the court about the plea of invalidity registration of the mark of the defendant. 65. From the foregoing, it is evident that the suit filed by the plaintiff is prior and that the applications for cancellation have been filed only after the defendants had entered appearance in the matter. The registrations of the plaintiff relate to the year 1992-96 and would have been registered after advertisements in the Trade Marks Journal. In any case, the defendant is admittedly manufacturing and trading in pharmaceuticals and consequently would be aware of the products of the plaintiff. 66. The application for injunction cannot be defeated only for the reason that the defendant has filed the application for cancellation of the registered trademark. In the light of the judicial pronouncements noticed above, the Page 1680 defendant was required to satisfy this Court with regard to existing for prima facie in its favor case justifying the application for cancellation and invalidity of the registration of the trademark of the plaintiff. In this background, the plaintiff has made out a prima facie case for infringement of its registered trademark as well as dishonest passing off their products as those associated with the plaintiff entitling the plaintiff to grant of ad-interim injunction. Grave and irreparable loss shall ensue to the plaintiff in case interim protection is not granted. The injunction is also necessitated in the larger interests of the consumers of the products of the plaintiff, inasmuch as disastrous and irreversible consequences can result from an error made in purchase of the products of the defendants as if they were the drugs produced and manufactured by the plaintiffs. Balance of convenience, interest of justice and equity are clearly in favor of the plaintiff and against the defendants. Accordingly, this application is allowed. The defendants, its directors, principles, proprietor, partners, officers, employees, agents, distributors, franchisees, representatives and assigns are restrained from using GEODON and/or ZOLOFT and/or any other trademark or name similar to the plaintiff's trademarks GEODON and/or ZOLOFT either as, a trade mark or part of a trade mark, a trade name or corporate name or as part of a trade or corporate name, or in any other manner whatsoever so as to pass off its goods or business as and for the goods or business of the plaintiff. The defendants, its directors, principles, proprietor, partners, officers, employees, agents, distributors, franchisees, representatives and assigns are also restrained from using any other indicia whatsoever to show any association of the defendants' product currently manufactured and sold under the trade mark GEODON and/or ZOLOFT with the plaintiff's product manufactured and sold under the trade marks GEODON and ZOLOFT respectively. The defendants including its directors, agents, representatives and assigns shall at their own expense, recall all the products and marketing, promotional and advertising materials that bear or incorporate the GEODON and/or ZOLOFT mark which has been manufactured, distributed, sold or shipped by it, and to reimburse all customers from which said materials are recalled and to deliver to the plaintiff's attorneys or representatives for destruction all products, labels, signs, prints, packages, modes, plates, dies, wrappers, receptacles and advertisements in its possession or under its control,

bearing the GEODON and/or ZOLOFT mark or any other trademark similar to GEODON and/or ZOLOFT respectively. The defendants shall file an affidavit of compliance of the directions made by this Court within six weeks of the passing of the order. IA No. 8252/2006 67. It now becomes necessary to consider I.A. No. 8252/2006 filed by the defendant seeking stay of the suit on the ground that it had initiated proceedings for cancellation of the plaintiff's registration. This application Page 1681 has been filed by the defendant urging that inasmuch as the defendant has filed an application seeking cancellation of the registered trademark of the plaintiff which proceedings are admittedly pending before the Registrar, the present suit is liable to be stayed. 68. For the purposes of this application, Section 124 of the Trademarks Act, 1999 deserves to be considered in extenso and reads thus: 124. Stay of proceedings where the validity of registration of the trade mark is questioned, etc. - (1) Where in any suit for infringement of a trade mark- (a) the defendant pleads that registration of the plaintiff's trade mark is invalid; or (b) the defendant raises a defense under Clause (e) of Sub-section (2) of Section 30 and the plaintiff pleads the invalidity of registration of the defendant's trade mark, the court trying the suit (hereinafter referred to as the court), shall,- (i) if any proceedings for rectification of the register in relation to the plaintiff's or defendant's trade mark are pending before the Registrar or the Appellate Board, stay the suit pending the final disposal of such proceedings; (ii) if no such proceedings are pending and the court is satisfied that the plea regarding the invalidity of the registration of the plaintiff's or defendant's trade mark is prima facie tenable, raise an issue regarding the same and