

Delhi High Court S.B.L. Ltd. vs Himalaya Drug Co. on 15 July, 1997 Equivalent citations: 1997 IVAD Delhi 757, AIR 1998 Delhi 126, 1997 (2) ARBLR 650 Delhi, 67 (1997) DLT 803 Author: R Lahoti Bench: R Lahoti, S Kapoor ORDER R.C. Lahoti, J. 1. The defendants have come up in appeal feeling aggrieved by the order dated 12-7-1996 passed by a learned Single Judge of this Court (Original Side) confirming the ex parte order of injunction and rejecting the defendants, application for vacation of the ex parte order of injunction dated 23-5-1996 in a trade mark case. 2. The plaintiff Himalaya Drug Co. is engaged in the manufacture and sale of Ayurvedic medical preparations since 1930. One of the preparation manufactured and marketed by the plaintiff is under the trade mark Liv-52. It is a liver tonic prescribed for liver disorder and to protect the liver against various dysfunction, damage and hepatotoxins. It is also advised for promotion appetite and growth. The trade mark Liv. 52 is registered since 10-7-1957 in Class 5 as medical proportion for the treatment of disorders of liver. The Liv. 52 label is also registered in Class 5 as medical pharmaceutical and Ayurvedic preparation and substances since 15-2-1987. 3. The grievance of the plaintiff is against the use by the defendants of the trade mark LIV-T for its similar product, the defendants are also manufacturers and merchants of Homoeopathic pharmaceutical preparations. 4. According to the plaintiff, the mark Liv. 52 is a coined word. It has acquired tremendous goodwill in the market and is associated exclusively with the plaintiff. The defendants have come to the market in 1996 with the mala fide and fraudulent intention of utilising the goodwill earned by the plaintiff. The mark LIV-T is deceptively similar with the mark Liv. 52 of the plaintiff and is likely to mislead or confuse those who are likely to purchase such preparations in the market. The plaintiff complains of infringement of its trade mark as also passing off by the defendants. 5. According to the defendants they are renowned manufacturers of Homoeopathic and Ayurvedic preparations. They have a collaboration with BIRON Lab of France from whom they have obtained the technical know-how for many of its Homoeopathic formulations. They obtained a drug licence to manufacture its LIV-T formulation in the year 1987. They also applied for registration of the trade mark LIV-T together with bits packaging carton in April, 1988. The application No. 490010 is pending with the Registrar of the Trade Marks. Ever since 1989 they have been marketing their preparations under their trade mark and figures of sales have risen from Rs. 96,843/- in the year 1988-89 to Rs. 46,68,614/- in 1995-96. 5.1. The defendants have also submitted that the word 'Liv' is an abbreviation of Liver, a human organ. There are a good number of medicines already in the market associated with treatment of liver ailments/disorders using the word Liv as suggestive of liver and prefixing or suffixing words or figures so as to confer a distinction on the name associated with the manufacturer or trader. It is submitted by the defendant that mark Liv-T is neither similar to nor deceptive with the plaintiff's mark Liv-52. Such medicines cannot be manufactured without a drug licence nor sold in retail without any medical prescription. It is not likely that the prospective customer would be deceived or confused. The defendants have also pleaded as their defense the delay is bringing the action by the plaintiff. 5.2. The defendants have filed a certificate

issued by Chartered Accountant certifying the figures of sales relied on by them. The defendants have also filed search report dated 31-5-1996 which goes to show hundreds of medical/pharmaceutical preparation available in the market with trade marks, one of the components whereof is 'Liv', used in association with other words or figures. It is not necessary to reproduce entire result of search. It would suffice to mention a few trade marks which are already in the market being used by several companies. LIV as an abbreviation of Liver is a generic term or a descriptive word - its use suggesting reference of the preparation to liver. It has become public juris on which no one can claim proprietary rights or right to exclusive use. 5.3. Yet another plea raised by the defendants in their application seeking vacation of the ex parte order of injunction was based on non-compliance by the plaintiff with the mandatory provisions of Order 39 Rule 3 CPC demanding instantaneous vacating of the order of injunction. 6. The learned Single Judge has held against the defendants on all the relevant issues. This is how the defendants are in appeal. 7. The following questions arise for decision : (1) Whether the trade mark LIV-T can be said to be deceptively similar to or confusing with the trade mark LIV-52; (2) Whether the provisions of Order 39 Rule 3 are mandatory ? If so, what is the effect of non-compliance therewith ? 8. Before dealing with the contentions of the parties we may refer to a few statutory provisions and settled principles in the field of trade marks. In particular let us refer to what is a trade mark ? How the rights are acquired therein ? What is the effect of use of common descriptive or generic words as trade mark or as one of the constituents of the word or phrase constituting a trade mark ? How the same principles would apply and operate in the filed of medicinal and pharmaceutical preparations with which we are concerned ? What amounts to infringement of a trade mark and passing off goods as the goods of another person ? 9. First, we may refer to a few provisions of the Trade and Merchandise Marks Act, 1958. 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. (Section 2(v)). A mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion. (Section 2(d)). Name includes any abbreviation of a name. (Section 2(k)). A mark the use of which would be likely to deceive or cause confusion is prohibited from being registered. (Section 11) Use of a trade mark which is identical with or deceptively similar to a registered trade mark amounts to infringement of trade mark. (Section 29). The statutory remedy of action for infringement does not take away the Common Law remedy of an action for passing off, which in substance is an action for deceit (Section 27). 10. In *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories* . Their Lordships have set out the distinction between action for passing off and action for infringement of a trade mark. Their Lordships have then stated the law for the Courts faced with an action for infringement of a trade mark and laid down the following principles : "(1) Where the two marks are identical, no further questions arise for, then the infringement is made out; (2) When the two marks are not identical, the plaintiff would have to establish

