

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Decided on :25.04.2014

+ **I.A. No.23086/2012 in CS(OS) No.3534/2012**

ABBOTT HEALTHCARE PVT. LTD.Plaintiff

Through Mr.Manav Kumar, Advocate

versus

RAJ KUMAR PRASAD & ORS.Defendants

Through Mr.Mohan Vidhani, Mr.Rahul
Vidhani and Mr.Arun K.Jain,
Advocates

CORAM:

HON'BLE MR. JUSTICE JAYANT NATH

JAYANT NATH, J.

I.A. No.23086/2012

1. The present application is filed under Order 39 Rules 1 and 2 CPC seeking injunction to restrain the defendants etc. from manufacturing or offering for sale medicinal or pharmaceutical preparations under the trademark 'AMAFORTEN' or any other mark deceptively similar to the plaintiff's registered trademark 'ANAFORTAN'. Other connected reliefs are also sought for. The accompanying plaint is filed by the plaintiff stating that it is a wholly owned subsidiary of Abbott Laboratories, Chicago, USA which was founded in the year 1888. The trademark 'ANAFORTAN' is stated to be an invented mark having no dictionary meaning. It is also not derived from any principal ingredient/formulation of the drug. The said mark has the active ingredient of 'Camylofin Dihydrochloride with Paracetamol'. The said mark was originally stated to be owned by Khandelwal Laboratories Pvt.Ltd. (KLPL) who was stated to be registered proprietor of the said mark in respect of medicinal and pharmaceutical

veterinary preparations since 1.12.1998. On 15.4.2008 the said Khandelwal Laboratories Private Limited entered into an agreement of 'Brand Transfer and Knowhow License Agreement' with Nicholas Piramal India Ltd. (NPIL) whose name was later on changed to Piramal Healthcare Limited. The said Piramal Healthcare Limited assigned the trademark to the plaintiff vide Agreement dated 8.9.2010. The plaintiff vide application dated 21.2.2011 had sought to bring on record the change of proprietor of the trademark registered with the Trade Marks Registry.

2. It is stated that the plaintiff's medicinal preparations with the mark 'ANAFORTAN' are extremely popular and widely distributed all over India. It is stated that the said mark was used by the plaintiff's predecessor for decades and now the plaintiff by way of extensive use has acquired a considerable reputation as a quality pharmaceutical product. It is stated that the sales figures from September 2010 to December 2010 was ₹7.840 crores and from January to December 2011 the sales figures are said to be ₹23.047 crores. Hence, on the basis of the above facts it is stated that the superior quality of the products sold and marketed by the plaintiff under the said trademark 'ANAFORTAN' has acquired valuable goodwill and reputation which extends throughout India. The plaintiff's trademark is said to be recognised and associated extensively with the plaintiff.

3. Regarding the defendants it is stated that defendant No.1 is the sole proprietorship concern of Birani Pharmaceuticals and is said to be carrying on business from Patna, Bihar and is a marketer of pharmaceutical and medicinal preparations. The said defendant No.1 is stated to be marketing the drug containing 'Camylofin Dihydrochloride with Paracetamol' in the form of Tablets under the brand name 'AMAFORTEN' which is similar to the plaintiff's product 'ANAFORTAN'. Defendant No.2 is stated to be a

private limited company which is stated to be engaged in manufacturing of the drug for defendant No.1. Plaintiff states that in July 2012 through market enquiries it came to know about the unauthorised use of the 'AMAFORTEN' mark by the defendants. It also came to know that defendant No.1 has surreptitiously registered the similar mark 'AMAFORTEN' in Class 5. It is stated that the plaintiff intends to file rectification proceedings against the aforesaid registration of defendant No.1 as the said mark is said to have been registered in bad faith and the mark has invalidly remained on the Register. It is stated that a lot of efforts were made by the plaintiff to locate the identity of the person manufacturing and selling the drug with the impugned trademark as the product that was being sold was on a very small scale and was not in an organised manner.