adjourn the case for a period of three months from the date of the framing of the issues in order to enable the party concerned to apply to the Appellate Board for rectification of the register. (2) If the party concerned proves to the court that he has made any such application as is referred to in Clause (b)(ii) of Sub-section (1) within the time specified therein or within such extended time as the court may for sufficient cause allow, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings. (3) If no such application as aforesaid has been made within the time so specified or within such extended time as the court may allow, the issue as to the validity of the registration of the trade mark concerned shall be deemed to have been abandoned and the court shall proceed with the suit in regard to the other issues in the case. (4) The final order made in any rectification proceedings referred to in Sub-section (1) or Sub-section (2) shall be binding upon the parties and the court shall dispose of the suit conformably to such order in so far as it relates to the issue as to the validity of the registration of the trade mark. (5) The stay of a suit for the infringement of a trade mark under this section shall not preclude the court from making any interlocutory order (including any order granting an injunction directing account to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit. Page 1682 69. There is no dispute that the suit was filed by the plaintiff on or about 7th March, 2005. This Court has issued summons in the suit and notice in the application and the defendants were duly served in the plaint. The defendants first entered appearance on 3rd May, 2005. The applica-

tion seeking cancellation of the registered trademarks ‘Zoloft’ and ‘Geodon’ of the plaintiff were filed by the defendant on 9th November, 2005. 70. A similar issue arose before this Court and by a judicial pronouncement reported at 2006 32 PTC 733 Astrazeneca UK Ltd. and Anr. v. Orchid C & P Ltd. The court considered this issue and held thus: 31. On plain reading of this provision, it is apparent that the plaintiffs could not file the application for rectification without showing and obtaining prima facie satisfaction of the Court about their plea of the invalidity of the registration of the mark of the Defendant. Section 124 of the Trade Marks Act, 1999 is similar to the Section 111 of the Trade and Merchandise Marks Act, 1958. Under the Trade and Merchandise Marks Act, 1958 in , Kedar Nath v. Monga Perfumary & Floor Mills, this Court had held that an application could not be filed subsequent to the institution of the suit under Section 111(1)(i) of the earlier Act. The learned Single Judge had held as under: 19. ... The defendant cannot file an application subsequent to the institution of the suit under Section 111(1)(i) and claim that the plaintiff suit for infringement must be stayed. If no proceeding for rectification of the register is pending on the date of the institution of the suit by the plaintiff then Section 111(1)(ii) is attracted and the Court may adjourn the case for a period of three months in order to enable the defendant to apply to the High Court for rectification of the register. In that case the Court must be satisfied that the contention as to validity of the defendant’s registration is bona fide and prima facie sustainable. In the present case I am not satisfied that the contention as to validity and raised by the defendant is bona fide and prima facie sustainable. No material has been placed on the record to prove a prima facie case that the plaintiff’s registration is invalid or that the defendant has been carrying on business since 1952 as alleged by him. Reliance can also be placed on Patel Field Marshal Agencies v. P.M. Diesels Ltd. 1999 IPLR 142 : 1999 PTC (19) 718 (Guj) (DB) where it was held that if the proceedings are not pending and the plea regarding invalidity of registration of the mark is raised, the Court trying the suit is to be prima facie satisfied about tenability of the issue. The Division Bench of the Gujarat High Court had held: 10. ... As we notice, under Section 107, it has been provided that on such plea being raised, the plea can be decided only in an appropriate rectification proceedings. In conformity with that provision, Section 111 envisages that if proceeding for rectification Page 1683 of the register in relation to plaintiff or defendant’s trademark, as the case maybe, are pending before the registrar or the High Court, further proceedings in the suit shall be stayed, until final disposal of rectification proceedings. If proceeding are not pending, and the plea regarding invalidity of registration of concerned mark is raised, the Court trying the suit is to be prima facie satisfied about tenability of the issue, and if it is so satisfied, it shall frame as issue to that effect and adjourn the case for three months, from the date of framing of the issue, in order to enable the party concerned to apply to the High Court for rectification of register. The consequences of the raising of issue are two fold. In case, the party concerned, makes an application for rectification within the time allowed, under Sub-clause (ii) of Sub-clause (b) of such Section (1), whether originally specified or extended later on, the civil Court trying the suit

