

Notice of Motion No. 873 of 2014

Lupin Limited v. Eris Lifesciences Pvt. Ltd.

2015 SCC OnLine Bom 6807 : (2016) 2 AIR Bom R 771 : AIR 2016 (NOC 386)  
181

(BEFORE S.J. KATHAWALLA, J.)

Lupin Limited ..... Plaintiff

v.

Eris Lifesciences Pvt. Ltd. & 2 Ors. .... Defendants

Dr. V.V. Tulzapurkar, Senior Advocate, along with Ms. Neha Naik, instructed by M/s. V.A. Associates, for the Plaintiff.

Dr. Venkat Reddy, instructed by Mr. Ajay Basutkar for Defendant No. 1.

Mr. Anand Daulat for Defendant No. 2.

Notice of Motion No. 873 of 2014

In

Suit No. 509 of 2014

Decided on December 23, 2015

JUDGMENT

S.J. KATHAWALLA, J.:— The Plaintiff - Lupin Limited has alleged that the Defendants and others are committing acts of infringement, passing off and unfair trading by using the impugned mark "NEBISTOL", which mark is identical with and/or deceptively similar to the Plaintiff's earlier adopted and registered trademark "NEBISTAR". The present Suit is filed by the Plaintiff to prevent acts of infringement, passing off and unfair trading. By the present Notice of Motion, the Plaintiff has inter alia sought an order of injunction against the Defendants from manufacturing and marketing any medicinal preparations/products by using the mark NEBISTOL.

2. According to the Plaintiff, the Plaintiff i.e. Lupin Limited, is the registered proprietor of a word mark 'NEBISTAR'. The mark was registered on 2<sup>nd</sup> July 2003, which at the time of application for registration was proposed to be used. The mark has been extensively used by the Plaintiff since 2004. The Plaintiff has stated in the plaint that the Plaintiff has developed a series of NEBISTAR marks. The Plaintiff is using the mark NEBISTAR under various strengths, and to denote the strength, the Plaintiff started indicating the strength together with its registered trademark such as NEBISTAR 2.5. mg, NEBISTAR 5. Mg, NEBISTAR 10 mg, NEBISTAR SA and NEBISTAR H. The Plaintiff has produced the Certificate of its Chartered Accountant certifying the sales figures and the promotional activities (undertaken) by the Plaintiff to promote the product bearing the mark NEBISTAR. The Plaintiff has also produced the sample invoices evidencing sale of its product NEBISTAR. (Exhibits C, C1, D to D10 at Pages 31-43 to the plaint).

3. According to the Plaintiff, the first Defendant had made an application for registration of the mark NEBISTOL on 11<sup>th</sup> April, 2013 as a proposed user of the mark (Exhibit H1 page 61 to the Plaint). The Defendants have started use of NEBISTOL in March/April, 2014. The Registrar of Trade Mark raised an objection to the application of the first Defendant and sent his examination report to the first Defendant on 4<sup>th</sup> March, 2014, citing the Plaintiff's mark as being a conflicting mark with that of the first Defendant, whilst raising objection under Section 11 of the Trade Marks Act, 1999 ("the Act"), stating that the application of the first Defendant is liable to be refused.

The first Defendant has in paragraph 3(d) of the reply admitted that they generated the online examination report in April, 2014.

4. According to the Plaintiff when the Defendants started use of the mark NEBISTOL, the Plaintiff's trade mark was already on the Register and the products of the Plaintiff bearing the trade mark NEBISTAR had a prominent presence in the market.

5. According to the Plaintiff, by reason of the regular, continuous and extensive sale of the products of the Plaintiff bearing the said registered trade mark NEBISTAR, and due to the efforts taken by the Plaintiff in popularizing its products bearing the said trade mark and also by reason of the high efficacy and superior quality of the said medicinal preparations, the Plaintiff's products bearing the registered trade mark NEBISTAR enjoyed a good reputation and goodwill amongst the doctors, medical fraternity, chemists and members of the trade and public. Apart from the statutory rights, the Plaintiff has also acquired valuable common law rights in the said trade mark by virtue of the goodwill and reputation accrued to the Plaintiff over a period of time. According to the Plaintiff, the Defendants are guilty of committing acts of infringement, passing off and unfair trading by use of the impugned mark NEBISTOL, which mark is identical with and/or deceptively similar to the Plaintiff's earlier adopted and registered trade mark NEBISTAR. The Plaintiff has therefore filed the present Suit to prevent the acts of infringement, passing off and unfair trade, and have taken out the above Notice of Motion seeking to restrain the Defendants from committing the acts of infringement and passing off, pending the hearing and final disposal of the Suit.

6. Vide Ex Parte Order dated 28<sup>th</sup> April 2014 this Court granted ad-interim relief in terms of prayer clauses (a) and (b) of the Notice of Motion with liberty to the Defendants to make an application for vacating or modifying the same after giving notice to the Advocate for the Plaintiffs. Prayer clauses (a) and (b) of the Notice of Motion are reproduced hereunder:

*"(a) That pending the hearing and final disposal of the present suit, the Defendants by themselves, their Directors, servants, agents C & F agent/agent, stockists, and/or all other persons claiming through or under them or controlled by them, be restrained by a temporary order and injunction of this Hon'ble Court from using, in any manner/form, directly or indirectly the impugned mark "NEBISTOL" being Exhibit H to H2 by itself or in combination with any prefix/suffix or any other similar/deceptively similar mark thereto or similar/deceptively similar to the said trademarks "NEBISTAR" so as to infringe the Plaintiff's registered trademark "NEBISTAR" bearing the registration No. 1210912;*

*(b) That pending the hearing and final disposal of the present suit, the Defendants by themselves, their Directors, servants, agents C & F agent/agent, stockists, and/or all other persons claiming through or under them or under their control, be restrained by a temporary order and injunction of this Hon'ble Court from using, in any manner/form, directly or indirectly the impugned mark "NEBISTOL" being Exhibit H to H2 by itself or in combination with any suffix or any other similar/deceptively similar mark thereto or similar/deceptively similar to the trademark "NEBISTAR" so as to pass off or enable others to pass off the goods of the Defendants as and for the goods of the Plaintiff or as being associated with or emanating from or having any connection with the Plaintiff."*

7. The Ad-Interim Order dated 28<sup>th</sup> April 2014 was operative until 8<sup>th</sup> May 2014. The matter was placed on board on 9<sup>th</sup> May 2014, when the Defendants appeared before the Court and sought time to file their reply. On 9<sup>th</sup> May 2014, the Defendants did not make any application for vacating or modifying the Order of Injunction dated

28<sup>th</sup> April 2014 and therefore the Ad-Interim Order was made operative until further orders. The Defendants thereafter filed their reply and the Plaintiff filed its rejoinder thereto. The Defendants did not, at any point of time, make an application for modification or vacating the Order dated 28<sup>th</sup> April 2014 though liberty was granted by this Court for the same.

8. It is therefore submitted on behalf of the Plaintiff that the reliefs prayed for in the Notice of Motion be granted in favour of the Plaintiff.

9. The Defendant No. 1 has made the following submissions which are also contained in the written submissions filed by the Defendant No. 1.