that the mark used by the defendant so nearly resembles the plaintiff's registered trade mark as is likely to deceive or cause confusion and in relation to goods in respect of which it is registered; (3) The onus would be on the plaintiff; (4) The court has to compare that two marks - the degree of resemblance which is necessary to exist to cause deception not being capable of definition by laying down objective standard. The persons who would be deceived are of course the purchasers of the goods and it is the likelihood of their being deceived that is the subject for consideration. The purpose of the comparison is for determining whether the essential features of the plaintiff's trade mark are to be found used by the defendant. The ultimate test is whether the mark used by the defendant as a whole is deceptively similar to that of the registered mark of the plaintiff; (5) The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's mark; (6) The identification of the essential features of the mark is in essence a question of fact and depends on the judgment of the Court based on evidence led before it as regards the usage of the trade." 11. The principles deducible from *Ruston & Hornby Ltd. v. Zamindara Engineering Co.*, are : (i) Where the infringing trade mark is not identical with the complaining trade mark on the Register, but something similar to it, the test of infringement is the same as in action for passing off. (ii) In a passing off action the issue is : Is the defendant selling goods so marked as to be designed or calculated to lead purchasers to believe that they are the plaintiff's goods ? (iii) In an infringement action the issue is : Is the defendant using a mark which is the same as or which is colourable imitation of the plaintiff's registered trade mark ? (iv) The element of deception or confusion becomes irrelevant in the second issue (as the same is implicit, inherent or presumed to be present). 12. In *Parle Products (P.) Ltd. v. J.P. & Co. Mysore*. Their Lordships have laid emphasis on the test of overall similarity. The broad and essential features of the two are to be considered. One need not place side by side the two to find out if there are any differences in the design, and if so, whether they are of such character as to prevent one from being mistaken for the other. The likelihood of a person usually dealing with the one being misled to accept the other if offered to him, would be enough. Their Lordships have held that an ordinary purchaser is not gifted with the powers of observation of a Sherlock Homes and cited with approval the following statement from Karly's *Law of Trade Marks and Trade Names*, (9th edition, paragraph 838) : "Two marks, when placed side by side, may exhibit many and various differences. yet the main idea left on the mind by both may be the same. A person acquainted with one mark, and not having the two side by side for comparison, might well be deceived, if the goods were allowed to be impressed with the second mark, into a belief that he was dealing with goods which bore the same mark as that with which he was dealing with goods which bore the same mark as that with which he was acquainted. Thus, for example, a mark may represent a game of football; another mark may show players in a different dress, and in very different positions, and yet the idea conveyed by each might be simply a game of football. It could be too much to expect that persons dealing with trade marked goods, and replying, as they frequently do, upon marks should be able to remember the exact details of the marks upon goods

with which they are in the habit of dealing. Marks are remembered rather by general impressions or by some significant recollection of the whole. Moreover, variations in detail might well be supposed by customers to have been made by the owners of the trade mark they are already acquainted with for reasons for their own.” 13. What is property in trade mark and how it is lost, we dealt with by their Lordships in *National Bell Co. & Gupta Industrial Corporation v. Metal Goods Mfg. Co. (P.) Ltd.* and another (AIR 1971 SC 898). Their Lordships have so stated the law : “The property in a trade mark exists so long as it continues to be distinctive of the goods of the registered proprietor in the eyes of the public or a section of the public. If the proprietor is not in a position to use the mark to distinguish his goods from those of others or has abandoned it or the mark has become so common in the market that it has ceased to connect him with his goods, there remains no jurisdiction in retaining it on the register. The distinctiveness of the trade mark in relation to the goods of a registered proprietor of such a trade mark may be lost in a variety of ways, e.g., by the goods not being capable of being distinguished as the goods of such a proprietor or by extensive piracy so that the marks become public juris.” 14. *Mc. Carthy on Trade Marks and Unfair Competition*. (Third Edn. Vol. 2) states : “The name of a product or service itself - what it is - is the very antithesis of a mark. In short, a generic name of a product can never function as a trade mark to indicate origin. The terms “generic” and “trade mark” are mutually exclusive . . . The concept of “generic name” and “trade name” are mutually exclusive. Thus, if, in fact a given term is ‘generic’, it can never function as a mark to identify and distinguish the products of only one seller (para 12.01). An abbreviation of a generic name which still conveys to the buyer the original generic connotation of the abbreviated name, is still, “generic”. “Acronyms of generic names are often used interchangeable with the full generic name and recognised as equivalent”. “If the abbreviation is not recognisable as that original generic term, then the abbreviation is like a fanciful mark and protectable. (para 12.12(1))” As with misspelling of descriptive terms, a misspelling of a generic name which does not change the generic significance to the buyer, is still “generic”. (para 12.12(2)) 15. The decision has to be left with the Court, as already noticed in *Kaviraj Pandit Durga Dut Sharma’s case* (supra). So is the view taken by the Supreme Court of judicature in *Electrolux Ltd. v. Electric Ltd.* and another ((1954) 71 RPC 23), by House of Lords in *GE Trade Marks* ((1973) RPC 297) case, and also in *National Carbon Co. (Inc.) v. Sei Sin & Co.* (AIR 1939 Rangoon 113). 15.1. In *GE Trade Mark case* (supra) Lord Diplock said that the question does not cease to be a “jury question”. He (the Judge) too, would be a potential buyer of the goods. He should, of course, be alert to the danger of allowing his own idiosyncratic knowledge or temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this and this should provide the safety which is the case of a jury is provided by their number. That in issue of this kind Judges are entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in doing so, are not confined to the evidence of witnesses called at the trial. 15.2. In *National Carbon Co’s case* (supra) Baguley J. said the eye of the judge is the

