

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

Decided on : April 25, 2014

+ IA No. 5745/2013 (u/O 39 R 1 & 2 CPC) in CS(OS) 660/2013

WOCKHARDT LTD. Plaintiff

Through Mr. Ajay Sahni, Ms. Kanika Bajaj and
Ms. Shivangi, Advocates

versus

REMED HEALTHCARE PVT LTD. & ANR. Defendants

Through Mr. Dushyant K. Mahant and Mr.
Manish Sharma, Advocates for D-2.

CORAM:

HON'BLE MR. JUSTICE JAYANT NATH

JAYANT NATH, J.

1. This is an application under Order XXXIX Rules 1 and 2 CPC filed by the plaintiff for injunction to restrain the defendants from selling, offering for sale, etc. goods under the trade mark '**Mericobal**' or any other deceptively similar trade mark to the plaintiff's registered trade mark also being '**Mericobal**'. The accompanying suit is filed by the plaintiff for injunction, rendition of accounts and for other connected reliefs.

2. As per the plaint, the plaintiff is one of the leading manufacturers of bio-pharmaceuticals, nutrition products, etc. in the country and the plaintiff through its predecessor has been carrying on its business for more than four and a half decades. The worldwide turnover of the plaintiff for the year ending 2012 is said to exceed ₹4,600 crores. The plaintiff Company has its headquarter in India and full-fledged commercial operations in various countries abroad. It markets in excess of 475 products in the regulated markets. It is the contention of the plaintiff that in January 2005 it adopted a

distinctive trade mark '**Merico**bal' in respect of pharmaceuticals, veterinary and sanitary preparations and other connected products in Class V and an application for registration was filed on 04.01.2005. The Registration Certificate dated 15.11.2005 was issued by the office of the Registrar of Trade Marks. Hence, it is averred that the plaintiff is the registered proprietor of the trade mark '**Merico**bal' in Class-V dated 04.01.2005 and the registration is valid and subsisting. The plaintiff is stated to have entered into a contract for manufacturing of their products '**Merico**bal Viva' with a company named Swiss Garnier Life Sciences. Requisite licence from the office of Drugs Licensing Authority, Himachal Pradesh was received on 19.07.2012 which licence is valid up to 26.04.2016. In December 2012, the plaintiff is said to have commenced marketing its product bearing the registered trade mark '**Merico**bal' with suffix '**Viva**'. The product is intended for therapeutic use and contains as its primary ingredient Mecobalamin (Sustained Release) and also contains 'Folic Acid', 'Pyridoxine HCl' and 'Vitamin D3'. The said product of the Plaintiff is intended and recommended to take care of deficiencies, predominantly seen in patients who are diabetic, elderly and/or having cardiac issues.

3. It is averred that the marketing of the said products has been extensive, continuous and exclusive throughout the country on a very large scale and that in a short span of time, the product has acquired a reputation of being extremely safe and reliable by virtue of strict quality standards said to have been maintained by the plaintiff. The plaint narrates that all India sale figures for the months of December 2012 till February 2013 comes to a total of ₹43.9 lacs. On the strength of sales, it is stated that the popularity, vast goodwill and reputation of the plaintiff's products using the trade mark '**Merico**bal' with suffix '**viva**' is huge. The fact that this has been achieved

in such a short span of time is indicative of the tremendous amount of confidence which the trade mark and public has in respect of the plaintiff's trade mark. It is averred that in last week of March 2013, it came to the knowledge of the plaintiff for the first time that the defendants have commenced manufacturing and marketing a similar product bearing identical trade mark '**Mericobal**' to that of the plaintiff. Defendant No.1 is the manufacturer while defendant No.2 is responsible for its marketing. It is averred that both the defendants in connivance with each other are infringing the statutory rights of the plaintiff in its registered trade mark '**Mericobal**' and deriving illegal and unlawful gains at the cost of the plaintiff. It is averred that the product being marketed by the defendants with the trade mark '**Mericobal**' contains similar salt composition as that of the plaintiff. The plaintiff's product '**Mericobal**' with the suffix '**viva**' contains the additional salts 'Folic acid', 'Pyridoxine HCl' and 'Vitamin D3' alongwith the salt 'Mecobalamin' and if prescribed to a patient and not taken in error, then lack of 'Folic acid' & 'Pyridoxine HCl' may cause a certain type of anaemia, skin problems etc. and lack of 'Vitamin D3' may cause increased risk of death from cardiovascular diseases, etc.

4. On the basis of the above, it is averred that the adoption of the impugned trade mark by the defendants amounts to infringement of the plaintiff's trade mark '**Mericobal**' under the provisions of Sections 28 and 29 of the Trade Marks Act, 1999. The use of the infringing mark by the defendants is likely to cause confusion on the part of the public and consequently the defendants are liable to be enjoined.