9.1 The mark NEBISTAR registered in the name of the Plaintiff is not used by the Plaintiff and there is no evidence of use of the mark NEBISTAR by the Plaintiff. (paragraph 2 page 1)

9.2 The Registration Certificate produced by the Plaintiff cannot be considered because the same cannot be produced in evidence (paragraph 3 page 1).

9.3 The status of the Plaintiff's registered trade mark shows as 'proposed to be used'. (paragraph 2 page 1)

9.4 By virtue of Sections 15, 16 & 17 of the Trade Marks Act, 1999 the associated marks/extensions/parts of the mark have to be dealt with independently. (paragraph 4 page 2)

9.5 The 1<sup>st</sup> Defendant has honestly adopted the mark by coining the same, as explained in para 3(b) of the written statement. (paragraph 6 page 2). The 1<sup>st</sup> Defendant had taken a search of the Trade Mark Register and after satisfying itself about the non-conflict, adopted the mark NEBISTOL. (paragraph 8 page 3).

9.6 The drug sold by the Defendants is a Schedule 'H' drug and the same can be sold only upon a prescription. Both the drugs are for same ailment and therefore confusion and deception is ruled out and in view of the fact that both the drugs are for the same ailment, any disastrous consequences are also ruled out. (paragraph 7 page 3)

9.7 The mark is adopted by the Defendants as per the common practice in the industry and there are around 80 marks in the market having NEBI as prefix and around 40 of them are registered. The Plaintiff itself has copied the mark of M/s. Menarini International Operation Luxemburg, S.A. (paragraph 8 page 3)

9.8 The 1<sup>st</sup> Defendant has spent a huge amount in promoting its product bearing the mark NEBISTOL. (paragraph 9 page 4)

9.9 The mark NEBISTOL used by the Defendants is dissimilar to the mark NEBISTAR of the Plaintiff. (paragraph 10 page 4)

10. In support of its submissions, Defendant No. 1 has relied on the following decisions:

- (i) *Schering Corporation v. Messrs United Biotech (P) Limited*<sup>1</sup>;
- (ii) *Orchid Chemical & Pharmaceutical Limited v. Wockhardt Limited*<sup>2</sup>;
- (iii) *Astrazeneca UK Limited v. Orchid Pharmaceutical Limited*<sup>3</sup>;
- (iv) *Kivi Labs Limited v. Sun Pharmaceutical Private Limited*<sup>4</sup>;
- (v) *Unimed Technology Limited v. Eyecare Kilitch Limited*<sup>5</sup>;
- (vi) *Kalindi Medicare Private Limited v. Intas Pharmaceutical Limited*<sup>6</sup>;
- (vii) *F. Hoffmann - La Roche & Co. v. Geoffery Manners & Co.*<sup>7</sup>;
- (viii) *Sun Pharmaceutical Limited v. Anglo French Drug Limited*<sup>8</sup>;
- (ix) *East African Remedies Private Limited v. Wallace Pharmaceutical Limited*<sup>9</sup>;
- (x) *Ranbaxy Laboratories Limited v. Intra Pharmaceutical Limited*<sup>10</sup>;
- (xi) *Trinethra Super Retail v. Mee Trinetra*<sup>11</sup>;
- (xii) *A Venkataubbaiah Naidu v. S. Challappan*<sup>12</sup>;

(xiii) *Macleods Pharmaceutical v. Intas Pharma*<sup>13</sup>; and  
(xiv) *Smithkline Beecham Plc. v. Sunil Samalkar*<sup>14</sup>.

11. In response, it is inter alia submitted on behalf of the Plaintiff as follows:

11.1 That the submission of the Defendant No. 1 that the Plaintiff has not used the mark NEBISTAR but the same is used with its extensions i.e. 2.5 mg., 5 mg., 10 mg., S.A. and H. is untenable. The trademark of the Plaintiff is NEBISTAR only. The extensions are merely indications of the strength, which are used along with the mark NEBISTAR. The Defendant No. 1 itself is using the mark NEBISTOL with extensions showing the strength of the drug. It therefore does not lie in the mouth of the Defendant No. 1 to contend that the Plaintiff is not using the mark NEBISTAR.

11.2 That in an action for infringement, the Plaintiff's user of the mark is irrelevant. All that is required to be proved by the Plaintiff is that the mark is registered and the registration thereof is subsisting.

11.3 That the submission of the Defendant No. 1 that the Registration Certificate produced by the Plaintiff cannot be considered because the same cannot be produced in evidence, is baseless because the Defendants have admitted that the Plaintiff is the registered proprietor of the mark. In any event, the Plaintiff has produced a certified entry of the Register of Trade Marks along with its Compilation of original documents and Affidavit of Documents filed on 15<sup>th</sup> July, 2015.

11.4 That the submission of the Defendant No. 1 that the Plaintiff's registered trade mark shows as 'proposed to be used' is mischievous. The status of the application of the Plaintiff shows the mark 'proposed to be used' because when the application was made by the Plaintiff for registration of the mark, the mark was not in use by the Plaintiff.

11.5 That reliance by the Defendant No. 1 on Sections 15, 16 and 17 of the Trade Marks Act is totally misplaced. The Plaintiff's mark is one single mark and does not contain any parts.

11.6 That in a suit for infringement, the Plaintiff is only required to show that the mark is registered. The Plaintiff is not required to give any reasons for coining the word. That the Search Report annexed to the Affidavit-in-Reply of the first Defendant was taken subsequent to the adoption and use of the mark by the Defendant (7<sup>th</sup> May 2014). The same is intentionally taken by the search string 'NEBI' and not by the string NEBISTAR or NEBISTOL.

11.7 That in the course of arguments it is contended that a separate search was taken before the application for registration was made. No such report is produced in Court by Defendant No. 1.

11.8 That the adoption of the mark NEBISTOL is dishonest and with express and/or constructive notice of the statutory rights of the Plaintiff in the mark NEBISTAR, because the Defendants were aware of the registration of the mark in April, 2014, when the Registrar cited the mark of the Plaintiff as a conflicting mark in his examination report.

11.9 That the submission that the Defendant No. 1 has spent Rs. 4 crores on promotion and made sales of Rs. 70 lacs is also out of place. The adoption and use of the mark NEBISTOL by the Defendants is with prior notice of the statutory and common law rights of the Plaintiff's trademark. Therefore, the Defendants used the mark NEBISTOL at their own risk and peril and now the Defendants cannot claim any equity. In support of this submission, the Plaintiff has relied on the decision in *Bal Pharma Ltd. v. Centaur Laboratories Pvt. Ltd.*<sup>15</sup> In any event, the claims of promotional expenses appear to be highly exaggerated and the first Defendant is put to strict proof thereof.

11.10 That the contention of Defendant No. 1 that both the goods are Schedule 'H' drugs is also irrelevant and unsustainable in view of the law laid down by the Hon'ble Supreme Court in the case of *Cadilla Healthcare v. Cadilla*<sup>16</sup>.

11.11 That the contention of the Defendant No. 1 that both the products are to be used for the same purpose and that there are no disastrous consequences, is also irrelevant and it cannot be a defence in an action for infringement or passing off. In support of this submission the Plaintiff has relied on the decision of the Hon'ble Supreme Court in *Sun Pharmaceutical Industries v. Wyeth Holdings Corporation*<sup>17</sup>.