final arbiter, but the Judge must not use, if the expression be allowed, his own eyes; he has got to look at the articles with the eyes of the public who may be expected to buy those articles, especially when, the people who buy those articles include people of all classes including many persons living in the jungle, uneducated, illiterate and who may be regarded as equivalent to the incautious, ignorant, or unwary up-country purchasers. 16. In Halsbury's Laws of England (4th Edn. Vol. 48 para 163) the subject has been dealt with as under : "163. Establishing Likelihood of deception or Confusion. - To establish a likelihood of deception or confusion in 'an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements : (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons.; and (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected. While it is helpful to think of these two factual elements as two successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact. In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to : (a) the nature and extent of the reputation relied upon; (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business; (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff; (d) the manner, in which the defendant makes use of the name, mark etc., complained of and collateral factors; and (e) the manner in the particular 'trade is carried on the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances. In assessing whether confusion or deception is likely, the court attaches importance to the question as to whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action." 17. Kerly in Law of Trade Marks and Trade Names (12th Edn.), deals with proof of likelihood of deception as under (vide para 16-72 at p. 407). "The Court must in the common case be satisfied that the defendant's conduct is calculated to pass off other goods as those of the plaintiff, or, at least, to produce such confusion in the minds of probable customers or purchasers or other persons with whom the plaintiff has business relations as, would be likely to lead to the other goods being bought and sold for his. This is the foundation of the action." "The question of likelihood of deception is for the Court (not the witnesses) to decide" looking at the documents and evidence before him." Evidence may be called on the point, but is not essential except in cases of doubt and the assistance it gives to the Court will be of a limited nature unless it includes evidence of actual deception." 18. Vide para 17.05 Kerly (supra) deals with "whom the mark must be calculated to deceive" as under : "The persons to be considered in estimating whether the resemblance between the marks in question is likely to deceive are all of those who are likely to become purchasers of the goods upon which the marks are used provided that such persons use ordinary care and

intelligence. In some cases confusion, that matters to those concerned may be irrelevant in law since it does not lead the public into receiving the wrong goods or services.” 19. The learned counsel for the defendant - appellant submitted that there are two very important relevant considerations which must be kept in view in deciding the case at hand. 19.1. Firstly, he submitted that 'LIV' is an abbreviation of liver. This abbreviation has been used in over 100 registrations as a constituent of the name under which the products relating to treatment associated with liver in the field of medicinal and pharmaceutical preparations - Homoeopathic and Ayurvedic are being marketed. The word 'LIV' is, therefore, generic and common to trade as describing the medicines associated with the treatment of liver. It has become public juris. In the field of medicines and pharmaceuticals, it is common practice that the drugs are named either by the name of the organ which it treats or by the principal ingredients or the name of the ailment. This enables a doctor to associate a particular trade name with the organ, ingredient or ailment, thereby reducing chances of error. No trader can therefore restrain another trader from using the description of the organ, ingredients or ailment. The learned counsel has cited a host of authorities in support of his submission that a word or its abbreviation having become public juris ceases to be subject matter of proprietorship, also ceases to be source of deception or confusion for the person likely to deal with such goods would ignore the public juris and go distinguishing the products by the prefixes and/or suffixes. 19.2. Secondly, he submitted that the goods, trade marks whereof are under scrutiny, are medicines. They are sold by the licensed chemists and druggists and that too under prescription by medical practitioners. It is not that any man in the street would just reach the counter in a shop, ask for the goods by spelling out the trade mark and the salesman would hand over one or the other of the two goods which would be carried away by the unwary customer unmindful of what he intended to purchase and what he in fact got into his hands. Attention was invited to certain provisions of the Drugs and Cosmetics Rules 1945 framed under the Drugs and Cosmetics Act, 1940. No drug may be sold without a licence. A licence to sell stock, exhibit or offer for sale or distribute Homoeopathic medicines by retail or by wholesale has to be under a licence under Rule 67C. One of the conditions of the licence as provided by Clause (2) of Rule 67G is that the sale of Homoeopathic medicine shall be conducted under the supervision of a person competent to deal with Homoeopathic medicines. So are the provisions for sale etc. of drugs other than Homoeopathic medicines. 19.3. We find merit in both the contentions so advanced. 20. A mark is said to be common to the trade when (1) it is in common use in the trade, or (2) when it is open to the trade to use. Any symbol, word or get up commonly used by traders in connection with their trade and in respect of which no particular trader can claim an exclusive right to use may be considered common to that particular trade, or public, juris. Further words, expressions. or devices which are descriptive of particular goods are open to use by all persons engaged in the trade. Such matters which are generally of a non distinctive character may or may not be in actual use at any particular time. What is important is that the trading public has a right to use them in connection with their business. 21.

