

MANU/DE/3550/2012

Equivalent Citation: MIPR2012(3)145, 2012(51)PTC585(Del)**IN THE HIGH COURT OF DELHI**

I.A. No. 800/2011 and I.A. No. 4580/2011 in CS (OS) No. 123 of 2011

Decided On: 30.07.2012

Appellants: **Cadila Healthcare Ltd.****Vs.**Respondent: **Aureate Healthcare Pvt. Ltd. & Anr.****Hon'ble Judges/Coram:**

Hon'ble Mr. Justice Manmohan Singh

Counsels:

For Appellant/Petitioner/Plaintiff: Ms. Prathiba M. Singh, Advocate and Ms. Bitika Sharma, Adv.

For Respondents/Defendant: Mr. M.L. Mangla, Adv. with Mr. Manish Singhal, Mr. Anikit Mangla and Mr. Amjad Hussain, Adv.

Subject: Intellectual Property Rights**Acts/Rules/Orders:**

Code of Civil Procedure, 1908 (CPC) - Rule 1, Code of Civil Procedure, 1908 (CPC) - Rule 2, Code of Civil Procedure, 1908 (CPC) - Rule 4; Drugs And Cosmetics Act, 1940 (23 Of 1940) - Section 17B; Trade Marks Act, 1999 (47 Of 1999) - Section 2(1)(h), Trade Marks Act, 1999 (47 Of 1999) - Section 2(m), Trade Marks Act, 1999 (47 Of 1999) - Section 28, Trade Marks Act, 1999 (47 Of 1999) - Section 28(1), Trade Marks Act, 1999 (47 Of 1999) - Section 29, Trade Marks Act, 1999 (47 Of 1999) - Section 29(1), Trade Marks Act, 1999 (47 Of 1999) - Section 29(z)(b), Trade Marks Act, 1999 (47 Of 1999) - Section 31

Citing Reference:

Discussed		20
Mentioned		14

Case Note:

Trademark - Infringement of trademark "PANTODAC" - Condonation of Delay — Whether Plaintiff was not entitled to injunction as delay was caused by them in instituting the plaint?

Held, in view of law settled on this aspect of delay in the cases of infringement of trademarks, the delay, if any, in the present case was not fatal to the case of Plaintiff for grant of injunction at this stage. Even otherwise, the present Court was of the view that in the pharmaceutical cases where the prima facie infringement is established, the Court should take liberal approach in case of delay if any, as it is the duty of the Court to protect the interest of consumers.

Trademark - Infringement of trademark "PANTODAC" - Deceptive similarity - Injunction sought - Section 2(1)(h) of the Trade Mark Act, 1999 and Order 39, Rule 4 of Civil Procedure Code (CPC), 1908 - Whether Plaintiff's trade mark "PANTODAC" and Defendants trade mark "PANTOBLOC" were deceptively similar and Defendants' use thereof constitutes infringement?

Held, while examining the question of misrepresentation or deception, comparison has to be made between the two trademarks as a whole. Plaintiff was able to make a strong prima facie case for grant of interim order. Since the Plaintiff was the registered proprietor of the trade mark PANTODAC and the same were used earlier than the Defendants, thus, the balance of convenience also lied in favour of the Plaintiff and against the Defendants. In case the injunction order was not passed, the Plaintiff would suffer irreparable loss and injury. Ex-parte ad-interim injunction granted thereby restraining the Defendant No. 1 from using the trade mark "PANTOBLOC" or any other mark which is identical or deceptively similar to the Plaintiff's registered trade mark "PANTODAC" was made absolute. Hence, Defendants' application under Order 39, Rule 4 CPC was rejected and Plaintiffs application was accepted.

Trademark - Marks to be read as a whole - Anti-Dissection Rule.

Held, the Anti-Dissection Rule states that Compare composites as a Whole Conflicting composite

marks are to be compared by looking at them as a whole, rather than breaking the marks up into their component parts for comparison. This is the "anti-dissection" rule. The rationale of the anti-dissection rule is based upon this assumption: "An average purchaser does not retain all the details of a mark, but rather the mental impression of the mark creates in its totality. It has been held to be a violation of the anti-dissection rule to focus upon the "prominent" feature of a mark and decide likely confusion solely upon that feature, ignoring all other elements of the mark. Similarly, it is improper to find that one portion of a composite mark has no trade mark significance, leading to a direct comparison between only that which remains.

Ratio Decidendi:

"In the pharmaceutical cases where the prima facie infringement is established, the Court should take liberal approach in case of delay if any, as it is the duty of the Court to protect the interest of consumers."

"While examining the question of misrepresentation or deception, comparison has to be made between the two trademarks as a whole."

JUDGMENT

Manmohan Singh, J.

1. By this order, I propose to decide following two pending applications, i.e. I.A. No. 800/2011 under Order XXXIX, Rules 1 & 2 of the Code of Civil Procedure, 1908 (in short, called "CPC") filed by the plaintiff and I.A. No. 4580/2011 under Order XXXIX, Rule 4 CPC filed by the defendants. The plaintiff filed the suit for infringement of trade mark and passing off etc. By order dated 1st February, 2011 passed in I.A. No. 800/2011, the defendant No. 1 was restrained from using the trade mark "PANTOBLOC".

PLAINTIFF'S CASE

2. "PANTODAC" is a registered trademark of the plaintiff under No. 723200 as of 30th October, 1996 in Class-5 and has been used by the plaintiff since year 1999. The annual sales figures of plaintiff's product under the mark/name "PANTODAC" are to the tune of Rs.43.26 crores for the year 2007 and the latest sales figures the plaintiff's products under the mark "PANTODAC" as per the Retail Market Survey Report of the Organizational Research Group (ORG) are given herein :

Period	Sales (Rs. In Crores)
01.04.2008 to 31.03.2009	44.90
01.04.2009 to 31.03.2010	55.00
01.04.2010 to 28.02.2011	60.20

3. The product of plaintiff sold under the trade mark "PANTODAC" is available over the counters on prescription across the country from the date of its first formation and launch in the year 1999. The plaintiff claims that the plaintiff was the first to coin and adopt the trade mark "PANTODAC" for its product.

4. The registration continues to remain valid and the mark continues to be there on the register. Thus plaintiff's case is that in case of any use of a deceptively similar trademark, the consequences of infringement under the provision of Section 29 of the Trade Marks Act, 1999 must follow as the defendants in the present case are using the impugned trademark for identical product of that of plaintiff i.e. "PANTAPRAZOLE TABLETS AND INJECTIONS".

5. Any use of an identical or deceptively similar mark by any other party would amount to infringement of trade mark.

6. It is alleged by the plaintiff that the defendants have adopted the mark "PANTOBLOC" in respect of pharmaceutical preparations and medicines and claimed use of the mark since 19th January, 2003. Defendant No. 1 had filed an application for registration of trademark "PANTOBLOC" in year 2006 under No. 1467029 which has been duly opposed by the plaintiff.

7. Case of the plaintiff is that rival marks used by the parties, i.e. PANTODAC and PANTOBLOC in relation to identical goods are almost identical with or deceptively similar. Thus, case of infringement is made out.