4. The trademark of the defendant 'AMAFORTEN' is stated to be deceptively similar to the plaintiff's registered trademark. The mark is phonetically, visually and structurally similar to the plaintiff's registered trademark. The defendant has also copied the colour of the strip and packaging of the plaintiff's product. The same golden colour has been adopted by the defendant for selling his medicines. Even the outer packaging is stated to be a substantial reproduction of the plaintiff's packaging thereby amounting to infringement of plaintiff's copyright in the distinctive colour of the strip of the packaging. The adoption of identical colour on the strips by the defendant is stated to be a deliberate attempt to cash the goodwill and reputation of the plaintiff.

5. It is further urged that the two medicines in question have the same formula and same compound and have the same therapeutic use i.e. for relief in abdominal pain and intestinal colic. Hence confusion and/or deception are bound to arise.

6. It is urged that by virtue of prior adoption, prior use, prior registration and extensive publicity and promotion, the trademark 'ANAFORTAN' of the plaintiff has earned substantial goodwill and reputation. It is further submitted that the defendants by using a virtually identical mark and blister packaging in relation to identical goods is making a deliberate attempt to pass off its goods as those of the plaintiff.

7. Hence, the present Suit has been filed seeking a decree of permanent injunction and appropriate order for delivery of goods.

8. The defendant has filed the written statement. It is urged in the written statement that the Suit is an abuse of the process of law and is barred under Section 28(3) read with section 30(2) (e) of the Trade Marks Act, 1999 and is liable to be dismissed inasmuch as defendant No.1 is the registered proprietor of the impugned mark 'AMAFORTEN' in class 5 against which the present Suit has been filed. It is further urged that the defendants are also protected under sections 33 and 34 of the Trade Marks Act.

9. It is next submitted that this Court lacks territorial jurisdiction to try and entertain the Suit inasmuch as it is urged that the plaintiff cannot invoke jurisdiction as per provisions of Section 134 of the Trade Marks Act. It is further stated that the plaintiff has made a concocted statement in paragraph 27 of the plaint that the products of the defendants under the impugned mark and packaging are being sold and marketed within the jurisdiction of this Court. It is urged that no evidence to this effect has been placed on record. It is urged that the defendants are situated outside the territorial jurisdiction of this Court. It has also been stated that there is no evidence that the plaintiff has its office in Delhi. Hence the plaint is liable to be returned.

10. It is next urged that this Court does not have the pecuniary jurisdiction

to try the Suit as relief has been prayed for damages for ₹20,00,100/- but the plaintiff has not claimed any relief for damages.

11. It is next alleged that the trademark of the plaintiff is neither registered nor properly stamped and is therefore liable to be impounded under Section 33 of the Stamp Act. It is claimed that the stamp duty on the Agreement dated 15.4.2008 comes approximately to ₹3,41,93,334/- and the stamp duty for deed of intellectual property assignment dated 8.9.2010 is chargeable with approximately ₹2,48,79,96,294/- and hence the said instrument is suffering from disability and cannot be admitted in evidence.

12. Apart from the above submissions the written statement simply denies all the averments and submissions made in the plaint.

13. Learned counsel appearing for the plaintiff have strenuously urged that Section 28(3) readwith Section 30(2)(e) of the Trademark Act does not bar the plaintiff from filing the present Suit. Reliance is placed on judgments of this Court in the case of *Clinique Laboratories LLC and Anr. vs. Gufic Limited and Anr., 2009(41) PTC 41(Del)* and *Rajnish Aggarwal & Ors. vs. M/s.Anantam, 2010(43) PTC 442(Del)* to contend that even where the trademarks of the plaintiff and defendant are registered a suit for injunction by the plaintiff can be filed and cannot be said to be barred. On the issue of territorial jurisdiction reliance is placed on Section 134(2) to contend that this Court would have the territorial jurisdiction. Reliance is placed on paragraph 27 of the plaint where it is stated that the plaintiff is carrying on business and voluntarily working within the territorial jurisdiction of this Court. Reliance is also placed on the judgement of this Court in the case of *Ford Motor Company and Anr. vs. C.R.Borman and Anr., 2009(39) PTC 76(Del)* to contend that once an averment is made in the plaint, the plaint cannot be thrown out without evidence on as to whether