Whether a matter is or is not common to the trade is a question of fact. A feature which is common to one trade may not be so to a different trade. Similarly a mark may continue to be trade mark in some countries and public juris in others. A mark which was common to the trade at one time may in course of time become distinctive and vice versa. A word or words used by a number of firms as part of their designation may be considered as words in common use (See : Law of Trade Mark and Passing Off, P. Narayanan, 4th Edn., para 14.2).

22. We would first deal with the cases generally associated with this aspect and then pass over to the medicinal cases arising in the field of medicinal and pharmaceutical preparations.

22.1. *Corn Products Refining Co. v. Shangrila Food Products Ltd.* . Their Lordships have cited with approval the following statement of law from *In re : Harrod's Application* ((1935) 52 RPC 65). "Now it is well recognised principle, that has to be taken into account in considering the possibility of confusion arising between any two trade marks, that where those two marks contain a common element; which is also contained in a number of other marks in use in the same market such a common occurrence in the market tends to cause purchasers to pay more attention to the other features of the respective marks and to distinguish between them by those features. This principle clearly requires that the marks comprising the common element shall be in fairly extensive use and as I have mentioned in use in the market in which the marks under consideration are being on will be used."

22.2 In *J. R. Kapoor v. Micronix India* ((1994) 3 Suppl. SCC 215 = 1994(2) Arb. LR 274). MICROTEL wanted to restrain MICRONIX. The two trade marks were used in respect of electrical and electronic apparatus. Their Lordships held that micro-chip technology being the base of many of the products the word 'Micro' has much relevance in describing the products. It was descriptive of the micro-technology used for production of many electronic goods which daily come to the market. No one can claim monopoly over the use of the said word. Anyone producing any product with the use of micro-chip technology would be justified in using the said word as a prefix to his trade name. It was further held : "Those who are familiar with the use of electronic goods know fully and well and are not likely to be misguided or confused merely by the prefix 'micro' in the trade name. Phonetically, the words 'tel' and 'nix' being totally dissimilar are not going to create any such confusion in the mind of the users. Secondly, even the visual impression of the said two trade names is different. In the first instance, the respondent's trade name 'MICRONIX' is in black and white in slimmer letters and they are ensconced in designs of elongated triangles both above and below the said name. On the other hand, the appellant's trade name 'MICROTEL' is in thick bold letters in red colour without any design around. There is not even the remotest chance of the buyers and users being misguided or confused by the two trade names and logos. Same is the case with the carton which merely reproduces both the trade names and the logos."

22.3. In the *Coca-Cola Co. of Canada Ltd. v. Pepsi-Cola Canada Ltd.* ((1942) LIX RPC 127), the question arising was if PEPSI-COLA was so similar with COCA-COLA as to be likely to cause confusion. It was found that COLA was not the name of the drink. It has been adopted for beverages in Canada. PEPSI and COLA joined by a

