

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

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Judgment reserved on: 17.12.2012
Judgment pronounced on: 19.12.2012

+ CS(OS) 104/2011

RANBAXY LABORATORIES LTD

..... Plaintiff

Through: None.

versus

CRYSTAL PHARMACEUTICALS

..... Defendant

Through : None.

CORAM:

HON'BLE MR. JUSTICE V.K.JAIN

V.K. JAIN, J.

1. The plaintiff is a large pharmaceutical company and owns several trademarks, including the mark PENTAGESIC, which is registered in its name in Class 5 in respect of analgesic preparations. The plaintiff-company claims the following sale figures in respect of the medicine being sold by it under the name PENTAGESIC:-

2004	-	1.16 million
2005	-	1.54 million
2006	-	1.69 million
2007	-	1.48 million
2008	-	1.25 million

2. It is alleged in the plaint that the defendant is manufacturing and marketing its drug under the registered trademark PENTAGESIC of the plaintiff. The drug being sold by the plaintiff under the name PENTAGESIC is an anti-inflammatory drug used for management of pain, fever, etc. The drug being sold by the defendant under the said trademark is also an anti-inflammatory tablet being used for the same purpose. It is alleged that the adoption of the mark PENTAGESIC by the defendant is dishonest, actuated with an intention of encashing upon the goodwill and reputation of the plaintiff and is bound to create confusion and deception amongst the purchasing public as well as in the trade. The plaintiff has accordingly sought an injunction restraining the defendant from manufacturing, marketing or selling any medicine under the name PENTAGESIC or any other mark which is identical or deceptively similar to its registered trademark. The plaintiff has also sought delivering up of all the medicines, dies, blocks, cartons, labels, unfinished products, besides damages amounting to Rs 20 lakh.

3. The defendant was proceeded ex parte on 17.03.2011 as no one appeared for it despite service on 10.02.2010.

4. The plaintiff has filed affidavit of its attorney Shri Shaibal Sen Gupta by way of evidence. In his affidavit, Mr Sen has supported, on oath. the case set out in the plaint and has also proved the documents relied upon by the plaintiff.

5. Ex.PW-1/2 is the copy of the certificate of registration of the trademark PENTAGESIC in favour of the plaintiff-company. The registration is effective from 30.01.1974 and covers analgesic preparations comprised in class 5. Ex.PW-1/3 is the photocopy of the packaging of the plaintiff-company in which it is selling drug using the trademark PENTAGESIC-MR as also of the packaging in which the defendant is selling drug under the name PENTAGESIC. Ex.PW-1/4 is the sale figures of the plaintiff-company in respect of the product PENTAGESIC and it shows that the sale of PENTAGESIC which was Rs 1.16 million in the year 2004 has grown to Rs 5.75 million in the year 2011.

6. As noted earlier, the plaintiff-company is registered owner of the trademark PENTAGESIC in respect of analgesic preparations. Therefore, the defendant has no legal right to sell analgesic preparations under the name PENTAGESIC or any other name which is identical or deceptively similar to the said registered mark of the plaintiff- company. A perusal of the photocopy of the packaging in which drug is being sold by the defendant under the name PENTAGESIC would show that this drug is an anti-inflammatory preparation, being a combination of paracetamol and ibuprofen. Section 29(1) of Trademarks Act, to the extent it is relevant for our purpose, would show that a registered mark is infringed when a person who is neither its owner nor a registered user uses an identical or deceptively similar mark in relation to the goods which are covered by the registered mark. Since the

defendant is using the registered trademark of the plaintiff in respect of those very goods which are covered by the said mark, it is a clear cut case of infringement of the registered trademark PENTAGESIC of the plaintiff.

7. Though the plaintiff has been selling drug under the name PENTAGESIC-MR that would make no difference since PENTAGESIC is the registered mark of the plaintiff and same is the mark being used by the defendant. If injunction is not granted against use of the mark PENTAGESIC by the defendant, it is likely to cause confusion not only to the members of the public, but in the trade as well. If a doctor prescribes PENTAGESIC/ PENTAGESIC-MR to his patient and that prescription is handed over to the chemist for purchase of the prescribed medicine, it is quite likely that instead of selling the product of the plaintiff, the chemist may sell the product of the defendant though the doctor wanted the patient to take the product of the plaintiff and not the product of the defendant. Similarly, if a patient goes to a chemist, without prescription and ask for PENTAGESIC tablet, the chemist may sell the product of the defendant to him though the customer might be seeking to purchase the product of the plaintiff.