8. THE DEFENDANTS' CASE

a) Total sales figures of the defendant No. 1 as well as sales of "medicines" under the trade mark "PANTOBLOC" were Rs.10.49 lacs for the year 2010-11 till the date of injunction order whereas total sales of the said medicines under the trade mark "PANTOBLOC" since its inception were more than Rs.25 lac whereas the total sales of the defendant No. 1 since its inception has exceeded Rs.20 crores till date.

b) That a number of other companies are using the term "PANTO" as prefix in respect of the medicines containing "PANTOPRAZOLE". The plaintiff has admitted this fact in para 5 of its affidavit filed pursuant to the orders of this court.

c) The term "PANTO" is a generic term which has become "publici juris" in respect of medicines containing chemical salt "PANTOPRAZOLE" and as such, nobody including the plaintiff can claim any right over the term "PANTO". It has been held that "Nobody can claim exclusive rights to use any generic word, abbreviation or acronym which has become publici 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 a term being in public jurisdiction cannot be owned by anyone for use as a trade mark. By own admissions of the plaintiff, a number of companies including three major companies who hold major share of the market, are using the term "PANTO" in respect of medicines containing "PANTOPRAZOLE". There are more than 60 companies using the term "PANTO" in respect of "PANTOPRAZOLE" tablets as a prefix in their trade mark. There are more than 290 trade marks applications for registration in respect of "medicines" which contain "PANTO" as its prefix. The defendant No. 1 states that the competing marks are different. Thus, it is alleged by Mr. M.L. Mangla learned counsel appearing on behalf of defendants that the plaintiff is not entitled for injunction and interim order already granted and are liable to be rejected.

9. Mr. M.L. Mangla, learned counsel for the defendants submits that the defendants' product details regarding availability of "medicines" under the trade mark "PANTOBLOC" were already published on the defendant's website. The copies of the printout of the defendants' website have already been filed by the plaintiff. The conduct of the plaintiff lacks bonafides as the plaintiff in its affidavit dated 27th January, 2011 had stated that the medicines of defendant No. 1 are not available in the market while relying on such statements of the plaintiff, the court had granted an ex-parte ad-interim injunction against the defendant No. 1. The defendants allege that said statements of the plaintiff are wrong as the plaintiff itself in para 22 and para 25 of the affidavit had stated that the defendants are marketing and selling "Pantoprazole" tablets and injection under the impugned mark on their website as well as in the National Capital Region.

10. Counsel for the defendant Mr. Mangla also submits that the defendant No. 1 has also filed sales figures, copies of drug license as well as copies of sales invoices evidencing use of the trade mark "PANTOBLOC" since 2006. Further, the plaintiff has failed to give a complete list of companies who are actually using the generic term "PANTO" as prefix to their respective trade marks in respect of medicines containing "PANTOPRAZOLE". It is the defendants who have filed relevant extracts from trade magazines showing more than sixty manufactures who are using "PANTO" as prefix to their respective trade marks in respect of medicines containing "PANTOPRAZOLE". Thus, the plaintiff cannot claim the monopoly of the mark PANTO and is thus not entitled for injunction.

11. The following judgments are referred by Mr. Mangla, learned counsel appearing on behalf of the defendants:

Case title	Generic term	Trade marks held different in medicinal trade
Schering Corporation Vs. Alkem Laboratories Ltd. [2010 (42) PTC 772 (Del) (DB)]	Term TEMO being held generic being derived from chemical ingredient "TEMOZOLOMIDE"	TEMOKEM Vs. TEMOGET
Astrazenecea UK Ltd. Vs. Orchid Chemicals [2007 (34) PTC 469 (DB) (Del)]	Term MERO held to be generic being derived from chemical salt/ingredient MEROPENEM	MERONEM Vs. MEROMER
Novartis Vs. Wanbury Ltd. [2005 (31) PTC 75 (Del)]	Term MINIC held common to trade being bonafidely used by several persons in course of trade	TRIAMINIC Vs. CORIMINIC
SBL Ltd. Vs. Himalaya Drug Co. [1997 PTC 540 (DB) (Del)]	Term LIV held generic & common to trade being used by several persons & derived from short abbreviation of Liver i.e. organ which medicine treats	LIV-52 Vs. LIV-T
Aviat Chemicals Pvt. Ltd. Vs. Intas Pharmaceuticals [2001 PTC 601 (Del)]	Term LIPI held to be generic term in respect of "Lipid corrective medicines"	LIPICARD Vs. LIPICOR

12. Ms. Pratibha M. Singh learned counsel appearing on behalf of plaintiff argues that the marks are to be compared as a whole and in present case the marks PANTODAC and PANTOBLOC are deceptively similar and therefore the defendants are liable to be restrained from using the stated deceptively similar mark and infringing the plaintiff's proprietary rights. She argues that there is no force in the submission of the defendants that there is an extensive use of the word "PANTO" in common by various third parties in medicinal trade. It is submitted by her that mere printouts of search results of the Trade Mark Registry does not by itself establish that the word PANTO has become publici juris or generic. Mere presence in the database of Trade Marks Registry of the mark as either pending or registered does not make a mark publici juris. Further, it is most humbly submitted that defendant No. 1 has itself applied before the Trade Marks Registry for registration of the trademark "PANTOBLOC" and now defendants cannot claim that word "PANTO" has become "publici juris" or generic and that nobody is entitled to claim exclusive rights over the

manupatra same. She submits that none of decisions delivered by the Supreme Court has been discussed by this case on the points raised by the plaintiff in the present case. Those decisions are directly applicable to the facts and issues in the matter. Thus, the decisions referred to by the counsel are distinguishable in view of settled law of Apex Court for the last sixty years.

13. As regards other plea raised by the defendants, she submits that at the time of filing of the suit, the plaintiff had correctly disclosed that the defendants' product is not openly available in the market, but at the same time the plaintiff had placed on record the following facts relating to the defendants in the plaint. In para 18, a reference to the defendant's website www.aureatehealthcare.com was given. In para 17 it was submitted that the defendants have also copied the variants of the plaintiff's trademark. The product packaging of the defendant as displayed by them on their website was incorporated in the plaint in para 18. The website printouts of defendant's website were placed on record. So she has explained that there has been no misrepresentation of facts by the plaintiff as is being alleged by the defendant. All the facts available at that time with the plaintiff have been duly placed on record.

14. The plaintiff has denied that the defendants claim that they have been marketing and selling the product since 2006. This claim of the defendants is not established in any manner whatsoever from any of the documents filed on record by the defendants. The documents filed by the defendants also reveal that the defendants do not have any drug approval for manufacturing this product. The only approval placed on record by the defendants are relating to "License to sell, stock or exhibit or other sale or distribute by wholesale drugs specified in Schedule C, C1 and X". A perusal of The Drugs and Cosmetics Act, 1940 and the Rules thereunder reveals that these rules deal with non-medicinal preparation like "Biological and Special Medicinal product (Schedule C) and Other Special Products (Schedule C1). These appear to be diagnostic and medicinal devices and not actual medicines and drugs. In any event, the license of the defendants is for doing wholesale business. There is no Drug approval for manufacture of PANTOBLOC in favour of the defendants.

15. Thus, counsel for the plaintiff submits that the plaintiff has established its prima facie case and the balance of convenience is also in favour of the plaintiff. It is submitted that the interim injunction in favour of the plaintiff is liable to be confirmed.