hyphen so also COCA and COLA joined by a hyphen, were both written in a script form with flourishes. Both had been used simultaneously and for some time with wares of the same kind. The judicial Committee of the Privy Council found that both the trade marks had a descriptive flavour to the trade. On using the word COLA, on the review of the authorities, their Lordships laid down three fundamental propositions. : (i) In considering similarity comparison must be between the defendant's mark as used and a normally imperfect recollection, of the plaintiff's mark, (ii) In making a comparison no regard should be paid to the fact that some part of the mark common to both marks has a descriptive flavour unless it is proved that such part is in common use in the trade. (iii) If after applying the aforesaid propositions the conclusion is reached that the marks are similar it is irrelevant that the defendant had used differentiating features of get-up." Their Lordships then concluded : "If it be viewed simply as a word mark consisting COCA and COLA joined by a hyphen, and the fact be borne in mind that COLA is a word in common use in Canada in naming beverages, it is plain that the distinctive feature in the hyphenated word is the first word 'Coca' and not 'Cola'." "Coca" rather than "Cola" is what would remain in the average memo'. It is difficult, indeed impossible, to imagine that the mark Pepsi-Cola as used by the defendant, in which the distinctive feature is, for the same reason, the first word Pepsi and not Cola, would lead anyone to confuse it with the registered mark of the plaintiff. The trade mark used by the defendant and the registered mark of the plaintiff are not trade marks so nearly resembling each other or so clearly suggesting the idea conveyed by each other, that the contemporaneous use of both in the same area in association with wares of the same kind would be likely to cause dealers in or users of such wares to infer that the same person assumed responsibility for their character, or quality, or for the conditions under which or the class of persons by whom they were produced or for their place of origin." 22.4. In *Harker Stagg Limited Trade Marks* (1954 (Vol. LXXI), RPC 136) case, ALUDROX had sought for cancellation of ALEGLOX. Both were intended to be used in connection with aluminium hydroxide and also a substance considered and counted as a gel. ALUDROX contained syllables from aluminium and hydroxide. ALGELOX had reference to aluminum, get and hydroxide. Their Lordships held : "When the two words in question in this case are first looked at and regarded as made-up words, as they in fact are, their reason and virtue may elude the mind; but when it is recognised that both are intended to be used in connection with aluminium hydroxide, or a substance substantially composed of aluminum hydroxide, and also a substance which is considered or counted as a gel, it is seen that both words are intended to convey, by their characteristics, an indication of what it is that is being sold. It was concluded that the similarity was not great enough to be, likely to cause confusion. 22.5. ANCHOLA and ANCHOVETTE in 'In the matter of an Application by F. W. Waide & Co. Ltd. to Register a Trade Mark' 1916 (XXXIII) RPC 320. MICRONIC and MICROVEE in 'In the matter of Automotive Products Co., Limited's Application to Register a Trade Mark, 1983 LXX RPC 224, were not found to be so similar as likely to deceive. 23. We may now proceed to notice a few cases in the field of medicines and pharmaceuticals. 23.1. The leading

most case in *Roche & Co. v. G. Manners & Co.*. The question was whether DROPOVIT and PROTOVIT are deceptively similar. Vide para 12, their Lordships found that the last three letters were common, and in the uncommon part, the first two are consonants, the next is the same vowel "O", the next is a consonant and the fifth is again a common vowel "O". The combined "effect was to produce alliteration. VIT is a well known abbreviation used in pharmaceutical trade to denote vitamin preparation. Thus, the terminal syllable 'Vit' in the two marks was both descriptive and common to the trade. Their Lordships held : "If greater regard is paid to the uncommon element in these two words, it is difficult to hold that one will be mistaken for or confused with the other. The letters 'D' and 'P' in 'DROPOVIT' and the corresponding letters 'P' and 'T' in PROTOVIT cannot possibly be slurred over in pronunciation and the words are so dissimilar that there is no reasonable probability of confusion between the words either from the visual or phonetic point of view." 23.2. In the matter of an application by Demeth Ltd. for the registration of a trade mark' (1948) LXV PRC 342. SEDA-SELTZER was sought to be registered for preparations for use in making Seltzer water. It was opposed by the Proprietor of the mark ALKA-SELTZER registered for goods of same description. Both were pharmaceutical preparations. Evidence was adduced to show that the word Seltzer was having general usage in the trade and there were several trade mark using a prefix to the word Seltzer and available in the market. One of the relevant factors relied on by their Lordships for holding the word SELTZER as public juris was that both the parties were using it in specification of goods suggesting that the word is one which is descriptive and well understood. It was held : "If the fact be borne in mind that the distinctive feature of the mark ALKA-SELTZER is the first word Alka and not Seltzer, 'Alka' rather than SELTZER is what would remain in the average memory. It is difficult indeed impossible to imagine that the mark Seda Seltzer in which the distinctive feature for the reason in SEDA and not SELTZER would lead anyone to confuse it with Alka-Seltzer." (Para 347) 23.3. In *Bayer Products Ltd. v. Wander Ltd.* ((1947) LXIV RPC 125), Application to register BIASIL was objected to by proprietor of ALACIL. Both were pharmaceutical preparations consisting of sulphadiazine. The plea as to deception or confusion was turned down. Their Lordship held : "It is quite obvious that once you get a statutory regulation of the channels of supply, is essential that the court in considering the possibilities of deception should be taken into account the extent to which such a possibility is minimised or perhaps, obliterated altogether by the statutory regulations." "Once you get the position that only a doctor can order sulphadiazine, that he must give a written prescription and that a chemist cannot supply it without such a prescription, you ensure that the article in question is only going to pass at that stage through the hands of skilled persons who by their training, their experience and their knowledge would be most unlikely to refer to that drug in a way which would admit of any reasonable possibility of confusion. Of course, it is impossible to exclude entirely the risk of confusion. What we are concerned with are not unlikely cases which may happen once in one hundred years but reasonable probabilities and we have to ask ourselves in relation to those facts.