11.12 That the contention of the Defendant No. 1 that the Plaintiff has not produced any documents to establish confusion and deception is also unsustainable. It is not necessary for the Plaintiff to produce any evidence of actual deception or confusion. What the Court is required to consider is likelihood of confusion and likelihood of damages. In support of this submission, the Plaintiff has relied on the decision of the Hon'ble Supreme Court in *Laxmikant Patel v. Chetanbhai Shah*<sup>18</sup>.

11.13 The contention of the Defendant No. 1 that there are 80 trademarks having the name 'NEBI' as a prefix, and that 40 of them are registered, therefore 'NEBI' is common to the trade and thus there is no likelihood of confusion or deception, is untenable. That the Defendant No. 1 is not entitled to contend that there are several trademarks with the word 'NEBI' and that the letters 'NEBI' are common to the trade. Defendant No. 1 itself having applied for registration of the mark NEBISTOL which contains the letters 'NEBI' is estopped from raising the said contention. In support of this submission, the Plaintiff has relied on the decision of this Court in *UltraTech Cement Ltd. v. Alaknanda Cement Pvt. Ltd.*<sup>19</sup> and the decision in *Neon Laboratories v. Themis Medicare Ltd.*<sup>20</sup>

11.14 That Defendant No. 1 has not produced any evidence of the parties using the mark containing the word NEBI. In the absence of any such evidence, the said contention cannot be entertained. In support of this contention, the Plaintiff has relied on the decision of the Hon'ble Supreme Court in *Corn Products Refining Co. v. Shangrila Food Products*<sup>21</sup> and the decision of this Court in *Pidilite Industries Ltd. v. S.M. Associates*<sup>22</sup>.

11.15 That the contention of the Defendant No. 1 that the Plaintiff has copied the mark of M/s. Menarini International who had made an application in Italy for a registration is also unsustainable. The Plaintiff is the registered proprietor of the mark in India and all that is required to be considered is whether the mark of Defendant No. 1 is deceptively similar to the Plaintiff's registered trade mark.

11.16 That by using the impugned mark NEBISTOL in respect of identical goods, the Defendants are infringing the Plaintiff's registered trademark. The impugned mark NEBISTOL is deceptively similar to the Plaintiff's registered trademark NEBISTAR. The marks are phonetically almost identical. There is phonetic, visual and structural similarity between the mark NEBISTOL and NEBISTAR.

11.17 That splitting of marks is not permissible as held in the following decisions:

- (i) *Amritdchara Pharmacy v. Satya Deo Gupta*<sup>23</sup>;
- (ii) *EGG Products*<sup>24</sup>;
- (iii) *William Bailey (Birmingham)*<sup>25</sup>;
- (iv) *Accutron Trade Mark*<sup>26</sup>
- (v) *Neon Laboratories v. Themis Medicare Ltd.* (supra)

11.18 That confusion and deception in the identity of the mark and consequently in the identity of the product is bound to occur in the course of business. The same

is in fact also apparent from the following sentence appearing in the Affidavit in Reply of the Defendants (para 8 page 15), which reads as follows:

*"I say that the word 'star' in the mark 'NEBISTAR' and the word 'stol' in the mark 'NEBISTAL' (emphasis supplied) are so dissimilar that there is no reasonable probability of confusion between the words either from the visual or phonetic point of view".*

The Defendant No. 1 has itself made a mistake while alleging difference in the mark.

11.19 That the first Defendant's contention that the labels are different, cartons are different, etc. is totally untenable. Such considerations as to the carton, price, label being different are irrelevant, as held by the Hon'ble Supreme Court in the case of *Durga Dutta Sharma v. Navaratna Pharma*<sup>27</sup> and *Ruston Hornsby Ltd. v. Zamindara Engineering Co.*<sup>28</sup>.

11.20 That the chart of alleged dissimilarities mentioned in paragraph 10 of the written submission is meaningless and a futile exercise made by the Defendants to allege dissimilarities.

11.21 That the Defendants cannot claim any equity by acting dishonestly and contrary to public interest, as explained in paragraph 16 of the written submissions filed by the Plaintiff.

11.22 That the Plaintiff is entitled to the relief of injunction on the basis of infringement, and is also entitled to the relief of injunction on the basis of passing off, inasmuch as the Plaintiff has satisfied the requirements necessary to be established by the Plaintiff in an action for passing off.

11.23 That the Plaintiff has made out a strong prima facie case in its favour. The balance of convenience is also in favour of the Plaintiff and against the Defendants.

11.24 That the Notice of Motion be therefore made absolute with costs.

12. The Plaintiff has dealt with the decisions cited by the Defendants which are listed at items (i) to (xiv) in paragraph 10 hereinabove as follows:

12.1 The case at item (i) (Schering Corporation) was not a case of infringement but only passing off. Secondly, the Supreme Court has clearly held that the fact that the two products are Schedule "H" goods is irrelevant. Also in that case both the Plaintiff and the Defendant were registered proprietors.

12.2 The case at item (ii) (Orchid Chemical & Pharmaceutical Limited) is also not relevant. There is no need to consider the question of adoption of the mark or whether 'NEBI' is a generic term or otherwise. As stated above, the difference in colour scheme etc. is totally irrelevant. Also this judgment is contrary to the law laid down in *Cadila* by the Hon'ble Supreme Court. In the present case the Defendant has itself made an application for registration and therefore now cannot contend that the mark or part thereof is a generic mark.

12.3 The case at item (iii) (Astrazeneca UK Limited) that a Doctor's prescription is required and that the mark should be taken as a whole, is required to be considered in the context of the decision of *Cadila* reported in 2001 TC 541 (SC). Further, the marks should be taken as a whole, is the principle on which the Plaintiff is relying and in the instant case, the mark NEBISTAR taken as whole is required to be considered with the mark NEBISTOL. There is no question of the mark becoming publici juris in the instant case, particularly when the Defendant itself has applied for registration as held in *Neon Laboratories v. Themis Medicare Ltd.* (supra).

12.4 The case at item (iv) (Kivi Labs Limited) is not relevant. In any event, the fact that both the drugs are used for the same condition is not a ground for refusing injunction.

12.5 The case at item No. (v) (Unimed Technology Limited) is required to be

considered in the context of the two decisions of the Hon'ble Supreme Court referred hereinabove viz. *Durgadutt Sharma v. NavratnaPharma* (supra) and *Ruston & Hornsby Ltd. v. Zamindara Engineering Co.* (supra).

12.6 In regard to the case at item (vi) (Kalindi Medicare Private Limited), it is submitted that it is a settled position in law that the authorities are binding for the principle laid down and not for the facts viz. whether in one case, the two marks were considered to be similar or not. Each case is required to be decided on its own facts.

12.7 The decision at item (vii) (F. Hoffmann - La Roche & Co.) has no relevance to the present case. That was a case for registration. In the present case, the mark is already registered and all that is required to be considered is whether Defendant No. 1's mark is deceptively similar or not.