this Court would have territorial jurisdiction. On the issue of pecuniary jurisdiction it is stated that the appropriate Court Fee has been paid and the valuation of the plaint is above ₹20 lacs. Hence, this Court has pecuniary jurisdiction to try the present Suit. On the Assignment Deed it is urged that the said deed has been appropriately stamped and the submissions of the defendant are vague. Reliance is placed on *M/s.Kisan Industries vs. M/s.Punjab Food Corporation and Another, AIR 1983 Del 387* to contend that the present stage where the issue of interim injunction is being looked into is not the appropriate stage to go into this aspect of Stamp Duty.

14. Learned counsel for the plaintiff has also relied upon a compilation of judgments to contend that in pharmaceutical preparations, strict measures to prevent confusion should be taken.

15. Learned counsel appearing for the defendant has reiterated the submissions in the written statement. He relies upon judgment of this Court in the case of *Micolube India Ltd. vs. Maggon Auto Centre & Another, 2008 (36) PTC 231 (Del)* to contend that in view of the Trade Marks Act the present Suit cannot be filed for infringement of trademark. He has also filed a compilation of judgments to support his contention about lack of territorial jurisdiction, lack of pecuniary jurisdiction and to contend that documents of the plaintiff are liable to be impounded for shortfall of Court Fees and to support his contention that the trademarks are not similar.

16. I will first deal with the submissions of the defendant pertaining to territorial jurisdiction of this Court. Section 134(2) of the Trade Marks Act provides that the District Court having jurisdiction includes a District Court within the local limits, of which the person instituting the suit actually or voluntarily resides or carries on business or personally works for gain.

17. In paragraph 27 of the plaint, the plaintiff has pointed out that it is

carrying on business and voluntarily working for gain within the jurisdiction of this Court. It has further been averred that the products of the defendant with the impugned trademark and packaging are being sold and marketed within the jurisdiction of this Court. In para 4 of the replication the address of the branch office and sales office in Delhi has been given, namely, the Branch Office being in Jasola Business District, New Delhi and Sales Office at Okhla Industrial Estate, Phase-III, New Delhi. Reference may also be had to the judgement of this Court in the case of *Ford Motor Company and Anr. vs. C.R.Borman and Anr.(supra)* where in para 18 it was held as follows:-

“18. Since the learned Single Judge has returned the Pleat for filing it before a court of appropriate jurisdiction, even though this was not the prayer of the Defendants, we think it expedient to consider the question of whether the Delhi High Court possesses territorial jurisdiction over the dispute. It has been noted that the pleadings necessary to maintain an action under Section 29 are contained in the Pleat. The action, therefore, is one of infringement of trademark, thereby attracting Section 134 of the Act. It has been asseverated in the Pleat that the plaintiffs carry on business in commercial quantities and have authorised agents in Delhi. The plaintiffs may eventually fail to prove and establish these assertions and it is at that juncture that the Pleat may have to be returned to it. At this stage, it is trite, that the pleadings have to be taken to be a correct narration of facts. We have already stated that we are unable to accept the argument of Mr. Banerjee that Dhodha House is an authority supporting a decision directing the dismissal of the Suit. This is for the reason that the Pleat does not rely solely on sales having been effected in New Delhi. Prima facie, therefore, the Delhi High Court possesses territorial jurisdiction to entertain the Suit. Whilst a Preliminary Issue may be struck in this regard, it would require evidence of the parties for it to be conclusively substantiated. In this analysis, the Pleat is also not liable to be returned.”