Is there such a risk that a doctor or a chemist or the two of them in combination by some carelessness in expression, some obscurity in handwriting, some slip of recollection or some careless mistake which you would not expect highly trained professional people to fail into will refer to the product in such a way as will lead the court to say that there is a reasonable probability of confusion.” In my opinion, there is not. It seems to me that if one is really to give weight to such a risk, it involves attributing to those highly skilled, experienced and careful people to whom the Legislature has entrusted and to whom alone the Legislature has entrusted the precautions necessary under the Poisons Act, qualities of carelessness or incompetence which, although may exist in a person here and there on occasions that, of course cannot be denied are not usually found in that class of persons. We are not concerned with hypothetical possibilities but with the ordinary practical business probabilities having regard to the circumstances of the case. (para 137). 23.4. In *Stadmed Pvt. Ltd. v. Hind Chemicals* (AIR 1965 Punjab 17), dispute was between ENTROZYME and ENTOZIME. One of the relevant considerations kept in view by the DB (vide para 14) was that the goods being Schedule H drugs were obtainable only on doctor’s prescription. It was further held that there was no phonetic similarity and there was no cause for confusion. 23.5. In *R. S. Krishna & Co. v. V. G. R. Gopal & Co.*, there were several medicinal oils using THENNAMARAKKUDI a geographical name as part of trade mark. It was held that word having become public juris nobody could claim any exclusive right to its use. 23.6. We may briefly refer to several other cases throwing light on the point. CURECHLOR and RECLOR both being pharmaceutical preparation of CHLOROMPHENICAL. In *E. R. Squibb & Sons v. Curewell India Ltd.*, ASHEMIX and ASHNCM both being Schedule-H drugs for treatment of Asthma in *M. M. Pharmaceuticals v. A. Wander*, BUTAZOLIDIN and BUTAZONE both brands having the same drug in *Geigy AG v. Chelsea Drug & Chemical Co. Ltd.* (1966 RPC 64), SKIN DEW and SKIN DEEP both being toilet creams in *Helena Rubinstein Ltd’s Application* (1960 RPC 229), were held not liable to cause deception or confusion. 24. The test for judging a case of infringement and/or passing off remains the same when applied to medicines and pharmaceuticals. However, a few additional considerations arise when dealing with cases of such drugs which cannot be sold except on prescription of a doctor and which are sold only by such persons who have special knowledge or expertise in the field. The manner in which trade in such medicines is carried on that is, they can be sold only on prescription and at authorised outlets only and the class of persons who would purchase that is, the patients advised by doctors, chemists and druggists these two facts assume significance and shall have to be kept in view by the courts. 25. To sum up : (1) The crucial tests to be applied for judging an infringement action or a passing off action in the field of medicinal and pharmaceutical preparations remain the same as are applicable to other goods. However, in the case of preparations trading whereof is governed by statutory rules or regulations, additional considerations become relevant. They are : (i) the manner in which the trade is carried on, such as sales being made only by authorised or licensed vendors who will be educated, also having special knowledge of medicines and

pharmacy; (ii) the class of persons who would be the purchasers, whether they would be accompanied by doctors' prescription and would in all probability remain in touch with doctor while consuming the medicine purchased. The court would ask - Is there such a similarity between the two trade marks that a doctor or a chemist or the both by some carelessness in expression, some obscurity in handwriting, some slip of recollection or some careless mistake not expected of a trained professional like doctor or chemist might lead to the one being confused for the other ? Regard shall be had not to the hypothetical possibilities but to ordinary practical business probabilities as applied to the circumstances of an individual case. (2) The decision on the question of likelihood of deception is to be left to the court. (3) Nobody can claim exclusive right to use any word, abbreviation, or acronym which has become public juris. In the trade of drugs it is common practice to name a drug, by the name of the organ or ailment which it treats or the main ingredient of the drug. Such organ, ailment or ingredient being public juris or generic cannot be owned by anyone for use as trade mark. (4) Whether such feature is public juris or generic is a question of fact. (5) If the two trade marks by two competing traders use a generic word or an expression public juris common to both the trade marks it has to be seen if the customers who purchase the goods would be guided by the use of such word expression or would ignore it and give emphasis to prefixes or suffixes or words used in association therewith. The primary question to be asked is what would remain in the memory of customer ? The surrounding circumstances such as the presentation of goods, colour scheme and lettering style etc., used on the packing also assume significance. 26. Reverting back to the facts of the case, from the documentary evidence filed we are satisfied that here are about 100 drugs in the market using the abbreviation 'Liv' made out of the word Liver-and organ of the human body, as a constituent of names of medicinal/pharmaceutical preparations with some prefix or suffix-mostly suffixes meant for treatment of ailments or diseases associated with liver. Liv has thus become a generic term and public juris. It is descriptive in nature and common in usage. Nobody can claim' an exclusive right to the use of 'Liv' as a constituent of any trade mark. The class of customers dealing with medicines would distinguish the name of the medicines by ignoring 'Liv' and by assigning weight to the prefix or suffix so as to associate the name with the manufacturer. The possibility of deception or confusion is reduced practically to nil in view of the fact that the medicine will be sold on medical prescription and by licensed dealers well versed in the field and having knowledge of medicines. The two rival marks Liv. 52 and LJV-T contain a, common feature Liv which is not only descriptive but also public juris; a customer will tend to ignore the common feature and will pay more attention to uncommon features i.e., 52 and T. The two do not have such phonetic similarity as to make it objectionable. 27. The cartons of the two products respectively of the plaintiff and of the defendant have been filed with the appeal memo at pages 35 and 36 of the paper book. We have carefully examined the same. 27.1. The plaintiffs product Liv. 52 is in a carton with a colour scheme consisting of dark brown, dark yellow and white. On the dark brown background Liv. 52/drops 60 ml are printed in white colour. Also these very words are printed in dark brown