12.8 The case at item (viii) (Sun Pharmaceutical Limited) is not applicable. The court came to the conclusion in paragraph 22 that the two marks Meromer and Meronem are prima facie dissimilar. Each case is required to be considered on its own facts. Further, the dissimilarities considered in paragraph 21 were in the context of a passing off action and not infringement. In any event, even in case of a passing off action when the marks involved are word marks, what is required to be considered is the similarity between the two marks which may be phonetic or visual or structural or resulting from the same idea being conveyed. Any one of the similarities, if established, will result in deception and confusion. It is pertinent to note that, that was a case not for infringement on the basis of any registered trademark of the Plaintiff but a passing off case. Further the Learned Judge has given reasons in paragraph 12 of the judgment which are not applicable to the present case.

12.9 As regards the case at item (ix) (East African Remedies Private Limited), the reasons for the judgment are to be found in paragraph 12 where various factors are considered. As submitted above, each case is required to be decided on its own facts.

12.10 As regards the case at item (x) (Ranbaxy Laboratories Limited), the Learned Judge came to the conclusion that the two marks were not phonetically or visually similar and that is why the court did not grant reliefs.

12.11 The case at item (xi) (Trinethra Super Retail) is not applicable to the facts of the case inasmuch as in the present case, Defendant No. 1 has adopted the impugned mark with full knowledge of the Plaintiff's registered trademark.

12.12 The case at item No. (xii) (A Venkataubbaiah Naidu) is not applicable to the facts of the case. In that case what is observed is that the court is required to dispose of the application within 30 days. In the present case, after grant of ad-interim injunction, the Defendants appeared and never insisted for disposal of the case within 30 days. In fact, the Defendants sought time as their Counsel was coming from outside Mumbai. Also, the Defendant did not apply at any point of time for vacating the ex-parte order of injunction though the liberty was granted to the Defendants.

12.13 The case at item (xiii) (Macleods Pharmaceutical) is also not relevant. That was a passing off action and the main reason why relief was not granted was that according to the Learned Judge, the two marks were not deceptively similar.

12.14 The decision in the case at item (xiv) (Smithkline Beecham Plc.), is not applicable. The decision seems to be contrary to the position of law relating to infringement which does not require user to be proved of the registered trademark. In any event, the user of the Plaintiff's trademark is corroborated. (See *Primus-Sievert Atliebolag v. Pamus Burner Mfg. Co.* in Appeal No. 192 of 1984 in Notice of Motion No. 222 of 1983 in Suit No. 224 of 1982 at page 6).

13. In response, the Defendants have reiterated its earlier submissions and have distinguished some of the decisions/case law cited by the Plaintiff as follows:

13.1 *Amritdchara Pharmacy v. Satya Deo Gupta* (supra): The said decision is not relevant as it is with regard to opposition proceedings. The present case involves a pharmaceutical product which is a schedule 'H' drug, which cannot be given without the doctor's prescription hence there cannot be any confusion.

13.2 *EGG Products* (supra): It is rightly held in the said decision that the mark is required to be considered as a whole. In the present case, there is no similarity of any kind between the marks, and the trademarks in dispute are pharmaceutical products. The facts in the present case are different.

13.3 *William Bailey (Birmingham)* (supra): In the said decision it is rightly held that, "I think it is dangerous method to adopt to divide the word up and seek to distinguish a portion of it from a portion of the other word." In the present case, 'NEBI' cannot be isolated and compared from the total trademark for the purpose of comparison.

13.4 *Accutron Trade Mark* (supra): The said citation is with regard to opposition proceedings and is not an infringement matter.

13.5 *Laxmikant Patel* (supra): The same is not applicable to the present case.

14. I have considered the submissions advanced by the Learned Advocates appearing for the parties. I have also considered the case law relied upon by them.

15. As regards the first submission of the Defendants viz. that the Plaintiff has not used the registered trademark NEBISTAR and there is no evidence of use of the mark NEBISTAR by the Plaintiff, admittedly the Defendants have alleged non-use of the mark by the Plaintiff only in view of the fact that the mark is not used simpliciter as NEBISTAR but the same is used with its extensions i.e. 2.5 mg, 5 mg, 10 mg, 'S.A.' and 'H'. There is no other ground raised by the Defendants for alleging non-use of the mark by the Plaintiff. The Plaintiff has used the mark NEBISTAR on an extensive scale and continuously. The Plaintiff has produced the Chartered Accountant's Certificate certifying the sales figures and the promotional activities by the Plaintiff to promote the product bearing the mark NEBISTAR. The Plaintiff has also produced sample invoices evidencing sale of the product of the Plaintiff bearing the mark NEBISTAR. There has been extensive user of the mark NEBISTAR since 2004.

15.1 Apart from the fact that the Defendant No. 1 itself claims to be the Proprietor of the mark NEBISTOL and has made an application seeking registration of the mark NEBISTOL, the Defendant No. 1 itself has stated in paragraph 3(g) of its Affidavit-in-Reply to the Notice of Motion that Defendant No. 1 has started the sale of NEBISTOL 2.5, 5 and 10 etc. Therefore Defendant No. 1 itself is using the mark NEBISTOL with extensions showing the strength of the drug. The documents relied on by the Defendant No. 1 to show user are all for NEBISTOL with extensions and not for NEBISTOL simpliciter. As correctly submitted by the Plaintiff, the Defendant No. 1 therefore cannot be heard to contend that the Plaintiff is not using the mark NEBISTAR. In any event, again, as correctly submitted on behalf of the Plaintiff, in an action for infringement, the Plaintiff's user of the mark is irrelevant. All that is required to be proved by the Plaintiff is that the mark is registered and the registration thereof is subsisting. Once the Plaintiff establishes that the mark is registered and the entry in respect thereof is made in the Register, the Plaintiff is entitled to claim exclusive rights in the same by virtue of Section 28 of the Act. In *Primus-Sievert Atkiebolag v. Pamus Burner Mfg. Co.*<sup>29</sup> the Division Bench of this Court has held that:

"The mere fact that the goods are not available in India would not in any manner reduce the effect of the registered trade mark. The mark was renewed from time to time by the appellants and it is not in dispute that the goods



manufactured by the appellants are sold all over the world. It is not permissible to use the deceptively similar mark merely because the goods manufactured by the appellants are not presently available in the country” (para 4 page 6)

15.2 Again the Defendants have not disputed the fact that the trademark of the Plaintiff is a registered mark. Therefore, in an action for infringement of the trademark, the Defendants cannot raise a defence that the Plaintiff is not using the registered mark. As long as the mark is on the Register, the Plaintiff is entitled to maintain an action for infringement and seek relief in respect thereof. If the Plaintiff is not using the registered mark then the only remedy available to the aggrieved person is to file a rectification before the Intellectual Property Appellate Board ('IPAB') by satisfying the requirements of Section 47 of the Act and seek removal of the mark from the Register on the ground of non-use. Admittedly, the Defendants have not filed any rectification against the registered mark of the Plaintiff. Even if such rectification is filed by the Defendants alleging non-use of the mark by the Plaintiff, the Defendant will have to surmount the provisions of Section 55(1) of the Act, which is reproduced hereunder: .