16. Both sides have made their respective submissions in the interim applications. The order was reserved. Later on clarification was also sought. Both counsel have informed the Court that settlement in the matter is not possible as discussions took place earlier and order be passed in the pending applications.

17. Let me now deal with the main defence of the defendant that the two trade marks "PANTODAC" AND "PANTOBLOC" are dis-similar. The reason given by Mr. Mangla, learned counsel appearing on behalf of the defendant, is that the expression "PANTO" is a generic term which has been derived from the name of chemical salt PANTOPRAZOLE. As far as suffix components of both the marks i.e. DAC and BLOC are concerned, the same are totally different. Thus the question of infringement of trade mark does not arise.

18. The meaning of "deceptively similar" is defined in Section 2(1)(h):

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.

As per Section 31 of the Trade Marks Act, 1999 registration is the prima facie evidence of validity. The definition of Trademark is given in Section 2(m) read with Section 29(z)(b) which clearly indicates that any word in relation to goods for the purpose of indicating a connection in the course of trade can become a trademark.

19. Section 28(1) of the Act confers upon the registered proprietor of a trade mark, the exclusive right-upon a valid registration-to the use of the trade mark in relation to goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement in the manner provided by the Act. Defendants in the present case have not disputed that the plaintiff is the registered proprietor of the trade mark PANTODAC from 1996 and they are using the mark PANTOBLOC subsequent to the said period and the registration granted is without any disclaimer to the word PANTO. Admittedly, the defendants have challenged the registration of the plaintiff by means of rectification.

20. Section 29(1) provides that a registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

21. In case Section 28, 29 and 31 are read together in meaningful manner, nowhere it mandates that for the purpose of comparison of two rival marks in case of infringement it can be broken-up.

There is an age old principle that when statues provide for doing something in a certain manner, it has to be done in that manner alone, all other modes of performance are necessarily forbidden.

22. The Court in determining whether the Defendant's mark is deceptively similar to the mark of the Plaintiffs were enunciated in the judgment of Mr. Justice Parker in the Pionotist Case: 1906 (23) RPC 774 :

You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion - that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods - then you may refuse the registration, or rather you must refuse the registration in that case.

23. In AIR 1960 1 SC 142, Corn Products Refining Co. v. Shangrila Food Products Ltd. : the mark of the appellant, "GlucoVita", was registered. The Respondent applied for the registration of the mark "GluVita". The Deputy Registrar held that the mark proposed to be registered by the Respondent was not visually and phonetically similar. A Learned Single Judge of this Court held that the two marks were sufficiently similar so as to be reasonably likely to cause deception and confusion and held that the Respondent's mark could not be registered. A Division Bench on appeal held inter alia that there were a series of marks in which the prefix or suffix 'Gluco' or 'Vita' occurred and it could not be said that these common features were only associated with the appellant's case. The judgment of the Learned Single Judge was set aside. The Supreme Court set aside the judgment of the Division Bench of this Court and restored the order of the Learned Single Judge. The Supreme Court dealt with the finding of the Division Bench that trade marks with the prefix or suffix 'Gluco' and 'Vita' were common features of the trade and could not be associated only with the appellant's product, and observed thus:

The second point on which the learned appellate Judges based themselves in arriving at the conclusion that there was no reasonable apprehension of confusion or deception was, as we have earlier stated, that there were various trade marks with a prefix or suffix 'Gluco' or 'Vita' and that made it impossible to say that the common features 'Glu' and 'Vita' were only associated with the appellant's products. This view was founded on a passage which the learned appellate Judges quoted from Kerly on Trade Marks, 7th Edn., p.624. That passage may be summarised thus: Where there are a "series of marks, registered or unregistered, having a common feature or a common syllable, if the marks in the series are owned by different persons, this tends to assist the applicant for a mark containing the common feature. This statement of the law in Kerly's book is based on *In re: an Application by Beck, Koller and Co. (England) Ltd. (1947) 64 R.P. C. 76*. It is clear however, from that case, as we shall presently show, that before the applicant can seek to derive assistance for the success of his application from the presence of a number of marks having one or more common features which occur in his mark also, he has to prove that these marks had acquired a reputation by user in the market.

(Emphasis supplied)

Schedule H

24. In MANU/SC/0199/2001 : (2001) 5 SCC 73, Cadila Healthcare Ltd. Vs. Cadila Pharmaceuticals Ltd. the aspect of schedule H and L has also been dealt by the Supreme Court in great detail and also discussed English law while dealing with the issue of confusion and deception about the drugs which are sold on the prescription of the doctors. Various judgments in Cadila (supra) have been referred to.

a) In the case of American Cynamid Corporation Vs. Connaught Laboratories Inc. it was held as under:

Exacting judicial scrutiny is required if there is a possibility of confusion over marks on medicinal products because the potential harm may be far more dire than that in confusion over ordinary consumer products.

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 un-common that because of lack of competence or otherwise, mistakes can arise specially where the trade marks are deceptively similar.

b) In Blansett Pharmaceuticals Co. Vs. Carmick Laboratories Inc., 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.

c) In the case of Glenwood Laboratories, Inc. Vs. American Home Products Corp, the Court of

The fact that confusion as to prescription drugs could produce harm a contrast to confusion with respect to non-medicinal products as an additional consideration of the Board as is evident from that portion of the opinion in which the Board stated:.. "The products of the parties are medicinal and applicant's product is contraindicated for the disease for which opposer's product is indicated. It is apparent that confusion or mistake in filling a prescription for either product could produce harmful effects. Under such circumstances, it is necessary for obvious reasons, to avoid confusion or mistake in the dispensing of the pharmaceuticals.

The board's view that a higher standard be applied to medicinal products finds support in previous decisions of this Court, Clifton Vs. Plough ("It is necessary for obvious reasons, to avoid confusion in the dispensing of pharmaceuticals"), Campbell Products, Inc. Vs. John Wyeth & Bro. Inc. ("it seems to us that where ethical goods are sold and careless use is dangerous, greater care should be taken in the use of registration of trade marks to assure that no harmful confusion results").

d) In the case of R.J. Strassenburgh Co. Vs. Kenwood Laboratories, Inc. as noted in the decision of Morgenstern Chemical Company's case, it had been held that:

Physicians are not immune from confusion or mistake. Further more it is common knowledge that many prescriptions 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 filling the prescription if the marks appear too much alike when handwritten or sound too much alike when pronounced.

25. It is held in Cadila's case (supra) that in case of pharmaceutical products a stricter test is to be applied. Any confusion qua the drugs being sold under the marks which are deceptively similar is highly prejudicial to public health.

26. Now coming to the merit of the present, it is not in dispute that both parties have adopted the respective trademarks "PANTODAC" and "PANTOBLOC" in respect of pharmaceutical preparation in which prefix part PANTO has been taken from the chemical salt ingredient "PANTOPRAZOLE".

27. In pharmaceutical products, it has been noticed that generally while branding the same, the practice is to show some connection between the product with either of the following three factors :

- (a) The name of the disease;
- (b) The part of the chemical name of the bulk drug or parts of two drugs which form the ingredient of the medicine; or
- (c) The organ for which the product is intended.

28. Disputed facts in the present case are that :

1. That the plaintiff's trademark PANTODAC and defendants' trademark PANTOBLOC are deceptively similar and defendants' use thereof constitutes infringement.
2. That there is an extensive use of the word "PANTO" in common by various third parties in medicinal trade.