18. In view of the above legal position and the averments in the pleat as discussed above, at this juncture it is not possible to accept the contention of

the defendant in this regard. Prima facie this Court has territorial jurisdiction to entertain the suit. This is clear from para 27 of the plaint; which contention has to be accepted at this stage. It would be open for the defendant to press this relief at the time of framing of issues and disposal of the suit.

19. As far as the pecuniary jurisdiction is concerned para 28 of the plaint fixes the relief for damages @ ₹20,00,100/- and affixes the Court Fee of ₹80,004/-. For permanent injunction the value of the relief has not been stated but Court Fee of ₹5,000/- has been paid. Under Delhi High Court Act, 1966 this Court has the pecuniary jurisdiction to try all matters which are valued above ₹20 lacs. In view of the above, this Court would have the pecuniary jurisdiction to try the suit.

20. The next issue pertains to whether the Brand Transfer Agreement dated 21.05.2010 and Deed of Agreement dated 08.09.2010 executed in favour of the plaintiff is liable to be impounded for deficient Stamp Fees. Neither of the parties has made any cogent submissions in this regard. The written statement merely states that as per the defendant the stamp duty is ₹3,41,93,334/- and ₹2,48,79,96,294/- respectively. However, as to how the defendant has arrived at this figure has not been elaborated or argued. Similarly, the plaintiff has also not sought to elaborate the calculation of the Stamp Fees paid. The only averment made in the replication is that the plaintiff acquired the trade mark 'ANAFORTAN' through a slump sale transaction between Piramal Health Care Limited and the plaintiff under a Business Transfer Agreement on which the full and sufficient stamp duty has been paid and that the consideration for transfer of the trade mark specified under the Deed of Assignment dated 08.09.2010 is a part of the total sale consideration for the slump sale made vide Transfer Agreement

dated 21.05.2010. Hence, it is not possible to decide the issue at this stage. It is also not necessary to go into the same for the purpose of the present interim application. It is for the defendant to press this issue at the appropriate stage.

21. I will now come to the last contention of the defendant, namely, as to whether this Court can entertain the present suit in view of Section 28(3) read with Section 30(2) (e) of the Trade Marks Act. This Court has already held that a suit for such an injunction would lie where the two trade marks are registered and Sections 28(3) and 30(2) (e) do not bar filing of a suit. Reference may be had to the judgement of *Clinique Laboratories LLC and Anr. vs. Gufic Limited and Anr.(supra)* where in para 14 this Court concluded as follows:-

“14. I thus conclude that a suit for infringement of registered trademark is maintainable against another registered proprietor of identical or similar trademark and in such suit, while staying the further proceedings pending decision of the registrar on rectification, an interim order including of injunction restraining the use of the registered trademark by the defendant can be made by the court, if the court is prima facie convinced of invalidity of registration of the defendant’s mark.”

22. Relying on the above judgment similar view was reiterated in *Rajnish Aggarwal & Ors. vs. M/s Anantam, (supra)* where this Court in paragraphs 21 to 22 held as follows:-

“21. Following the above-quoted observation, the learned single judge, as far as this issue was concerned, held as under:

“14. I thus conclude that a suit for infringement of registered trademark is maintainable against another registered proprietor of identical or similar trademark and in such suit, while staying the further proceedings pending decision of the registrar on rectification, an interim order including of injunction restraining the use of the registered trademark by the defendant can be made by the court, if the court is prima facie convinced

of invalidity of registration of the defendant's mark.”

22. In view of the finding given in the earlier paras above and the case law referred, I hereby hold that a suit for infringement is maintainable in the present case and that this court has got jurisdiction as per the averment made in the plaint.”

23. In view of the above legal position what would follow is that a suit for infringement of a registered trademark is maintainable against another registered proprietor of identical or similar trademark.