*“55. Use of one of associated or substantially identical trade marks equivalent to use of another .—*

*(1) Where under the provisions of this Act, use of a registered trade mark is required to be proved for any purpose, the tribunal may, if and, so far as it shall think right, accept use of a registered associated trade mark, or of the trade mark with additions or alterations not substantially affecting its identity, as an equivalent for the use required to be proved.”*

16. Therefore, the contention raised by the Defendant No. 1 that the trade mark NEBISTAR registered in the name of the Plaintiff is not used by the Plaintiff and there is no evidence for use of the mark NEBISTAR cannot be accepted and the same is rejected.

17. The Defendants have next contended that the Registration Certificate produced by the Plaintiff cannot be considered because the same cannot be produced in evidence. The said contention cannot be accepted since the Defendants have themselves admitted that the Plaintiff is the registered proprietor of the mark and have stated in paragraph 20 of their written statement that the Defendants shall file rectification at the appropriate time to remove the mark of the Plaintiff from the Register on the ground of non-use. In any case, the Plaintiff has produced a certified entry of the Register of Trade Marks in its compilation of original documents and Affidavit of Documents filed on 15<sup>th</sup> July, 2015.

18. The Defendants have also contended that the status of the Plaintiff's registered trade mark shows as 'proposed to be used'. As correctly submitted by the Plaintiff, this submission of the Defendants is mischievous. The status of the application of the Plaintiff shows the mark as 'proposed to be used' because when the application was made by the Plaintiff for registration of the mark, the mark was not in use by the Plaintiff. The statement made by the Plaintiff in Application Form TM-1 as per the Trade Marks Rule does not change at any point of time in the records of the Trade Mark Registry. As stated in the plaint, the Plaintiff started commercial use of the mark in the year 2004 and has produced sufficient evidence on record of the use of the mark by the Plaintiff.

19. As regards the submission that by virtue of Sections 15, 16 & 17 of the Act, the associated marks/extensions/parts of the mark have to be dealt with independently is totally misplaced. The said Sections have no application to the facts and circumstances of the present case. The Plaintiff's mark is one single mark and does not contain any parts.

20. I am also in agreement with the submission of the Plaintiff that the objection

raised by Defendant No. 1 that the Plaintiff has not stated any reason for adoption of the mark is also required to be rejected. As submitted by the Plaintiff, the Plaintiff in a suit for infringement is only required to show that the mark is registered. The Plaintiff is not required to give any reasons for coining the word. When the mark is registered and the entry is made in the Register, the Plaintiff discharges the burden that the mark is a distinctive mark and satisfies the criteria of 'trademark' within the definition of the trademark and the requirements of Sections 9 and 11 of the Act. The contention of Defendant No. 1, that Defendant No. 1 has honestly adopted the mark for the reasons mentioned in paragraph 3(b) of the Written Statement and which reasons are reproduced in paragraph 6 of the written submission cannot be accepted. The first Defendant's contention that it honestly adopted the mark after taking search of the Trademark Register in which they found that the word 'NEBI' was used by many proprietors, and was the subject matter of registration and/or applications for registration is factually incorrect. The explanation therefore cannot be believed. As held in the subsequent paragraphs of this Order, this Court is satisfied that the marks NEBISTAR and NEBISTOL are deceptively similar. As submitted by the Plaintiff, it is clear from the record that the Defendant No. 1 did not take search whilst adopting the mark and at the time of making an application seeking registration of the impugned mark. The Plaintiff's mark having been registered prior to the adoption and in commercial use by the Defendants, the first Defendant was aware of the Plaintiff's mark and had adopted the mark with full knowledge that the Plaintiff was claiming exclusive right in respect of its registered trademark and as such was entitled to prevent anyone else from using an identical or a deceptively similar trade mark. In fact, the Registrar in response to the Application of Defendant No. 1 seeking registration of the trade mark NEBISTOL cited the mark of the Plaintiff as a conflicting mark in his Examination Report. Once the impugned mark is found deceptively similar to the Plaintiff's registered trade mark, no equitable plea can be raised by the person claiming to be the proprietor of the impugned mark nor the plea that it honestly adopted the mark. The adoption and use of the mark NEBISTOL by the Defendants is with prior notice of the statutory and common law rights of the Plaintiff's trademark. The submission that the first Defendant has spent Rs. 4 crores on promotion and made sales of Rs. 70 lacs is also out of place. As held in *Bal Pharma Ltd. v. Centaur Laboratories Pvt. Ltd.* (supra) a party has to thank itself for having gambled by investing large amounts in a risky venture. Even otherwise, as submitted by the Plaintiff, no particulars of the first Defendant having spent an amount of Rs. 4 crores towards promotional expenses is placed before the Court.

21. The contention of the first Defendant that both the goods are Schedule "H" drugs is also not of much assistance to the Defendant No. 1 in view of the law laid down by the Supreme Court in *Cadilla Healthcare v. Cadila* (supra). Paragraphs 22 and 24 of the said Judgment are reproduced hereunder:

*"22. It may here be noticed that Schedule 'H' drugs are those which can be sold by the chemist only on the prescription of the doctor but Schedule 'L' drugs are not sold across the counter but are sold only to the hospitals and clinics. Nevertheless, it is not uncommon that because of lack of competence or otherwise, mistakes can arise specially where the trade marks are deceptively similar. In Blansett Pharmaceuticals Co. v. Carmick Laboratories Inc.<sup>30</sup> it was held as under:*

*"Confusion and mistake is likely, even for prescription drugs prescribed by doctors and dispensed by pharmacists, where these similar goods are marketed under marks which look alike and sound alike."*

24. *In the case of R.J. Strassenburg Co. v. Kenwood Laboratories, Inc.<sup>31</sup> as noted in the decision of Morgenstern Chemical Co. case, it had been held that:*

*"Physicians are not immune from confusion or mistake. Furthermore, it is*

*common knowledge that many prescription are telephoned to the pharmacists and others are handwritten, and frequently handwriting is not unmistakably legible. These facts enhance the chances of confusion or mistake by the pharmacists in filing the prescription if the marks appear too much alike when handwritten or sound too much alike when pronounced."*

22. Further, as correctly submitted on behalf of the Plaintiff, the contention that both the products are to be used for the same purpose and that there are no disastrous consequences is also irrelevant and it cannot be a defence in an action for infringement or passing off. The factor of disastrous consequences is an additional ground for granting injunction, but it does not mean that in the absence of disastrous consequences, no relief can be granted in an action for infringement and passing off. In any event in case of infringement and/or passing off, the quality of the material and contents used by the Defendants in its drug are not controlled by the Plaintiff and as such merely on the statement of the Defendants that it would not result in disastrous consequences, the injunction ought not to be rejected.