29. There are admittedly two set of decisions passed by many High Courts with regard to anti-dissection rule. In one set of the decisions, it has been held that for the purpose of comparison of two rival marks of the parties, they are to be compared as a whole irrespective of the fact as to whether any part of the mark; prefix or suffix is taken from name of the disease, chemical name and name of the organ. In the second set of the decisions, the view is taken by splitting mark in view of the decisions referred. In some cases, injunctions were granted on the ground that once a mark is registered if the defendant's mark is similar, the case of infringement is made out by holding that two rival marks of the parties are to be compared as a whole. In other set of cases, courts did not grant injunctions on the ground that part of the mark is derived from the chemical name, name of the disease and organ for which the product is intended. Thus, where no case of infringement was made out, the Court followed the practice of breaking the marks or their component parts for the purpose of comparison.

30. Various connected issues as well as issues involved in the present case have been dealt with and decided by the Supreme Court in the case of Cadila Healthcare Ltd. (supra) in which issue of seriousness of mis-branded products, issue of drug prescription and law on confusion and deception was set to rest with this judgment.

manupatra 31. In the case of Cadila (supra), the Apex Court considered a large number of judgments of foreign courts as also the Indian courts and laid down the following principles :

- (a) Though drugs are sold under prescription, the actual conditions of the society have to be kept in mind.
- (b) Dispensing of drugs by chemists in urban and rural areas as also the linguistic difference, lead to higher level of confusion.
- (c) Strict measures to prevent confusion especially in medicinal cases should be taken.
- (d) Public interest supports that a lesser degree of proof is required for a plaintiff to prove infringement in a pharmaceutical case if the marks are similar especially in medicinal cases.
- (e) Since confusion in drugs and medicines could be life threatening, drugs should be treated as poisons and not sweets.
- (f) In a society like India, doctors are under tremendous pressure and therefore, any confusion at their level should also be avoided.
- (g) Drugs are available on verbal requests even on telephone and therefore, there are higher chances of confusion.
- (h) Under Section 17B of the Drugs and Cosmetics Act, 1940 any drug which is an imitation or resemblance of another drug is in fact a "Spurious Drug" which even has penal consequences.

32. In the above said matter, a direction was also issued that before a drug is approved by the Drug Controller, the applicant must be directed to submit an official search report from the Trademark Registry in order to ensure that the drug authority is able to allot the correct brand name to the applicant.

A similar direction as issued in Cadila Healthcare was also issued by this Court in MANU/DE/0013/2003 : 2003 (26) PTC 200 (Del) para 19, Bio-Chem Pharmaceutical Industries Vs. Astron Pharmaceuticals & Assistant Registrar of Trade Marks which also is a case relating to generic descriptive medicinal brands. In this case, the learned Single Judge of this court issued a direction that even the trademark authority has to call for an official search report from the Drug Controller if a particular trademark relates to medicinal preparations (para 19 of the judgment). Despite these directions, nothing has been implemented till date.

33. Trend in the Supreme Court Post Cadila

In the post Cadila period, the Supreme Court has taken a same view as taken in the Cadila case while applying the same test in favour of the plaintiff even where the drugs have been descriptive.

In the judgment of 1999 PTC (19) (DB) 160, Allergan Inc Vs. Milment Oftho the Calcutta High Court Division Bench (Justice Ruma Pal and Justice Devinder Kumar Jain) was considering the case of Ocuflor. Ocu was derived from Ocular and Flox from Ciprofloxacin. Though the Division Bench judgment of Calcutta High Court was passed prior to Cadila, the court on the basis of trans-border reputation and keeping in view the interest of the public, injunctioned the use of Ocuflor. In para 36, the court holds :

To sum up : In the interest of the public there cannot be two medicinal preparations bearing the same name from different sources and with different compositions. One must go.

The Calcutta High Court issued an injunction against the defendant. This matter went to the Supreme Court and was decided in 2004 post Cadila.

34. The said judgment was challenged by the defendant in the Supreme Court, who after hearing both parties dismissed the appeal filed by the defendants. The judgment was passed in the case of MANU/SC/0512/2004 : 2004 (28) PTC 585 (SC), Milment Oftho Vs. Allergan Inc. The court noticed in para 2 that the defendant claims to coin the word from Ocular and Ciprofloxacin. In para 7, the Cadila judgment is specifically noticed. In para 8, the Supreme Court holds that exacting judicial scrutiny is required when a court is dealing with medicinal products. The court also holds that because of lack of competence, Schedule "H" drugs may still be sold across the counter and confusion and mistakes could arise. The entire opinion in Cadila is reiterated in para 9. The Apex Court says that:

....in present times and particularly in the field of medicines, the courts must also keep in mind the fact that nowadays, the field of medicine is of an international character.... The court must ensure that public interest is in no way imperiled.....

35. The Supreme Court in the case of MANU/SC/2133/2007 : 2007 (35) PTC 1 (SC), Dabur Vs. Heinz Italia, it was held that two trademarks were Glucose - D and Glucon - D. Both products contained Glucose power. The learned Single Judge of the Punjab and Haryana High Court had held that word Glucose being generic of the contents, no monopoly can be granted. The learned Single Judge of the High Court had refused to grant the injunction in this case. When this case came to the Supreme Court, the Court in fact reversed it and granted the injunction. The ratio of the Supreme Court contained in para 11 reiterates Cadila Healthcare while

manupatra granting the injunction and it was held that both Glucon D and Glucose D are items containing glucose which are phonetically so similar that it can easily confuse a purchaser and small changes in the packaging is merely an attempt to continue to mislead the purchasers and to make it more difficult for the owner to protect their mark.

36. It is also well established law that two rival marks to be compared as a whole. (See MANU/SC/0115/1959 : AIR 1960 SC 142, MANU/SC/0256/1962 : AIR 1963 SC 449 and MANU/SC/0197/1964 : AIR 1965 SC 980) In the case reported in MANU/SC/0256/1962 : AIR 1963 SC 449 : PTC (Suppl) (2) 1 (SC), Amritdhara Pharmacy v. Satya Deo Gupta the Apex Court on page 458 and Para 9 has observed as under :

We agree that the use of the word "dhara" which literally means "current or stream" is not by itself decisive of the matter. What we have to consider is the overall similarity of the composite word, having regard to the circumstance that the goods bearing the two names are medicinal preparations of the same descriptionA critical comparison of the two names may disclose some points of difference but an unwary purchaser of average intelligence and imperfect recollection would be deceived by the overall similarity of the two names...."(page 458 para 9).

37. In the case of MANU/SC/0197/1964 : AIR 1965 SC 980, Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories, it is held that in infringing cases only the rival marks are to be compared by the court if the defendant's mark is closely, visually and phonetically similar then no further evidence is required, even if get up packaging on the packing of two products in which they are offering their products are different in an action of infringement, the same is immaterial.