5. The second defendant filed the written statement. It is averred that the plaintiff has never used its mark for more than eight years whereas the products of the defendants under the trade mark '**Mericobal**' are in the

market since March 2006 without there being any access to the product, salt components and intended use of the plaintiff's then unknown product. Hence, it is claimed that the plaintiff had abandoned the trade mark '**Mericobal**' inasmuch as it made no efforts since the last eight years of using the mark. It is further stated that the defendants coined the trade mark '**Mericobal**' after using the first four letters of its Company 'Merion' and remaining letters 'cobal' from the salt component from generic 'Mecobalamin'. It is further stated that defendant has challenged the validity of the registered trade mark of the plaintiff. Further, the plaintiff has never used '**Mericobal**' per se inasmuch as it is using the word with the suffix '**viva**'. It is stressed that as the plaintiff has never used the mark '**Mericobal**' per se, the same is liable to be removed on account of non-use for more than five years from the date of registration. Stay is sought of the present suit under Section 124 of the Trade Marks Act, 1999 as the defendant has challenged the validity of the said registration in favour of the plaintiff. It is further alleged that the suit is liable to be dismissed on the ground of hopeless delay. The plaintiff was aware about the products of the defendants which have been in the market since 2006. The plaintiff has allegedly acquiesced to the usage by the defendants and is therefore estopped from claiming any relief against the defendants.

6. Learned counsel for the plaintiff has relied upon the products as marketed by the plaintiff and the defendants, samples of which have been placed on record to submit that the mark being used by the defendants is phonetically and visually similar to the registered trade mark of the plaintiff '**Mericobal**'. He has also placed reliance on the details of the advertising expenditure which is shown as per invoice dated 07.01.2013 for a sum of Rs.42,416/- issued by FourC Healthvistas Pvt. Ltd. It is averred that under

Section 18 of the Trade Marks Act, any person who proposes to use a trade mark can apply for registration of the said trade mark. Hence, on the date of making an application for registration, user of the trade mark is not mandatory. It strenuously urged that the registration of the trade mark of the plaintiff is dated 04.01.2005 and the registration is valid up to 04.01.2015. It is urged that the approval of the FDA which has been received by the defendants is only valid from 10.03.2006. Hence, the defendants have started using the trade mark of the plaintiff after registration of the trade mark of the plaintiff. It is further urged that the defendants have also failed to place on record their sales figures.

7. Learned counsel for the plaintiff has also filed a compilation of judgments on which reliance is sought. Reliance is especially placed on *M/s. Neon Laboratories Ltd. vs. M/s. Medical Technologies, 2012(50) PTC 346 (Bom.)* which was a case dealing with somewhat similar facts as the present one. Defendant in that case commenced user of the impugned trade mark after the registration of the mark by the plaintiff. The court passed an interim order in the facts and circumstances of that case. Reliance is also placed on another judgment of the Bombay High Court in the case of *Merck KgaA & Anr. Vs. Natco Pharma Ltd. & Anr., 2012(52) PTC 292 (Bom.)* where the court held that a registered mark takes precedence over the use of the mark after the date of the application for registration, as a contrary view would render Section 18(1) of the Trade Marks Act, 1999 otiose.

8. Learned counsel for the defendants has relied on the license issued by FDS which was issued on 10.03.2006 to submit that the defendants have been using the mark 'Mericobal' since then. It is urged that the plaintiff started usage of the said trade mark only in 2012. Accordingly, relying on Section 34 of the Trade Marks Act, it is urged that no injunction can be

granted to the plaintiff. It is further urged that in any case the defendants are using the mark '**Merical**' whereas the plaintiff is manufacturing under the name of '**Merical Viva**' and not '**Merical**', which is the registered trade mark. Hence, there is no scope for confusion and no grounds are made out for grant of injunction to the plaintiff.

9. Learned counsel for the defendant has also filed a compilation of judgments relied upon. Reference may be had to some of the relevant judgments in the compilation. In *Smithkline Beecham PLC & Anr. Vs. Sunil Sarmarkar & Ors, 2012 (132) DRJ 880* this court held that registration of a trade mark cannot confer a right unless goods have been sold under the said trade mark. It was further held that a person cannot be allowed to squat on a trade mark without actually using the same. A somewhat similar view was taken in the case of *Allergran INC & Anr. vs. INTAS Pharmaceuticals 2013 (53) PTC 36 (Del)*. Similarly in *Rikhab Chand Jain & Anr. vs. T.T. Enterprises Pvt. Ltd., 2013 (54) PTC 489 (Del)* it was reiterated that no squatting on a trade mark is permissible.