23. The contention of the Defendant that the Plaintiff has not produced any documents to establish confusion and deception is also unsustainable. It is not necessary for a Plaintiff to produce any evidence of actual deception or confusion. What the court is required to consider is likelihood of confusion and the likelihood of damages. The Hon'ble Supreme Court in the case of *Laxmikant Patel v. Chetanbhai Shah* (supra) has held that;

*"8. .... Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently."*

*"12. .... The three elements of passing off action are the reputation of goods, possibility of deception and likelihood of damages to the Plaintiff. In our opinion, the same principle, which applies to trade mark, is applicable to trade name."*

*"13. In an action for passing off it is usual, rather essential, to seek an injunction temporary or ad-interim. The principles for the grant of such injunction are the same as in the case of any other action against injury complained of. The plaintiff must prove a prima facie case, availability of balance of convenience in his favour and his suffering an irreparable injury in the absence of grant of injunction. According to Kerly (ibid, para 16.16) passing off cases are often cases of deliberate and intentional misrepresentation, but it is well-settled that fraud is not a necessary element of the right of action, and the absence of an intention to deceive is not a defence though proof of fraudulent intention may materially assist a plaintiff in establishing probability of deception. Christopher Wadlow in Law of Passing Off (1995 Edition, at p.3.06) states that the plaintiff does not have to prove actual damage in order to succeed in an action for passing off. Likelihood of damage is sufficient. The same learned author states that the defendants state of mind is wholly irrelevant to the existence of the cause of action for passing off (ibid, paras 4.20 and 7.15). As to how the injunction granted by the Court would shape depends on the facts and circumstances of each case. Where a defendant has imitated or adopted the plaintiff's distinctive trade mark or business name, the order may be an absolute injunction that he would not use or carry on business under that name. (Kerly, ibid, para 16.97)."*

24. The contention of the first Defendant that there are 80 trade marks in the market having NEBI as prefix and around 40 of them are registered, and therefore NEBI is common to trade and there is no likelihood of confusion or deception also cannot be accepted. Firstly, the Plaintiff's trademark is registered. All that the Court is required to consider is whether Defendant No. 1's mark is deceptively similar to the Plaintiff's registered trademark. Secondly, the registration of the marks containing the letters 'NEBI' is irrelevant for deciding the instant case. What is required to be

considered is whether the mark of Defendant No. 1 is deceptively similar to the Plaintiff's registered trademark. Under Section 28 of the Trade Marks Act 1999, the Plaintiff gets an exclusive right to use its registered trademark and to obtain relief in respect of infringement of the trademark in the manner provided by this Act. Further, Defendant No. 1 is not entitled to contend that there are several trademarks with the word 'NEBI' and that the letters 'NEBI' are common to the trade. Defendant No. 1 itself having applied for registration of the mark NEBISTOL which contains the letters 'NEBI' is estopped from raising the said contention. In the case of *Ultra Tech Cement Ltd. v. Alaknanda Cement Pvt. Ltd.* (supra) this Court observed, "Thus, Defendants who have admittedly applied for registration of the impugned mark containing the word "Ultratuff" are therefore estopped from contending that the Plaintiff's mark containing the word "UltraTech" is deceptive or common to the trade and therefore cannot be registered". Also, in the case of *Neon Laboratories v. Themis Medicare Ltd.* (supra) this Court has held as under:

*"The issue of whether a defendant can take such a plea of a mark or a prominent feature of a mark being common to the trade when the defendant has himself applied for registration is no longer res integra the second action defeats the first argument. This seems to me logical. A man may well say, "I choose to use this particular mark because it is my belief that it is common to our trade and therefore none may claim exclusivity over it." It is quite another for him to say "I will contend in opposition to a claim of exclusivity that the mark I have adopted is so common to our trade that none may claim exclusivity, but I will myself nonetheless apply for registration and thereby mount precisely such a claim to monopoly, and it matters not that implicit in my registration application is a self-annihilating contradiction of my own stand of the mark being commonplace." There is a form of estoppel by conduct that applies to such a defendant. A man may not 'approbate and reprobate'. He may take inconsistent stands, but not ones that are mutually destructive."*

25. Further, Defendant No. 1 has not produced any evidence of the parties using the marks containing the word 'NEBI'. As held in the case of *Corn Products Refining Co. v. Shangrila Food Products* (supra), and *Pidilite Industries Ltd. v. S.M. Associates* (supra) in the absence of any such evidence, the said contention cannot be entertained.

26. As regards the contention of the first Defendant that the Plaintiff has copied the mark of M/s. Menarini International, who had made an application in Italy for registration, the same in my view unsustainable. The Plaintiff is the registered proprietor of the mark in India and all that is required to be considered is whether the mark of Defendant No. 1 is deceptively similar to the Plaintiff's registered trademark. The Plaintiff's registration cannot be disputed in these proceedings. In any event, the Act itself permits registration of two or more similar marks. Hence, once the marks are registered, both the registered proprietors get exclusive right to use their respective marks and though they cannot make grievances against each other, each such registered proprietor is entitled to seek reliefs against third parties as if he was the sole registered proprietor.

27. According to the first Defendant, the mark NEBISTOL used by the Defendants is dissimilar to the mark NEBISTAR of the Plaintiff. In my view the marks are phonetically almost identical. There is phonetic, visual and structural similarity between the mark NEBISTOL and NEBISTAR. It is a settled principle of law that the question of deceptive similarity is to be answered, inter alia, by considering the two marks as a whole. Splitting of marks is not permissible. The Defendants' contention is that the syllable STAR in the Plaintiff's mark, and the same is different from the syllable 'STOL' in the Defendant's mark and therefore the marks are not similar. As submitted on behalf of the Plaintiff such splitting of marks is not permissible. In the

case of *Amritdhara Pharmacy v. Satya Deo Gupta* (supra) although the said case related to the opposition proceedings, the principles of comparison laid down therein are applicable to all cases where the question of deceptive similarity is to be considered. In paragraph 9 of its Judgment, the Hon'ble Supreme Court held that the critical comparison of the two marks may disclose some points of difference, but an unwary purchaser of average intelligence and imperfect recollection would be deceived by the over all similarity of two marks. The Hon'ble Supreme Court further observed that a trademark is the whole thing i.e. the whole word has to be considered. In that case, the two marks were AMRIT DHARA and LAXMAN DHARA. The Supreme Court came to the conclusion that the overall similarity between the two names was likely to cause deception or confusion.

28. In the matter of an application by *EGG Products* (supra), in line 34 at page 165, the Court observed that, "I have to consider the totality of the trademark". Further, in line 44, the Court observed that:

*"You have to look at the totality of the trademark and you cannot altogether disregard the fact that the first syllable was the same because that first syllable has some relation to the nature of the goods".*

29. In the matter of an Application by *William Bailey (Birmingham)* (supra), the two marks were ERECTOR and ERECTICO. At page 152, the Learned Judge observed as follows:

*"In my judgment, it is quite wrong to take a portion of the word and say that, because that portion of the word defers from the corresponding portion of the word in the other case, there is no sufficient similarity to cause confusion. There may be two words which in their component parts are widely different but which, when read or spoken together, do represent something which is so similar as to lead inevitably to confusion. I think it is a dangerous method to adopt to divide the word up and seek to distinguish a portion of it from a portion of the other word".*

30. In *Accutron Trade Mark* (supra) an Application was made for registration of the mark ACCUTRON and it was opposed by the opponents who were the proprietors of the registered mark ACCURIST. The Application was rejected for registration, against which an Appeal was preferred. The Appeal was dismissed. The Learned Single Judge, Mr. Justice Bakle dismissed the Appeal holding that the Courts duty is to look at the words as a whole and to see whether; assuming imperfect recollection, assuming imperfect pronunciation and other fallibilities of the human shopper, there is in truth a likelihood of confusion. (Page 156 line 6). The Learned Judge noted that the Assistant Controller had come to the conclusion that there was a possibility of deception and confusion. (Page 155 line 17 to 25). The Learned Single Judge affirmed the decision of the Assistant Controller. Against the said decision of the Learned Single Judge, an Appeal was preferred to the Court of Appeal, which also dismissed the Appeal and observed at page 158, line 18 as follows.