38. The anti-dissection rule which is under these circumstances required to be applied in India is really based upon nature of customer. It has been rightly set out in McCarthy on Trade Marks and Unfair Competition about the said rule particularly in para 23.15 which is reproduced hereunder:

23.15 Comparing Marks: Differences v. Similarities

[1] The Anti-Dissection Rule

[a] Compare composites as a Whole Conflicting composite marks are to be compared by looking at them as a whole, rather than breaking the marks up into their component parts for comparison. This is the "anti-dissection" rule. The rationale for the rule is that the commercial impression of a composite trademark on an ordinary prospective buyer is created by the mark as a whole, not by its component parts. However, it is not a violation of the anti-dissection rule to view the component parts of conflicting composite marks as a preliminary step on the way to an ultimate determination of probable customer reaction to the conflicting composites as a whole. Thus, conflicting marks must be compared in their entireties. A mark should not be dissected or split up into its component parts and each part then compared with corresponding parts of the conflicting mark to determine the likelihood of confusion. It is the impression that the mark as a whole creates on the average reasonably prudent buyer and not the parts thereof, that is important. As the Supreme Court observed: "The commercial impression of a trademark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety."

The anti-dissection rule is based upon a common sense observation of customer behavior: the typical shopper does not retain all of the individual details of a composite mark in his or her mind, but retains only an overall, general impression created by the composite as a whole. It is the overall impression created by the mark from the ordinary shopper's cursory observation in the marketplace that will or will not lead to a likelihood of confusion, not the impression created from a meticulous comparison as expressed in carefully weighed analysis in legal briefs. In litigation over the alleged similarity of marks, the owner will emphasize the similarities and the alleged infringer will emphasize the differences. The point is that the two marks should not be examined with a microscope to find the differences, for this is not the way the average purchaser views the marks. To the average buyer, the points of similarity are more important than minor points of difference. A court should not engage in "technical gymnastics" in an attempt to find some minor differences between conflicting marks. However, where there are both similarities and differences in the marks, there must be weighed against one another to see which predominate.

The rationale of the anti-dissection rule is based upon this assumption: "An average purchaser does not retain all the details of a mark, but rather the mental impression of the mark creates in its totality. It has been held to be a violation of the anti-dissection rule to focus upon the "prominent" feature of a mark and decide likely confusion solely upon that feature, ignoring all other elements of the mark. Similarly, it is improper to find that one portion of a composite mark has no trademark significance, leading to a direct comparison between only that which remains.

Validity of registered Trade Mark

40. It is well settled that if the party is holding the valid registration and two rival marks are either identical with or deceptively similar in relation to the goods in which the trade mark is registered, a case of infringement is

a) In the case reported at AIR 1971 SC 898 : PTC (Supply) (1) 586 (SC) at page No. 903 National Bell Co. Vs. Metal Goods Manufacturing Co. Ltd., it was observed as under :

on registration of a trade mark the proprietor gets under Section 28 the exclusive right to the use of such trade mark in relation to goods in respect of which the trade mark is registered and to obtain relief in respect of any infringement of such trademark.

b) Again, in the case reported at MANU/SC/0204/1985 : AIR 1986 SC 137 : 1986 (6) PTC 71 (SC) American Home Products Corporation Vs. Mac Laboratories Pvt. Ltd. at page 155 it was observed as under :

when a person gets his trade mark registered he acquires valuable rights by reason of such registration.

c) In the case of 1999 PTC (19) 81 (Del) (para 15), Automatic Electric Limited v. R.K. Dhawan and Anr. and 1963 Madras page 12 head note S.A.P. Balraj and Ors. Vs. S.P.V. Nadar and Sons and Another, it was held that validity of the trademark cannot be challenged.

40. The case of the plaintiff is that they are the registered proprietor of the trade mark PANTODAC which is coined by the plaintiff in the year 1999. The said trade mark has a unique goodwill and reputation. The contention of the plaintiff is that the defendant is using the deceptively similar trade mark PANTOBLOC which is visually and phonetically similar. The two trade marks are to be compared as a whole. Since the plaintiff is the earlier user of the trade mark in question, thus, the case of infringement is made out.

41. Learned counsel for the plaintiff has referred to large number of decisions which have been delivered by the various High Courts. In support of her submission that two rival trade marks, namely, PANTODAC and PANTOBLOC are deceptively similar. I feel, it is not necessary to refer to all the decisions as principles laid down in those cases are almost the same. Only the decisions delivered by the Division Benches are given as under:-

Sr. No.	Case Name	Citation	Name of Drug by the parties	Compound of Origin	Allowed/ Restrained
i)	Anglo-French Drug Co. (Eastern) Ltd. Vs. Belco Pharma	MANU/PH/0185/1984 : AIR 1984 P&H 430 (DB)	Beplex(P) Beplex(D)	Vitamin-B Complex	Injunction granted
ii)	Allegran Inc., Vs. Milment Oftho Inds.	1999 (19) PTC 160 (Cal) (DB)	Ocuflox Ocuflox	Ocu-ocular Flox- Ciprofloxacin	Injunction granted
iii)	Astra-Idl Limited Vs. Ttk Pharma Limited	MANU/MH/0009/1992 : AIR 1992 Bom 35	Betaloc(P) Betalong(D)	Beta receptors – arteries – drug was to work on this part of body	Injunction granted
iv)	Medley Laboratories (P) Ltd. & Anr. Vs. Alkem Laboratories Limited	2002 (25) PTC 593 (Bom.) (DB)	Spoxin(P) Supaxin(D)	Sparfloxacin	Injunction granted
v)	Sun Pharmaceutical Industries Vs. Cadila Healthcare Ltd.	MANU/TN/3536/2009 : 2010 (43) PTC 483 (Mad) DB	VENIZ (P) VENZ (D)	Venlajaxine	Injunction granted
vi)	Apex Laboratories Ltd. Vs. Zuventus Health Care Ltd.	MANU/TN/9346/2006 : 2006 (33) PTC 492 (Mad) DB	ZINCOVIT (P) ZINCONIA (D)	Zinc	Injunction granted
vii)	Torrent Laboratories Ltd. Vs. Ciba-Geigy Ltd.	MANU /GJ/ 0344/ 1998 (DB)	CIBA (P) ULCIBAN (D)	CLIMETIDINE	Appeal allowed Trademark granted
viii)	United Biotech Pvt. Vs. Orchid Chemicals & Pharmaceuticals Ltd.	2012 (5) PTC 433 (Del.) (DB)	ORZID (P) FORZID (D)	CEFTAZIDINE	Division Bench held marks are similar
ix)	Pankaj Goel Vs. Dabur India Ltd.	MANU/DE/2271/2008 : 2008 (38) PTC 49 (Del.) (DB)	RASMOLA (A) HAJMOLA (R)	Digestive tables	Appeal dismissed Injunction granted

42. In the recent judgment given by the Division Bench of this Court comprising A.K. Sikri, Hon'ble Acting Chief Justice and Rajiv Sahai Endlaw, J. in the case of United Biotech (P) Ltd. (supra) in which law pertaining

to anti-dissection rule as well as the test of deceptively similarity have been dealt with in great detail. The Division Bench has also laid down the rules of comparison in para 32 of the judgment. Two rival trade marks in the matter decided by the Division Bench were ORZID and FORZID and it was held that two trade marks are visually and phonetically similar and would cause deception in the minds of the consumer in relation to medicine. The relevant paras of this judgment read as under:

30. The law on this aspect, where the Courts are called upon to consider the deceptive similarity between the two marks is firmly engraved in a series of judgments pronounced by the Courts in the last half century or more. Many are cited by the learned counsel for the appellant, note whereof is taken above. Judgment of Supreme Court in the case of Cadila Health Care Limited (supra), which deals with pharmaceutical preparations, is a milestone on law relating to drugs. Application of the principles laid down in this judgment can be found in scores of subsequent judgments of this Court and other High Courts. The position which emerges from the reading of all these judgments can be summarized in the following manner:

In such case, the central issue is as to whether the Defendant's activities or proposed activities amount to a misrepresentation which is likely to injure the business or goodwill of the plaintiff and cause damage to his business or goodwill. To extend this use to answer this, focus has to be on the aspect as to whether the defendant is making some representation in course of trade to prospective customers which is calculated to injure the business or goodwill of the plaintiff thereby causing damage to him. In the process, difference between the confusion and deception is to be understood. This difference was explained by Lord Denning in "Difference: Confusion & Deception" in the following words:

"Looking to the natural meaning of the words, I would make two observations: first, the offending mark must "so nearly resemble" the registered mark as to be "likely" to deceive or cause confusion. It is not necessary that it should be intended to deceive or intended to cause confusion. You do not have to look into the mind of the user to see what he intended. It is its probable effect on ordinary people which you have to consider. No doubt if you find that he did intend to deceive or cause confusion, you will give him credit for success in his intentions. You will not hesitate to hold that his use of it is likely to deceive or cause confusion. But if he had no such intention, and was completely honest, then you will look carefully to see whether it is likely to deceive or cause confusion before you find him guilty of infringement.

Secondly, "to deceive" is one thing. To "cause confusion" is another. The difference is this: when you deceive a man, you tell him a lie. You make a false representation to him & thereby cause him to believe a thing to be true which is false. You may not do it knowingly, or intentionally, but you still do it, & so you deceive him. But you may cause confusion without telling him a lie at all, & without making any false representation to him. You may indeed tell him the truth, the whole truth & nothing but the truth, but still you may cause confusion in his mind, not by any fault of yours, but because he has not the knowledge or ability to distinguish it from the other pieces of truth known to him or because he may not even take the trouble to do so.

31. While examining the question of misrepresentation or deception, comparison has to be made between the two trademarks as a whole. Rules of Comparison was explained by Justice Parker in the following words:

You must take the two words. You must judge of them, both by their look & by their sound. You must consider the goods to which they are to be applied. You must consider the nature & kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trademark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be confusion- that is to say, not necessarily that one man will be injured & the other will gain illicit benefit, but that there will be confusion in the mind of the public which will lead to confusion in the goods- then you may refuse the registration, or rather you must refuse the registration in that case.

32. Following Rules of Comparison can be culled out from various pronouncements of the Courts from time to time.

- I. Meticulous Comparison not the correct way.
- II. Mark must be compared as a whole.
- III. First Impression.

IV. Prima Facie view not conclusive.

V. Structural Resemblance.

VI. Similarity in Idea to be considered.

33. In this process, first, plaintiff is required to prove the following:

- (i) The business consists of, or includes selling a class of goods to which the particular trade name applies;
- (ii) That the class of goods is clearly defined & is distinguished in the public mind from other goods;
- (iii) Because of the reputation of the goods, there is goodwill in the name;
- (iv) The Plaintiff is a member of the class selling the goods is the owner of goodwill which is of substantial value;
- (v) He has suffered or is likely to suffer damage.

34. While comparing the few marks in order to see as to whether there is likelihood of confusion or not, following words of wisdom of the Supreme Court in *Laxmikant V. Patel Vs. Chetanbhai Shah and Another*, MANU/SC/0763/2001 : (2002) 3 SCC 65 also need to be kept in mind:

10. A person may sell his goods or deliver his services such as in case of a profession under a trading name or style. With the lapse of time such business or services associated with a person acquire a reputation or goodwill which becomes a property which is protected by courts. A competitor initiating sale of goods or services in the same name or by imitating that name results in injury to the business of one who has the property in that name. The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that the goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.

35. We would like to quote from the following passage from the book "The Modern Law of Trade Marks" authored by Christopher Morcom, Butterworths 1999, which finds approval by the Supreme Court in *Ramdev Food Products Ltd.* (supra):

The concept of distinguishing goods or services of the proprietor from those of others was to be found in the requirements for a mark to be registrable. Essentially, whatever the wording used, a trade mark or a service mark was an indication which enabled the goods or services from a particular source to be identified and thus distinguished from goods or services from other sources. In adopting a definition of 'trade mark' which simply describes the function in terms of capability of 'distinguishing the goods or services of one undertaking from those of other undertakings' the new law is really saying precisely the same thing.

37. The perusal of the judgment of the learned Single Judge would further demonstrate that "Anti-dissection Rule" is discussed and applied holding that such a dissection is generally not permissible and can be applied only in exceptional cases. After taking note of the law on subject, the dissection of marks as suggested by the appellant is termed as "artificial one". We would do nothing but to extract the said discussion from the impugned order as we are in agreement with the same: "23. No fault can also be found with the approach of the IPAB in comparing the two competing marks as a whole. That is in fact the rule and the dissection of a mark is an exception which is generally not permitted. The anti dissection rule is based upon a common sense observation of customer behaviour as explained in *McCarthy on Trade Marks and Unfair Competition* [J Thomas McCarthy, IV Ed., Clark Boardman Callaghan 2007] under the sub-heading "Comparing Marks: Differences and Similarities". The treatise further states:

23.15.... The typical shopper does not retain all of the individual details of a composite mark in his or her mind, but retains only an overall, general impression created by the composite as a whole. It is the overall impression created by the mark

from the ordinary shopper's cursory observation in the marketplace that will or will not lead to a likelihood of confusion, not the impression created from a meticulous comparison as expressed in carefully weighed analysis in legal briefs."

In litigation over the alleged similarity of marks, the owner will emphasize the similarities and the alleged infringer will emphasize the differences. The point is that the two marks should not be examined with a microscope to find the differences, for this is not the way the average purchaser views the marks. To the average buyer, the points of similarity are the more important than minor points of difference. A court should not engage "technical gymnastics" in an attempt to find some minor differences between conflicting marks. However, where there are both similarities and differences in the marks, there must be weighed against one another to see which predominate."

24. The dissection of the marks as suggested by learned counsel for UBPL is an artificial one. He wanted "ZID" which was the generic part of the marks to be substituted by some other word like "TIS" or "BES" and then the two marks to be compared. This submission is based on the decision in Astrazeneca UK Limited where "Mero" was identified as the generic part of the mark derived from the active pharmaceutical ingredient. In the first place, no such submission appears to have been made before the IPAB. Secondly, the type of dissection suggested, i.e. separating "FOR" and "ZID" and then replacing "ZID" with "another word "TIS" before comparing the marks does not appear to be permissible in law. As already noticed it is not just the generic part "ZID" that is common to both marks. The further prefix "OR" too is common. In other words, "ORZID" is common to both marks. No parallel can therefore be drawn with the facts in Astrazeneca UK Limited. A person of average intelligence and imperfect recollection seeking to buy CEFTAZIDIME injection would hardly undertake any "dissection" exercise, much less in the manner suggested by learned counsel for UBPL, to discern the fine distinction between the marks. Also, unlike a consumer durable product, the variations in the size of font, colour scheme, trade dress of the label for a medicine would not make much of a difference. In the considered view of the Court, the IPAB has applied the correct test in coming to the conclusion that FORZID is deceptively similar to ORZID.