24. In *Clinique Laboratories LLC and Anr. vs. Gufic Limited and Anr.*, (*supra*) this Court further held as follows:-

“12. I also find merit in the contention of the senior counsel for the plaintiff with reference to Section 31(2) of the Act. Section 31(2) suggests that the court notwithstanding registration being prima-facie evidence of validity as provided in Section 31(1) can hold the registered trademark to be invalid. The court can hold the registration to be invalid, on any ground or for non compliance of any of the conditions for registration provided under the Act. It further provides that if the invalidity of registration is averred for the reason of non compliance of Section 9(1), i.e. of evidence of distinctiveness having not been submitted before the Registrar, then the party pleading validity of registration shall be entitled to give evidence in legal proceedings where validity is challenged, of the mark having acquired distinctiveness on date of registration. Section 32 permits evidence of acquisition of distinctive character within the meaning of Section 9(1) post registration, also being led in such proceedings. It follows that where validity of registration is challenged on grounds other than provided in Section 9(1) of the Act, the test is whether the criteria laid down in such other provisions of the Act, for registration has been satisfied or not. Since, Section 124 otherwise provides for stay of proceedings in such suit and only permits passing an interlocutory order, such finding of invalidity naturally has to be on the touchstone of

principles for interlocutory order only and not as at the time of final decision of the suit, in as much as the finding in the rectification proceedings has been otherwise made binding in the suit and on all aspects of validity i.e. under Section 9 as well as under Section 11.”

On the facts of that case this Court came to the conclusion that prima facie it appears that the registration of the mark of the defendant suffers from non-compliance of requirement of Section 11(1) and (2). The Court further concluded that once having reached the aforesaid conclusion there can be no doubt that if the mark of the defendant were to be held to be invalidly registered a case of infringement under Section 29 is made out.

25. Similarly, in *Rajnish Aggarwal vs. Anantam*, (*supra*) this Court in para 23 further held as follows:-

“23. Coming to the arguments on merit, the plaintiffs have a bona fide registered trade mark for their products. The contention of the defendant that it is also a bona fide registered trade mark holder is without any substance as the said trade mark has been registered under the wrong class in Schedule IV. I am of the considered view that even otherwise, in an action of passing off, the well settled law in *Century Traders v. Roshan Lal Duggar Co.* AIR 1978 (Del) 250 will be applicable. In this case it was held that for the purpose of claiming proprietorship of a mark, it is not necessary that the mark should have been used for considerable length of time. A single actual use with intent to continue such use *co instanti* confers a right to such mark as a trade mark. Further, in order to succeed in an application for temporary injunction the applicant has to establish user of the aforesaid mark prior in point of time than the impugned user by the non-applicant. Further still, actual damage or fraud is unnecessary in a passing off action whether the relief asked for is injunction alone or injunction, accounts and damages. If there is a likelihood of the offending trade mark invading the proprietary right, a case for injunction is made out.

26. Similar view was expressed by this High Court in the case of *Micolube India Ltd. vs. Maggon Auto Centre & Another (supra)* cited by the learned counsel for the defendant. Relevant portion of the said judgment reads as follows:-

5.A reading of Section 28(3) with Section 30(1)(d) shows that the proprietor of a registered trade mark cannot file an infringement action against a proprietor of an identical or a similar trade mark. While Sections 28(3) and 30(1)(d) on the one hand deal with the rights of registered proprietors of identical trade marks and bar action of infringement against each other, Section 27(2) on the other hand deals with the passing off action. The rights of action under Section 27(2) are not affected by Section 28(3) and Section 30(1)(d). Therefore, registration of a trade mark under the Act would be irrelevant in an action for passing off. Registration of a trade mark in fact does not confer any new right on the proprietor thereof than what already existed at common law without registration of the mark. The right of goodwill and reputation in a trade mark was recognised at common law even before it was subject of statutory law. Prior to codification of trade mark law there was no provision in India for registration of a trade mark. The right in a trade mark was acquired only by use thereof. This right has not been affected by the Act and is preserved and recognised by Sections 27(2) and 33.