*"It is not right to pull the words to pieces, Accu for one part and IST and LARM for the other part, next to argue that Accu reminds you of accurate, no matter what that prefix, and to conclude that the upshot will be a monopoly in the natural word which, as we all know, is not the policy of the legislature. The court further observed that the said case did not involve any such question and that the registrar was entitled to take the view that there was possibility of confusion".*

31. This Court in the case of *Neon Laboratories v. Themis Medicare Ltd.* (supra), has held that;

*"23. I see no merit in this submission. When one compares two marks that are not identical, the Plaintiff must establish that the rival mark so nearly resembles its own that it is likely to deceive. The purpose of this comparison is to determine whether the essential features of the Plaintiff's trade mark are to be found in the*

mark used by the Defendant.<sup>13</sup> Every test of deceptive similarity must make allowances for imperfect recollection, careless pronunciation and speech.<sup>14</sup> As the Supreme Court said in *F. Hoffman-La Roche and Co. Ltd. v. Geoffrey Manners and Co. Private Ltd.*:<sup>15</sup>

*"7. ... It is necessary to apply both the visual and phonetic tests. In *Aristoc Ltd. v. Rysta Ltd.* 62 R.P.C. 65 the House of Lords was considering the resemblance between the two words "Aristoc" and "Rysta". The view taken was that considering the way the words were pronounced in English, the one was likely to be mistaken for the other. Viscount Maugham cited the following passage of Lord Justice Luxmoore in the Court of Appeal, which passage, he said, he completely accepted as the correct exposition of the law:*

*"The answer to the question whether the sound of one word resembles too nearly the sound of another so as to bring the former within the limits of Section 12 of the Trade Marks Act, 1938, must nearly always depend on first impression, for obviously a person who is familiar with both words will neither be deceived nor confused. It is the person who only knows the one word and has perhaps an imperfect recollection of it who is likely to be deceived or confused Little assistance, therefore, is to be obtained from a meticulous comparison of the two words, letter by letter and syllable by syllable, pronounced with the clarity to be expected from a teacher of elocution. The Court must be careful to make allowance for imperfect recollection and the effect of careless pronunciation and speech on the part not only of the person seeking to buy under the trade description, but also of the shop assistant ministering to that person's wants."*

(Emphasis supplied)

24. I have compared the two marks. XYLOX is so depicted that that the leading X looks to have been cancelled. The second diagonal (from top left to bottom right) is a red line. The eye is led, ineluctably, to move over the next letter Y and to fasten on the succeeding letters, LOX. Visually, this is inevitable, and it would need the most careful scrutiny to discern the difference. Structurally and most of all phonetically, there is as good as no difference. The law in this regard is firmly settled by *Cadila Healthcare Ltd. v. Cadila Pharmaceuticals Ltd.*<sup>16</sup> where the argument that phonetic similarity is irrelevant where the trade dress is distinguishable. The test to be applied is that of the common man of average intelligence and imperfect recollection. The phonetic similarity test is crucial, and is the principal test.<sup>17</sup> This is especially so in India, where English is not the common man's mother tongue, and where principles of phonetic pronunciation are applied willy-nilly to the oddities of English where *indict* is pronounced *inditeto* rhyme with *night* (in which, too, the *ghis* not pronounced), where *p* is often silent, as in *receipt*. In *Boots Company PLC v. Registrar of Trade Marks*<sup>18</sup> on this very reasoning, a learned single Judge of this Court held *CROFEN* to be deceptively similar to *BRUFEN*. In matters involving drugs and medicinal products especially, there is a higher standard of judicial care. As the Supreme Court said in *Cadila*:

*"33. [...] 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."*

*(Emphasis supplied)*

25. *Any such confusion between products that deal with the same spectrum of health issues, even if sold under prescription, might well be life-threatening. It is human to err; doctors, like the rest of us, are no exception. An incorrect product mistakenly used might well be fatal. There is an overarching public interest that requires a lower threshold of proof of confusing or deceptive similarity where the trade marks in question are applied to pharmaceutical products: "drugs are poisons, not sweets", as the Cadila court said. A life threatening confusion is not a mere inconvenience".*

32. Applying the aforesaid principles, there can be no doubt that the mark NEBISTOL of the Defendants is deceptively similar to the Plaintiff's registered trademark NEBISTAR. The mark NEBISTOL is used in respect of pharmaceutical goods covered by Class 5, in which the mark NEBISTAR of the Plaintiff is registered. Due to the phonetic, visual, structural similarity between the mark NEBISTAR and NEBISTOL there exists likelihood of confusion and/or likelihood of association.

33. Defendant No. 1 has in paragraph 8 page 15 of his Affidavit-in-Reply stated that:

*"I say that the word 'star' in the mark "NEBISTAR" and the word 'stol' in the mark "NEBISTAL" (emphasis supplied) are so dissimilar that there is no reasonable probability of confusion between the words either from the visual or phonetic point of view."*

34. From the above sentence in the Affidavit-in-Reply of the Defendant, it can be seen that Defendant No. 1 has itself made a mistake in its own Affidavit while alleging difference in the mark. It is therefore clear that confusion is bound to occur in the course of trade because of the insignificant difference which the Defendant No. 1 is trying to highlight in the trademark "NEBISTAR" and "NEBISTOL".

35. The contention of Defendant No. 1 that there are dissimilarities inter alia qua packing, size of strips, labels, cartons, etc, is also not sustainable. In this case, the two marks involved are word-marks NEBISTAR and NEBISTOL. This is not a case to prevent Defendant No. 1 from using the packing material or the label. This is a simple case involving two word-marks and all that is required to be considered is whether the two marks are deceptively similar. Once the two marks are held to be deceptively similar, the differences in packing or price etc. are totally irrelevant. In any event, such considerations as to the carton, price, label being different are irrelevant as far as the claim for infringement is concerned. The Hon'ble Supreme Court has in the case of *Durga Dutta Sharma v. Navaratna Pharma* (supra) held as follows:

*"28. ....In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the Court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade original different from that of the registered proprietor of the mark would be immaterial."*

36. The Hon'ble Supreme Court has in the case of *Ruston & Hornsby Ltd. v. Zamindara Engineering Cc.* (supra) held that once the impugned mark containing the word RUSTOM was deceptively similar to the Plaintiff's registered trademark RUSTON, a case for infringement was made out. Therefore, the chart of alleged dissimilarities mentioned in para 10 of the written submission of the Defendant is meaningless and a futile exercise made by the Defendants to allege dissimilarities. The Plaintiff has also

correctly dealt with/distinguished the decisions relied upon by the Defendant No. 1.