has to stay the further proceedings of the suit until disposal of the rectification proceeding. At the same time, if no such application is made within the time allowed, the party, has raised the plea of invalidity of the opponent's registered mark, is deemed to have abandoned the issue. This provision permitting raising of an issue only on prima facie satisfaction of the Court, with further requirement that the party, at whose instance an issue has been framed, is to apply for rectification before the High Court concerned, and failure to make such application within the time allowed results in deemed abandonment of plea, leads us to conclude that once a suit has been filed, the rectification proceedings at the instance of either party to the suit against the other, must take the course and envisaged under Section 111, that is to say, if proceedings for rectification are already pending before raising the plea of an invalidity, that is to say, the attention of an appropriate Forum having already been invited to that issue, those proceedings must first be continued, decision thereon to be obtained and then civil suit for infringement can proceed in the light of that decision. In case, no such proceedings for rectification are pending at the time of raising the plea of invalidity, the prosecution of such plea by the reason raising it depends on prima facie satisfaction of the Court, about the tenability of this plea. If the plea has been found to be prima facie tenable and an issue is raised to that effect then the matter is to be adjourned for three months at least to enable the person raising such plea to approach the High Court concerned, with a rectification application. In case, the rectification proceedings are not already pending, and the Court is not even prima facie satisfied about the tenability of the plea raised before it, the matter rests there. 71. Learned Counsel for the defendant has placed reliance on the pronouncement reported at 1981 PTC 14 Karam Singh Trading as Mankoo Engineering Works v. Master Machine & Service and Ors. 72. I find that in this case, it was held that even while directing that stay of the suit would require to be ordered for the reason that the defendant had Page 1684 filed an application for cancellation of the plaintiff's trademark, the court was amply empowered to pass interlocutory orders including injunction. The defendant have also placed reliance on Sarwan Singh and Ors. v. Rico Ind. and Ors. 1981 PTC 14. Even in this case the court stated that under Section 111(5) of the Trade and Merchandise Marks Act, 1958 (now Section 124(5) of the Trade Marks Act, 1999), the court has power to grant interlocutory orders including injunctions. 73. A bare perusal of the statute shows that it is only if there are pending proceedings for rectification of the register in relation to the plaintiffs or defendants trademark at the time of filing of the suit that the court is required to stay the suit pending final disposal of such proceedings. However, if no such proceedings are pending, the satisfaction of the court that the plea regarding the invalidity of the registrations of the plaintiffs or the defendant's trade mark is prima facie tenable, is a sine qua non under Section 124(1)(b)(ii). Upon such a prima facie view, the law requires the court to raise an issue regarding the same and adjourn the case for a period of three months from the date of framing of issue in order to enable the party concerned to apply to the appellate board for rectification of the register. 74. So far as this application is concerned, the defendant contends that it has filed objections and applications

seeking cancellation of the registered trademark of the plaintiff which proceedings are admittedly pending. The prayer of the defendant is that for this reason, the present suit is liable to stayed. 75. It is noteworthy that the present suit was filed by the plaintiff on or about 7th March, 2005, this Court had issued summons in the suit and notice in the application by orders passed on 10th March, 2005 and the defendant was duly served with the same. The defendant first entered appearance in the case on 3rd May, 2005. The application seeking cancellation of the registered trademark GEODON and ZOLOFT of the plaintiff was filed by the defendant on 29th November, 2005. There is no dispute that the defendants have not sought leave of this Court before filing the petition before the Registrar of Trademarks. 76. Furthermore, in the instant case, I have prima facie found against the defendant on the pleas raised by it and consequently there would be no requirement of taking recourse to the procedure stipulated under Section 124(1)(b)(ii). A contention has been raised that the rectification proceedings are pending. The validity of the same would, needless to say, be an issue raised by the present plaintiff before the Registrar of Trade Marks in view of the mandate of Section 124(1)(b)(ii) of the Trademarks Act and does not need to be commented upon herein. The defendant before this Court has not satisfied the requirement of law. In this view of the matter, the present application is wholly misconceived and is hereby dismissed.