(30) The law of 'passing off' as it has developed, permits an action against a registered proprietor of a trade mark for its mendacious use for inducing and misleading the consumers into thinking that his goods are the goods of or are connected with the goods of a prior user of the trade mark. It seems to us that in so far as this Court is concerned, this position cannot be disputed in view of the judgment of the Division Bench in *Century Traders v. Roshan Lal Duggar and Co.* 1978, Delhi 250 where, while construing Sections 27(2) and 106 of the Act, it was held as follows:

From a reading of the above sections it is clear that registration of mark in the trade mark registry would be irrelevant in an action for passing off.

Thus, the law is pretty well settled that in order to succeed at this stage the appellant had to establish user of the aforesaid mark prior in point of time than the impugned user by the respondents. The registration of the said mark or similar mark prior in point of time to user by the appellant is irrelevant in an action for passing off and the mere presence of the mark in the register maintained by the trade mark registry did not prove its user by the persons in whose names the mark was registered and was irrelevant for the purposes of deciding the application for interim injunction unless evidence had been led or was available of user of the registered trade marks. In our opinion, these clear rules of law were not kept in view by the learned single Judge and led him to, commit an error.

6. Considering the submissions made by the parties up to this point and the observations of the Supreme Court in the case of Whirlpool (supra), it is apparent that the injunction order passed on 09.10.2007 cannot stand against the defendant merely on the basis of an infringement action. But if the plaintiff is able to establish his case under the common law right of passing off then an injunction can be granted in favor of the plaintiff.”

24. The legal position that would follow is that even if for arguments sake it is held that a proprietor of a trademark cannot claim infringement of his trademark in view of section 28(3) and read with section 30(2)(e) of the Trade Marks Act an action for passing off would be maintainable. In the present case, the plaintiff has sought to press the contention of passing off stating that the defendant is guilty of passing off.

25. We may now have a look at the facts of the case. The trademark of the plaintiff is ANAFORTAN. The trademark of the defendant is AMAFORTEN. The wrappers of the two drugs have been placed on record

and are depicted as follows:-

Plaintiff's Product



Defendant's Product



26. The trademark of the plaintiff is registered on 1.12.1988. As per the pleadings of the plaintiff, the predecessors of the plaintiff have used the said trademark for decades. The sales figures of the said product using the said trademark subsequent to the Assignment Agreement of 8.9.2010 are placed on record. From September to December 2010 sales of ₹7.8 crores was achieved and in the calendar year 2011, a sale of ₹23.047 crores was achieved. It has further been established that the drug sold by the plaintiff and the defendant have the same ingredients and have the same therapeutic use. The said drugs are used for relief in abdominal pain and intestinal colic. The active ingredient of both the drugs is 'Camylofin Dihydrochloride with Paracetamol'.

27. A perusal of the written statement would show that defendant has simply denied the above averments of the plaintiff. The trademark of the defendant is registered with effect from 17.6.2009. There is no averment or document placed on record to show the turnover of the defendants. In fact in the course of argument a question was posed to the learned counsel for the defendant about the turnover of the drugs. There was no answer to the said question.

28. In view of the above facts it is clear that the plaintiff is a much prior user in point of time in the said trademark. The user of the plaintiff is extensive and wide. The defendant is a much later entrant in the field.

29. The trademark of the defendant is also phonetically, visually and structurally similar to that of the plaintiff. It appears to be a case where defendant has dishonestly sought to take advantage of the name and reputation of the plaintiff's trademark and has slavishly copied the mark and design of the product of the plaintiff for a drug which has the same therapeutic use.

30. Clearly, the plaintiff has established a prima facie case. Balance of convenience is in their favour as they are prior users of the said mark. Irreparable injury would be caused to the plaintiff if the defendant is allowed to carry on its infringing activity. Accordingly, the defendant is restrained by an interim injunction from using the impugned trademark AMAFORTEN or any other trademark deceptively similar to the trademark of the plaintiff ANAFORTAN, till pendency of the accompanying suit.

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List on 9th July 2014 before Joint Registrar.

**JAYANT NATH
(JUDGE)**

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