10. The facts as culled out from the pleadings, documents and arguments of the learned counsel for the parties show that the plaintiff's trade mark registration certificate is dated 04.01.2005. The plaintiff admits usage of the trade mark with the suffix '**Viva**' with effect from December 2012. On the other hand, defendants have commenced usage of the trade mark '**Merical**' sometimes in the year 2006 inasmuch as the FDA approval is with effect from 10.03.2006.

11. The trade mark being used by the defendants is almost an exact replica of the trade mark of the plaintiff inasmuch as it is phonetically and substantially identical. The argument of the defendant that the plaintiff is using the mark '**Merical Viva**' and not '**Merical**' has no merits in

view of the striking similarities of the two trade marks. The issue that arises is as to whether in view of the fact that usage of the registered trade mark by the plaintiff commenced almost six years after usage commenced by the defendants, has the plaintiff made out a prima facie case for grant of an interim order.

12. The Bombay High Court in the case of *M/s. Neon Laboratories Ltd. vs. M/s. Medical Technologies (supra)* in somewhat identical facts in paras 7, 33, 34 and 64 held as under:-

“7. The main question, therefore, is whether the plaintiff is, by virtue of its mark having being registered prior to the impugned mark being used by the defendant, entitled to an injunction against infringement although it used its mark after the defendants started using the impugned mark.

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33. None of the observations in paragraph 27 or any other part of the judgment support the contention that the use of a mark by a party subsequent to the registration of the plaintiff's mark disentitles the plaintiff to maintain an action for infringement. The question, in fact, neither arose for nor was considered in that case. The judgment, if anything, is to the contrary. The error in Mr. Dwarkadas' approach was in plucking out stray sentences and reading them in isolation.

34. Mr. Dwarkadas' submission is, therefore, rejected. The defendants having used the impugned mark after the plaintiff's mark was registered, cannot succeed in this action for infringement.

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64. Further, often a mark is not used till the product to which it is to be applied is ready to be marketed. The ability to market a product is dependent upon a variety of events and requirements not the least of which are market research and development.

Many large organisations have independent research and development divisions. The entitlement to market a product is also dependent upon a variety of factors such as obtaining statutory clearances and approvals. The trademark can well be thought of in contemplation of the sale of products or the provision of services under such marks. Thus, the mark would be applied to the products and in respect of services after some time.”

13. Reference may also be had to Section 18 of the Trade Marks Act, 1999. Section 18(1) reads as follows:-

“18. Application for registration.- (1) Any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it, shall apply in writing to the Registrar in the prescribed manner for the registration of his trade mark.”

14. Hence, even a trade mark proposed to be used can be a subject matter of an application. Once registration is obtained, there can always be a gap between the user of the trade mark from the date of registration of the trade mark till the actual user of the trade mark. When the defendants commenced use of the trade mark in 2006, the trade mark of the plaintiff was already registered. An inspection of the concerned records of the Trade Mark Registry would have revealed to the defendants that the mark which is proposed to be used is already registered in the name of some other company. There can be no justification for the defendants for starting user of the said trade mark.

15. The contentions raised by the learned counsel for the defendants have no merits. Firstly, reliance is placed by the defendant on Section 34 of the Trade Marks Act, 1999. The said contention is misplaced. Section 34 of the Trade Marks Act reads as follows:-

“34. Saving for vested rights.- Nothing in this Act shall entitle

the proprietor or a registered user of the registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior-

(a) to the use of the first-mentioned trade mark in relation to those goods or services be the proprietor or a predecessor in title of his; or

(b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor or a predecessor in title of his;

whichever is the earlier, and the Registrar shall not refuse (on such use being proved), to register the second mentioned trade mark by reasons only of the registration of the first mentioned trade mark.”

16. In my view the judgment of this Court in the case of *Rolex Sa vs. Alex Jewellery Pvt. Ltd. & Ors., 2009(41) PTC 284 (Del.)* is a complete answer to the above said contentions. In the facts of that case, this Court concluded that there is no user of the trade mark prior to the date of registration of the mark in favour of the plaintiff. Hence, this Court held as follows:-

“11. There is thus nothing to show user by the defendants of the mark since prior to registration in favour of plaintiff, except admitted factum of registration having been applied for. The benefit of Section 34 is available only by continuous use since prior to user or date of registration, whichever is earlier, by/of the registered proprietor. The benefit is not available merely by applying for registration. The defendants have failed to prima facie bring their case within the ambit of Section 34.”

17. Clearly Section 34 would be applicable only in case usage of the goods had commenced prior to the date of registration of the trade mark of the plaintiff.

18. The reliance of the learned counsel for the defendants on the

judgment of this Court in the case of *Smithkline Beecham Plc & Anr. Vs. Sunil Sarmarkar & Ors. (supra)* is misplaced. That was a case in which the plaintiff had failed to prove the actual user of the trade mark. The court was of the view that there is absence of user of the trade mark and that a trade mark which drops out of the use, dies when there are no goods which are offered for sale as there is no use of the trade mark.