37. I am therefore of the view that the Plaintiff has made out a prima facie case of infringement and passing off against the Defendants.

38. The Defendants have during the course of their argument submitted that the application for injunction ought to have been disposed of within a period of 30 days as required by the Code of Civil Procedure and pendency of the Application beyond that period has resulted in serious damage to the Defendants and the balance of convenience and equity is in favour of the Defendants. This argument of the Defendants cannot be taken cognizance of. As stated earlier, though express liberty was granted to the Defendants to make an application for vacation or modification of the ex-parte order of injunction no such application was made by the Defendants. On the contrary the Defendants sought time to file their reply when they appeared for the first time and did not oppose the continuation of the interim relief in favour of the Plaintiff. The Defendants, even thereafter, did not make any application for vacation or modification of the order of injunction. In fact the Defendants sought time on the ground that their Counsel is coming from Hyderabad, and time was granted to the Defendants on that ground.

39. It is also submitted on behalf of the Plaintiff that there are variations in the details of sales and closing stock at every stage. It is submitted that it is apparent that stock as seized by the Receiver is not the complete stock of the products as produced and the Defendants have defrauded the Receiver with incorrect data and have siphoned away substantial stocks from being seized. It is submitted that the Defendants were called upon to explain this discrepancy but the Defendants did not do so until the hearing of the matter on 3<sup>rd</sup> August 2015, when the 2<sup>nd</sup> Defendant filed a vague Affidavit-in-Reply stating that when the Court Receiver took possession the stock in respect of only one manufacturing unit of the 2<sup>nd</sup> Defendant was considered. It is pointed out that the Order of the Court dated 28<sup>th</sup> April, 2014 appointing the Court Receiver had clearly directed the Receiver to seize the stock wherever the same may be located and mandated the Defendants to produce details of the stock from records to be maintained under the Drugs & Cosmetics Act. It is submitted that the 2<sup>nd</sup> Defendant is guilty of contempt of the Orders of this Court in as much as now the 2<sup>nd</sup> Defendant admits having manufactured the goods from another plant, which details were never provided to the Receiver. The 2<sup>nd</sup> Defendant has till date not produced the statutory records maintained under the Drugs and Cosmetics Act and has suppressed the same. It is submitted that the Affidavit filed by the 2<sup>nd</sup> Defendant is false on its face because the same is contrary to the Report of the Court Receiver, in which the Court Receiver has recorded the statement of the 2<sup>nd</sup> Defendant that except what is recorded in the Sold Stock Record no other batch is manufactured by the 2<sup>nd</sup> Defendant of the product NEBISTOL.

40. In the circumstances, the Plaintiff has made out a strong prima facie case in its favour. The balance of convenience is also in favour of the Plaintiff and against the Defendants. The Plaintiff is entitled to the relief of injunction on the basis of infringement. The Plaintiff is also entitled to the relief of injunction on the basis of passing-off in as much as the Plaintiff has satisfied the requirements necessary to be established by the Plaintiff in an action for passing off. The Plaintiff has established reputation by producing sales figures at Exhibit "C" and expenses at Exhibit "C-1" at Page No. 31 and 32. The Plaintiff has also produced copies of specimen of invoices and promotion material at Exhibits "D" to "D-10", Pages 33 to 43 of the Plaint and Exhibits "E" to "E-13", Pages 44 to 57 respectively evidencing commercial use of the mark by the Plaintiff. The two marks are deceptively similar. In view of the fact that the two marks are deceptively similar, confusion and/or association is likely to occur and consequently damage to the goodwill and reputation of the Plaintiff's mark is also likely to follow.



41. In view thereof, the following Orders are passed:

- (i) Notice of Motion is made absolute in terms of prayer clauses (a) and (b), which are reproduced hereinabove.
- (ii) The Defendant Nos. 1 and 2 are directed to place before the Court Receiver the statutory records maintained under the Drugs and Cosmetics Act pertaining to their products bearing the impugned mark NEBISTOL;
- (iii) The Court Receiver shall forthwith take possession of stocks of the products bearing the impugned mark NEBISTOL, which he has not taken pursuant to the Order passed by this Court dated 28<sup>th</sup> April, 2014.
- (iv) The Plaintiff shall be at liberty to move for further reliefs/directions, if any, after such statutory records are produced by Defendant Nos. 1 and 2 before the Court Receiver.

42. The Notice of Motion is accordingly disposed off with costs.

<sup>1</sup> CDJ 2010 BHC 2551 (DB) (Bom)

<sup>2</sup> 2013 (56) PTC 558 (Mad)

<sup>3</sup> 2007 (34) PTC 469 (DB) (Del.)

<sup>4</sup> 2013 (53) PTC 43 (Mad)

<sup>5</sup> 2013 (56) PTC 326 (Mad) (DB)

<sup>6</sup> 2006 (33) (PTC) 477 (Del.)

<sup>7</sup> PTC (Suppl) (1) 88 (SC)

<sup>8</sup> CDJ 2014 DHC 2184 (DB)

<sup>9</sup> AIR 2004 Delhi 74

<sup>10</sup> CDJ 2011 DHC 928

<sup>11</sup> 2011 (4) ALD 341 (A.P.)

<sup>12</sup> CDS 2000 SC 429

<sup>13</sup> 2013 (55) PTC 380 (Bom)

<sup>14</sup> 2012 (52) PTC 418 (Del.)

<sup>15</sup> 2002 (24) PTC 226 and 229 paragraph 9

<sup>16</sup> 2001 PTC 541 (SC)

<sup>17</sup> 2005 (30) PTC 14 (Bom) (DB) paras 33 to 37

<sup>18</sup> (2002) (24) PTC 1 (SC)

<sup>19</sup> 2011 (5) BCR 588 at page 138

<sup>20</sup> Notice of Motion (L) No. 827 of 2014 in Suit (L) No. 336 of 2014, Patel, J.

<sup>21</sup> AIR 1960 SC 142

<sup>22</sup> 2003 (5) BomCR 295

<sup>23</sup> AIR 1963 SC 449

<sup>24</sup> Ld 39 RPC page 155 at 164.

<sup>25</sup> Ld 52 RPC page 136

<sup>26</sup> 1966 RPC page 152

<sup>27</sup> AIR 1965 SC 980

<sup>28</sup> AIR 1970 SC 1649

<sup>29</sup> *Appeal No. 192 of 1984 in Notice of Motion No. 222 of 1983 in Suit No. 224 of 1982 dated 14<sup>th</sup> September, 1987 (unreported),*

<sup>30</sup> 25 USPO 2nd, 1473 (TTAB 1993)

<sup>31</sup> 106 USPO 379 (1955)

Disclaimer: While every effort is made to avoid any mistake or omission, this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification is being circulated on the condition and understanding that the publisher would not be liable in any manner by reason of any mistake or omission or for any action taken or omitted to be taken or advice rendered or accepted on the basis of this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification. All disputes will be subject exclusively to jurisdiction of courts, tribunals and forums at Lucknow only. The authenticity of this text must be verified from the original source.

© EBC Publishing Pvt.Ltd., Lucknow.