43. Hon'ble Division Bench of this Court in the case of United Biotech (P) Ltd. (supra) after referring to various decisions including the decision referred by the defendant's counsel has followed the "anti-dissection rule" as set out in McCarthy on Trade Marks and Unfair Competition which was not applied in the cases referred by the defendant. In fact the said law had been applied in India for the last five decisions by Hon'ble Supreme Court in three judgments delivered by the Supreme Court in the cases reported in Corn Products Refining (supra), Amritdhara Pharmacy (supra) and Kaviraj Pandit Durga Dutt Sharma (supra).

44. Of course, there is restriction imposed to any trader in the decisions referred to above not to use the entire generic or part of component exclusively which may have been taken from the name of the disease, part of chemical name of bulk drug which form the ingredient of the medicine. But, apparently a party is not entitled to add the word along with that either prefix or suffix thereof in the manner which may create confusion and deception when the two rival marks of the parties are compared as a whole. By creating and designing the mark in this fashion to create confusion and deception by the adoption and use of the same would not be considered as bonafide.

45. In case the law referred is applied in meaningful manner then it is clear that the use of the trade mark by the defendant PANTOBLOC is deceptively similar with the trade mark of the plaintiff PANTODAC who has made a strong case for infringement of trade mark.

Common to the trade

46. With regard to second main defence taken by the defendants about the common use of the prefix PANTO with or without any similar combination is concerned, in the written-submissions the defendants have referred the detailed list of the parties and search report, who have applied for registration of the trade mark which are similar to the mark of the plaintiff or defendants. Ms. Prathiba M. Singh has argued that the plaintiff taken action against many parties who are actually using the trade mark and their products are available in the market. In the present, the defendants have not placed the actual use or samples of the said parties otherwise action would have been taken. It is true that no material about the user and samples of parties have been produced. Law with this regard is quite settled for the last more than fifty years. Few decisions are referred to as under:

a. In Corn Products Refining Co. (supra), it was held as under:

15. The series of marks containing the common element or elements therefore only assist the applicant when those marks are in extensive use in the market. The onus of proving such user is of course on the applicant, who wants to rely on those marks. Now in the present case the applicant, the respondent before us, led no evidence as to the user of marks with the common element. What had

happened was that Deputy Registrar looked into his register and found there a large number of marks which had either 'Gluko' or 'Vita' as prefix or suffix in it. Now of course the presence of a mark in the register does not prove its user all. It is possible that the mark may have been registered but not used. It is not permissible to draw any inference as to their user from the presence of the marks on the register. If any authority on this question is considered necessary, reference may be made to Kerly p. 507 and Willesden Varnish Co. Ltd. v. Young & Marten Ltd. [39 R.P.C. 285 p. 289]. It also appears that the appellant itself stated in one of the affidavits used on its behalf that there were biscuits in the market bearing the marks 'Glucose Biscuits', 'Gluko biscuits' and 'Gluko Lactine biscuits'. But these marks do not help the respondent in the present case. They are ordinary dictionary words in which no one has any right. They are really not marks with a common element or elements. We, therefore, think that the learned appellate Judges were in error in deciding in favour of the respondent basing themselves on the series marks, having 'Gluko' or 'Vita' as a prefix or a suffix.

b. In 1989 (7) PTC 14, Express Bottlers Services Pvt. Ltd. Vs. Pepsi Inc. & Others, it was held as under:

...To establish the plea of common use, the use by other persons should be shown to be substantial. In the present case, there is no evidence regarding the extent of the trade carried on by the alleged infringers or their respective position in the trade. If the proprietor of the mark is expected to pursue each and every insignificant infringer to save his mark, the business will come to a standstill. Because there may be occasion when the malicious persons, just to harass the proprietor may use his mark by way of pinpricks... The mere use of the name is irrelevant because a registered proprietor is not expected to go on filing suits or proceedings against infringers who are of no consequence... Mere delay in taking action against the infringers is not sufficient to hold that the registered proprietor has lost the mark intentionally unless it is positively proved that delay was due to intentional abandonment of the right over the registered mark. This Court is inclined to accept the submissions of the respondent No. 1 on this point... The respondent No. 1 did not lose its mark by not proceeding against insignificant infringers...

c. In 2004 (29) PTC 435, Dr. Reddy Laboratories v. Reddy Pharmaceuticals, it was held as under:

...the owners of trade marks or copyrights are not expected to run after every infringer and thereby remain involved in litigation at the cost of their business time. If the impugned infringement is too trivial or insignificant and is not capable of harming their business interests, they may overlook and ignore petty violations till they assume alarming proportions. If a road side Dhaba puts up a board of "Taj Hotel", the owners of Taj Group are not expected to swing into action and raise objections forthwith. They can wait till the time the user of their name starts harming their business interest and starts misleading and confusing their customers.

d. In MANU/DE/0153/1977 : AIR 1978 Delhi 250, Century Trades Vs. Roshan Lal Duggar & Co. and Others, it was held as under:

21. We now come to the question of balance of convenience. It has been urged on behalf of the respondents that the mark "RAJRANI" is common to the trade and for this purpose reliance has been placed on the registration in Andhra Pradesh and Amritsar. There is a distinction between a mark being "common on the registered" and "common to the trade". There is no evidence on record to show that there is actual user of this mark by any party other than the parties before us. Inasmuch as trade mark is property right, an invasion of it should be protected and the balance of convenience would obviously be in favour of the appellant who was admittedly the first user of this mark.

47. Thus, the abovementioned defence is without any force in the absence of cogent and clear evidence.

48. Now, with regard to question of delay, defendants submit that they have been using the mark in question since the year 2006 and the present suit was filed after five years and the plaintiff had the knowledge about

the use, thus there is delay in bringing an action. Thus, the plaintiff is not entitled to discretionary relief of injunction. Though there is no clinching, cogent and clear evidence available on record to show that the plaintiff was definitely aware about such user, but the defendants have certain documents which indicate that they had been directly or indirectly using the mark PANTOBLOC since the year 2006. Now the question before this Court is as to whether such delay is fatal to the case of the plaintiff who is seeking injunction against the defendants.

49. Few decisions on the aspect of delay are referred as under:

a) In the case of Midas Hygiene Industries Pvt. Ltd. vs. Sudhir Bhatia and others, reported in 2004 (28) PTC 121, relevant para-5 of the said judgment is as under:

5. The law on the subject is well settled. In cases of infringement either of Trade Mark or of Copyright normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the Mark was itself dishonest.

b) In the case of Swarn Singh vs. Usha Industries (India) and Anr., reported in MANU/DE/0366/1985 : AIR 1986 Delhi 343 (DB) it was held as under:

There is then the question of delay. Learned counsel for the respondents had urged that the delay is fatal to the grant of an injunction. We are not so satisfied. A delay in the matter of seeking an injunction may be a ground for refusing an injunction in certain circumstances. In the present case, we are dealing with a statutory right based on the provisions of the trade and Merchandise Marks Act, 1958. An exclusive right is granted by the registration to the holder of a registered trade mark. We do not think statutory rights can be lost by delay. The effect of a registered mark is so clearly defined in the statute as to be not capable of being misunderstood. Even if there is some delay, the exclusive right cannot be lost. The registered mark cannot be reduced to a nullity.....