on the white background. The other matter is printed in dark brown on yellow background. There is no device used. The size of the presentation is less than half of the size of the defendant's presentation. The carton claims it to be an Ayurvedic proprietary medicine with the ingredients set-out. 27.2. The packing carton including the distinctive features of the defendant appellants is entirely different. The colour scheme is light yellow/single colour scheme whereon the entire matter is printed in black. There is a device of liver also printed. LIV-T/Liver Tonic/net 180 ml also appears in print. The printed matter claims it to be a Homoeopathic medicine with composition set out. 27.3. The respective packing prominently contain the name of the two contesting parties written in capital letters in bold and prominent fashion. The defendant's carton clearly mentions it to be the product of SBL Limited/collaboration BIORN France. The carton in the middle features an artistic impression of the organ liver. 27.4. Each of the two cartons has unique placement of lettering and other features constituting each an original artistic work under the Copyright Act. 27.5. Having examined the two cartons we are clearly of the opinion that there is no possibility of one being accused of deceptively similar with the other and the likely customer mistaking one with the, other, even by recollecting faint impressions. 28. We are, therefore, unhesitatingly of the opinion that the proprietor of Liv. 52 was not entitled to the grant of an injunction restraining the use of LIV-T. 29. The learned Counsel for the plaintiff respondent cited a host of authorities which we must catalogue to be fair to him : (1) Wander Ltd. v. Antox India P. Ltd. (1990 (Suppl.) SCC 727 = 1990(2) Arb. LR 399). (2) American Home Products v. Mac Lab Cair . (3) Parle Products v. J. P. & Co. Mysore . (4) National Bell Co. v. Metal Goods Mfg. (AIR 1971 SC 898). (5) Kaveri P. T. Durga Dutta v. Navaratna Pharmaceuticals . (6) Amritdhara Pharmacy v. Satyadeo Gupta . (7) Corn Products Refining v. Shangrila Food (supra). (8) Whirlpool Corp. v. Mr. N. R. Dongre . (9) Astra IDL Ltd. v. TTK Pharma Ltd. (1992(1) Arb. LR 297). (10) Prakash Roadline Ltd. v. Parkash Parcel Service (1992(2) Arb. LR 174). (11) Ceat Tyres of India v. Jai Industrial Services . (12) Hindustan Pencils v. Indian Stationery (AIR 1990 Delhi 109). (13) Amrit Soap Co. v. New Punjab Soap Factory (1989(2) Arb. LR 242). (14) Chaurasia Tobacco v. Bhagwan Dass (1988 PTC 192). (15) Sh. Swaran Singh Trading as Appliances v. Usha Industries . (16) B. K. Engineering Co. v. Ubhi Entp . (17) Ellora Industries v. Banarsi Dass . (18) Registrar of Trade Marks v. Hamdard National Foundation . We have perused the cited cases. We do not think that any of the above cited cases lays down law at variance with the view which we have taken on a review of several authorities as already stated. Sufficient it to observe that it was in the facts and circumstances of each of the above said cases that the defendant's trade name/trade mark was found to be offending and hence restrained. 30. Amritdhara Pharmacy's case (supra) is usually cited on behalf of the defendants opposing the prayer for injunction. Therein also, their Lordships have held : "The act does not lay down any criteria for determining what is likely to deceive or cause confusion within the meaning of Section 8(c) and Section 19(1). Therefore, every case must depend on its own particular facts, and the value of authorities lies not so much in the actual

decision as in the tests applied for determining what is likely to deceive or cause confusion. A trade mark is likely to deceive or cause confusion by its resemblance to another already on the Register, it is likely to do so in the course of its legitimate use in a market where the two marks are assumed to be in use by traders in that market. In considering the matter, all the circumstances of the case must be considered. What degree of resemblance is necessary to deceive or cause confusion must in the nature of thing be incapable of definition a priori. For deceptive resemblance two important questions are (1) who are the persons whom the resemblance must be likely to deceive or confuse, and (2) what rules of comparison are to be adopted in judging whether such resemblance exists. As to confusion, it is perhaps an appropriate description of the state of mind of a customer who on seeing a mark thinks that it differs from the mark on goods which he had previously bought, but is doubtful whether that impression is not due to imperfect recollection.” 30.1. Their Lordships held Amritdhara and Laxmandhara likely to deceive or cause confusion because of the overall structural and phonetic similarity. The goods were such as are largely sold to illiterate or badly educated persons. Their Lordships formed an opinion that the use of the word DHARA was not of itself decisive of the matter, in the facts found in that case. 31. In view of our finding that the defendant’s trade mark is neither deceptive with nor confusingly similar to the plaintiff’s trade mark, a case for the grant of injunction is not made out, it is not necessary to deal with the plea of the defendant appellant disputing the plaintiff respondent’s entitlement to the grant of ad interim injunction on the ground of delay in bringing the action. 32. However, we would like to deal with the plea raised on behalf of the defendant-appellant before us, just as it was raised before the learned Single Judge though unsuccessfully, demanding instantaneous vacating of the ex parte order of injunction even without going into the merits of the case solely because the plaintiff-respondent had failed to discharge its obligation mandatorily cast by the proviso to Rule 3 of Order 39 of CPC. 33. The plea was set out in para 4 of the defendant’s application under Order 39 Rule 4. CPC in the following words : “By virtue of the order of this Hon’ble Court dated May 23, 1996 the plaintiff was required to comply with the provisions of Order 39 Rule 3 within 3 days. The plaintiff till date has deliberately failed to comply with the said order. The defendant through their attorneys have made repeated telephone calls to the office of the attorneys of the plaintiff, despite which the plaintiff till date has supplied the defendant with a complete set. The defendant’s attorney M/s. Lall and Sethi also sent a facsimile message dated May 30, 1996 to Mr. Hemant Singh Counsel for the plaintiff, requesting Mr. Singh to supply the complete set to enable the defendants to file an appropriate reply, but no reply has been received to the same till dated. A copy of the said letter was also delivered personally to Mr. Singh’s office. A copy of the facsimile message is attached as Annexure-A hereto. Only an incomplete set was received by the defendant by post and that too as late as on May 31, 1996. The said set does not even have a complete index and there are only 43 pages in the same. The injunction granted in favour of the plaintiff is liable to set aside on this ground alone.” 34. Looking to the scheme of Order 39, CPC it is clear that ordinarily an order of injunction