Similarly, is the case of *Allergran INC. & Anr. vs. INTAS Pharmaceuticals, (supra)* where also there was non-user of the trade mark.

19. Similarly, in the case of *Rikhab Chand Jain & Anr. vs. T.T. Enterprises Pvt. Ltd., (supra)* the Court held that the plaintiff has neither pleaded nor placed any documents on record to show that they have carried on any business in the relevant class i.e. Class 36 or 39 or have used the concerned trademark for the said business.

However, in the facts of the present case the plaintiff has been using the trade mark since December, 2012. It cannot be said that the trade mark has lost out or died as is sought to be claimed. In fact the defendant has failed to plead its sales figures also.

20. Reference may also be had to Section 47 of the Trade Marks Act which provides that a registered trade mark can be taken off the register where the mark was registered without any bona fide intention to use the same in relation to those goods and services or etc. as provided for. Hence, a party aggrieved by a registration on the ground of non-user by the person who has obtained registration of the trade mark can always approach Trade Mark Registry for removal of the said registered trade mark. Hence, if a defendant in a suit for infringement without seeking remedies under Section 47 of the said Act is permitted to set a plea of non-use, the same will undermine the efficacy of registration and the proceedings of validity of

registration under Section 31 of the Act. Reference may be had to the judgment of this High Court in the case of *Sun Pharmaceuticals Industries vs. Cipla Ltd., 2009 (39) PTC 347 (Del)* where this Court held as follows:-

“However, in the present case the trade mark is registered and under Section 31, registration is prima facie evidence of validity. The other relevant provision is Section 47 which empowers the Registrar to take off the mark from Register if the same was registered without bonafide intention to use or if there has been no bonafide use of trade mark. Otherwise, Sections 28 and 29 do not make use of registered trade mark as a precondition to obtain relief against infringement. The scheme of the Act thus appears to be, to vest jurisdiction for removal from Register on the ground of non user, in the Registrar. In my view, if a defendant in a suit for infringement, without seeking remedies under Section 47 before the Registrar, is permitted to set up pleas of non use, the same will undermine the efficacy of Registration and the presumption of validity of registration under Section 31 of the Act. The Apex Court in **American Home Products Corporation v Mac Laboratories Pvt Ltd** AIR 1986 SC 137 has held that in a proceeding under Section 47, the burden of proving the facts is on the person who seeks to have the trade mark removed from the Register.”

21. The next contention that was urged by the learned counsel for the defendants was of acquiescence. It is urged that the defendants have been using the trade mark since 2006 and the plaintiff is guilty of acquiescence and cannot be granted interim injunction. In this context, reference may be had to the judgment of this Court in the case of *Sun Pharmaceuticals Industries vs. Cipla Ltd., (supra)* where in para 22 this Court held as follows:-

“22. The counsel for the defendant has also contended that since the defendant has been extensively using the mark for long (and documents with respect to which have been filed) the balance of convenience is not in favour of the plaintiff and in

merely directing the defendant to compensate the plaintiff for damages if ultimately succeeds. However, the same would again be doing violation to the language of the statute. If a registered proprietor is entitled to maintain an action for injunction and found entitled to injunction, the injunction ought not to be denied for the reason of the alternate relief of directing accounts to be kept. The infringement of rights in a trademark can never be sufficiently compensated and there is a possibility of great injury being done to the mark if the defendant is permitted to continue using the same. Moreover in a case as the present where the registered owner as well as another are both claiming user, the balance of convenience is in favour of registered user. I find it more so since the defendant itself is an assignee having acquired the unregistered mark only in 2007. The defendant before acquiring rights is deemed to have made enquiries with the Registrar and is deemed to be in the know of the mark being registered. The defendant thus has no equities in its favour. Moreover, as aforesaid the plaintiff as registered owner cannot be enjoined and two products with same mark in the pharmaceutical sector cannot be permitted.”

22. Hence, there is no merit in the said contentions of the defendant.

23. In my view the plaintiff has made out a prima facie case. The balance of convenience is also in favour of the plaintiff. In case injunction is not granted, irreparable injury is likely to be caused to the plaintiff.

24. Accordingly, the defendants are restrained from selling, advertising or dealing with the goods in any other manner using the trade mark ‘**Mericobal**’ or any such other deceptively similar trade mark during the pendency of the accompanying suit. Present injunction order shall apply after two months from the date of the order to permit the defendants to take appropriate steps to cease user of the impugned trade mark.

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List on 10th July, 2014 before Joint Registrar.

**JAYANT NATH
(JUDGE)**

**APRIL 25, 2014
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