c) In the case of Hindustan Pencils Pvt. Ltd. Vs. M/s India Stationery Products Co., reported in MANU/DE/0383/1989 : AIR 1990 DELHI 19, it was held as under:

29. If an action is taken by the registered owner and no interim injunction is granted, the effect is that goods bearing the infringing mark or spurious goods would continue to be sold in the market. After a number of years when the case is finally disposed of, after trial, and the plaintiff succeeds and gets a permanent injunction then, possibly, the plaintiff may also be compensated by his being awarded damages or an account of profits. In that sense the non-grant of the interim injunction would not, ultimately, prejudice the plaintiff for he may be compensated with payment of money but during this period when the defendant is allowed to continue to infringe the intellectual property it is the consumer or the purchaser who alone suffers and who ultimately cannot be compensated. Therefore, in order to curb the menace of manufacture, production and sale of spurious goods and the blatant violation of intellectual property it will be proper for the Court to take into consideration the interest of the general public. In this regard reference may usefully be made to the following observations of McCarthy at page 346, para 30.21, which deals with the protection of third parties:

Some Courts also consider the necessity of protecting third parties. In trade mark infringement cases, "third parties" means the buying public. If the equities are closely balanced, the right of the public not to be deceived or confused may turn the scales in favor of a preliminary injunction.

30. It would appear to be difficult to accept that relief of temporary injunction should not be granted, because of the delay on the part of the plaintiff, even though the Court feels, at that point of time, that, ultimately permanent injunction will have to be granted.

31. Even though there may be some doubt as to whether laches or acquiescence can deny the relief of a permanent injunction, judicial opinion has been consistent in holding that if the defendant acts fraudulently with the knowledge that he is violating the plaintiff's rights then in that case, even if there is an inordinate delay on the part of the plaintiff in taking action against the defendant, the relief of injunction is not denied. The defense of laches or inordinate delay is a defense in equity. Inequity both the parties must come to the Court with clean hands. An equitable defense can be

put up by a party who has acted fairly and honestly. A person who is guilty of violating the law or infringing or usurping somebody else's right cannot clarify the continued misuse of the usurped right. It was observed by Romer, J. in the matter of an application brought by J. R. Parkington and Co. Ltd., (1946) 63 RPC 171 at page 181 that "in my judgment, the circumstances which attend the adoption of a trade mark in the first instance are of considerable importance when one comes to consider whether the use of that mark has or has not been a honest user. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently". It was further noted by the learned Judge in that case that he could not regard the discreditable origin of the user as cleansed by the subsequent history. In other words, the equitable relief will be afforded only to that party who is not guilty of a fraud and whose conduct shows that, there had been, on his part, an honest concurrent user of the mark in question. If a party, for no apparent or a valid reason, adopts, with or without modifications, a mark belonging to another, whether registered or not, it will be difficult for that party to avoid an order of injunction because the Court may rightly assume that such adoption of the mark by the party was not an honest one. The Court would be justified in concluding that the defendant, in such an action, wanted to cash in on the plaintiff's name and reputation and that was the sole, primary or the real motive of the defendant adopting such a mark. Even if, in such a case, there may be an inordinate delay on the part of the plaintiff in bringing a suit for injunction, the application of the plaintiff for an interim injunction cannot be dismissed on the ground that the defendant has been using the mark for a number of years. Dealing with this aspect Harry D. Nims in his "The Law of Unfair Competition and Trade Marks", Fourth Edition, Volume Two at page 1282 noted as follows:

Where infringement is deliberate and willful and the defendant acts fraudulently with knowledge that he is violating plaintiff's rights, essential elements of estoppel are lacking and in such a case the protection of plaintiff's rights by injunctive relief never is properly denied. "The doctrine of estoppel can only be invoked to promote fair dealings

d) In the case of *M/s. Bengal Waterproof Limited Vs. M/s. Bombay Waterproof Manufacturing Company and another*, reported in MANU/SC/0327/1997 : AIR 1997 SC 1398, it was held as under:

20.....It is now well settled that an action for passing off is a common law remedy being an action in substance of deceit under the Law of Torts. Wherever and whenever a fresh deceitful act is committed the person deceived would naturally have a fresh cause of action in his favour. Thus every time when a person passes off his goods as those of another he commits the act of such deceit. Similarly whenever and wherever a person commits breach of a registered trade mark of another he commits a recurring act of breach or infringement of such trade mark giving a recurring and fresh cause of action at each time of such infringement to the party aggrieved. It is difficult to agree how in such a case when in historical past earlier suit was disposed of as technically not maintainable in absence of proper relief, for all times to come in future defendant of such a suit should be armed with a license to go on committing fresh acts of infringement and passing off with impunity without being subjected to any legal action against such future acts.

50. In view of law settled on this aspect of delay in the cases of infringement of trade marks, the delay, if any, in the present case is not fatal to the case of plaintiff for grant of injunction at this stage. Even otherwise, this Court is of the view that in the pharmaceutical cases where the prima facie infringement is established, the Court should take liberal approach in case of delay if any, as it is the duty of the Court to protect the interest of consumers.

51. No other arguments were addressed by the learned counsel for the defendants. Under these circumstances, this Court is of the view that the plaintiff has been able to make a strong prima facie case for grant of interim order. Since the plaintiff is the registered proprietor of the trade mark PANTODAC and the same has been used earlier than the defendants, thus, the balance of convenience also lies in favour of the plaintiff and against the defendants. In case the injunction order is not passed, the plaintiff will suffer irreparable loss and injury. Ex-parte ad-interim injunction granted on 1st February, 2011 thereby restraining the defendant No. 1 from using the trade mark "PANTOBLOC" or any other mark which is identical or deceptively similar to the plaintiff's registered trade mark "PANTODAC" is made absolute. The defendants' application under Order XXXIX, Rule 4 CPC is rejected. The finding given in these applications are tentative and the merit of the same shall not have any bearing when the main suit would be decided at the final stage after trial.

The suit proceedings are expedited. Following issues are framed:

1. Whether the plaintiff is the registered proprietor of the trade mark PANTODAC registered under 723200 as of 30th October, 1996 in class 5? OPP
2. Whether the trade marks PANTODAC and PANTOBLOC are not deceptively similar with each other? OPD
3. Whether the use of the trade mark PANTOBLOC by the defendant amounts to infringement of registered trade mark PANTODAC of the plaintiff? OPP
4. Whether the defendant is passing off their goods as that of the plaintiff by using the trade mark PANTOBLOC in relation to same medicines? OPP
5. Relief.

The plaintiff is granted six weeks time to produce the evidence by way of affidavit. Mr. Dinesh Dayal, retired Additional and Sessions Judge, 9, Upper Bela Road, Civil Lines, Delhi (Ph. Nos.23955012/9810100200), is appointed as a Court Commissioner to record the evidence of the parties. Let the matter be listed before the Court Commissioner on 16th August, 2012 for directions regarding the recording of evidence of the parties in the High Court premises. The fee of the Court Commissioner is fixed at Rs.80,000/- which shall be paid by the plaintiff at this stage. The remaining fee would be fixed by the Court depending upon the work. The Dealing Assistant of the matter will produce the record of the case before the Court Commissioner on all the dates fixed by him for the purpose of recording the evidence of the parties. He be paid diet money as per rules, by the parties concerned. A copy of this order be sent to the Court Commissioner.

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