may not be granted ex parte. The opposite party must be noticed and heard before an injunction may be granted. Rule 3 carves out an exception in favour of granting an injunction without notice to the opposite party where it appears that the object of granting injunction would be defeated by the delay. Conferment of this privilege on the party seeking an injunction is accompanied by an obligation cast on the court to record reasons for its opinion and an obligation cast on the applicant to comply with the requirements of Clauses (a) and (b) of the proviso. Both the provisions are mandatory. The applicant gets an injunction without notice but subject to the condition of complying with Clauses (a) and (b) above said. 35. We may refer to several observations made by their Lordships of the Supreme Court in *Shiv Kumar Chadha v. MCD*. Though the observations have been, made primarily on the obligation of the Court to record the reasons but in our opinion they equally apply to the obligation cast on the applicant by the proviso. The provisions are mandatory. Their Lordships have observed : “The imperative nature of the proviso has to be judged in the context of Rule 3 of Order 39 of the Code. Before the proviso aforesaid was introduced, Rule 3 said”the court shall in all cases, except where it appears that the object of granting the injunction would be defeated by the delay, before granting an injunction, direct notice of the application for the same to be given to the opposite party“. The proviso was introduced to provide a condition, where court proposes to grant an injunction without giving notice of the application to the opposite party being of the opinion that the subject of granting injunction itself shall be defeated by delay. The condition so introduced is that the court”shall record the reasons” why an ex parte order of injunction was being passed in the facts and circumstances of a particular case. In this background, the requirement for recording the reasons for grant of ex parte injunction cannot be held to be a mere formality. This requirement is consistent with the principle, that a party to a suit, who is being restrained from exercising a right which such party claims to exercise either under a statute or under the common law, must be informed why instead of following the requirement of Rule 3 the procedure prescribed under the proviso has been followed. The party which invokes the jurisdiction of the court for grant of an order of restraint against a party, without affording an opportunity to him of being heard, must satisfy the court about the gravity of the situation and court has to consider briefly these factors in the ex parte order. We are quite conscious of the fact that there are other statutes which contain similar provisions requiring the court or the authorities concerned to record reasons before exercising power vested in them. In respect of some of such non-compliance therewith will not vitiate the order so passed. But same cannot be said in respect of the proviso to Rule 3 of Order 39. The Parliament has prescribed a particular procedure for passing of an order of injunction without notice to the other side under exceptional circumstances. Such ex parte orders have far-reaching effect, as such a condition has been imposed that court must record reasons before passing such order. If it is held that the compliance with the proviso aforesaid is optional and not obligatory, then the proviso by the Parliament shall be a futile exercise and that part of Rule 3 will be a surplusage for all practical purposes. Proviso to Rule 3 of Order 39 of the

Code, attracts the principle that if a statute requires a thing to be done in a particular manner it should be done in that manner or not all." (Para 34) 36. We are of the opinion that if the court is satisfied of non-compliance by the applicant with the provisions contained in the proviso then on being so satisfied the court which was persuaded to grant an ex parte ad interim injunction confiding in the applicant that having been shown indulgence by the court he would comply with the requirements of the proviso, it would simply vacate the ex parte order of injunction without expressing any opinion of the merits of the case leaving it open to the parties to have a hearing on the grant or otherwise on the order of injunction but bi-part only. The applicant would be told that by this conduct (mis-conduct to be more appropriate) he has deprived the opponent of an opportunity of having an early or urgent hearing on merits and, therefore, the ex parte order of injunction cannot be allowed to operate any more. 37. The appeal is allowed. The impugned order of injunction granted by the learned Single Judge is set aside. The plaintiff respondent's seeking the injunction is dismissed. Defendant-appellants' application seeking vacating of the ex parte injunction is allowed. No order as to costs. 38. Appeal allowed.