8. Another material subject in this regard is that there is some difference in the composition of the drug being sold by the defendant and the drug being sold by the plaintiff, though both the drugs are anti-inflammatory drugs. The drug of the plaintiff is a combination of Diclofenac Sodium, Paracetamol and Chlorzoxazone,

whereas the drug of the defendant is Paracetamol and Ibuprofen. A doctor may like to give the combination being sold by the plaintiff-company and, therefore, prescribe PENTAGESIC. However, on account of the use of the mark PENTAGESIC on the product of the defendant, the chemist may sell the drug having a different combination, i.e., Paracetamol and Ibuprofen, which may prove to be harmful to the patient. It is, therefore, in the interest of the members of the public that the defendant does not use the trademark PENTAGESIC in respect of the anti-inflammatory/analgesic drug being sold by it. The plaintiff is, therefore, entitled to an injunction against use of the mark PENTAGESIC by the defendant in respect of analgesic preparations.

9. The plaintiff has also claimed damages amounting to Rs 20,50,000/-. No evidence has, however, been led by the plaintiff to prove the actual damages suffered by it on account of use of the trademark PENTAGESIC by the defendant. However, it can hardly be disputed that the defendant must have made profits by use of the registered trademark PENTAGESIC of the plaintiff-company. The adoption of the trademark PENTAGESIC by the defendant appears to be dishonest and mala fide, the sole objective being to encash upon the goodwill and reputation which the trademark PENTAGESIC of the plaintiff-company enjoys amongst the doctors as well as in the members of the public. As noted earlier, a person seeking to purchase the product of the plaintiff and ending up purchasing the product of the

defendant may suffer harm on account of use of the drug which has not been prescribed to him and which he does not intend to purchase. Moreover, if the quality of the drug being sold by the defendant under the name PENTAGESIC is not up to the mark, this may also adversely affect brand value which the mark PENTAGESIC of the plaintiff enjoys in the market since the customer who purchases the product of the defendant, under a false impression that he is purchasing the product of the plaintiff, may assume that the quality of the product of the plaintiff has declined. If it so happens, it is likely to adversely affect the financial interest of the plaintiff-company besides eroding the reputation which its brand PENTAGESIC enjoys in the market.

10. This is a harsh reality that in our country, despite statutory requirement of obtaining prescription from a registered medical practitioner, the chemists and druggists continue to sell drugs such as analgesic and anti-inflammatory medicines, without insisting upon such a prescription. In fact, the analgesic and anti-inflammatory tablets are available over the counter, without production of a medical prescription and this happens not only in small towns and villages, but also in metropolitan cities. Therefore, there is a strong likelihood that a customer, possessing an average intelligence and imperfect recollection, may buy the product of the defendant on the assumption that he was buying the product of the plaintiff which is a reputed and well-known anti-inflammatory medicine.

11. It was observed by Supreme Court in **Cadila Health Care Ltd. vs. Cadila Pharmaceuticals Ltd.** 2001 PTC 541 (SC), the Courts need to be particularly vigilant where the defendant's drug, of which passing off is alleged, is meant for curing the same ailment as the plaintiff's medicines, but the compositions are different. It was also observed that it is not uncommon that because of lack of competence or otherwise, mistakes can arise, specially where the trademarks are deceptively similar. It was also noted by the Court that while examining such cases in India, what has to be kept in mind is that the purchaser of such goods may have absolutely no knowledge of English language or of the language in which the trademark is written and to whom different words with slight difference in spellings made sound phonetically the same.

12. The question of granting punitive damages came to be considered by me in **Autodesk, Inc. & Another v. Mr. Prashant Deshmukh & Others:** 183(2011) DLT 411 and the following view was taken:

“Regarding punitive damages in the case of **Time Incorporated v. Lokesh Srivastava & Anr.**, 2005 (30) PTC 3 (Del), this Court observed that punitive damages are founded on the philosophy of corrective justice and as such, in appropriate cases these must be awarded to give a signal to the wrong doers that the law does not take a breach merely as a matter between rival parties but feels concerned about those also who are not party to the lis but suffer on account of the breach. In the case of **Hero Honda Motors Ltd. v. Shree Assuramji Scooters**, 2006 (32) PTC 117 (Del), this Court noticing that the

defendant had chosen to stay away from the proceedings of the Court felt that in such case punitive damages need to be awarded, since otherwise the defendant, who appears in the Court and submits its account books would be liable for damages whereas a party which chooses to stay away from the Court proceedings would escape the liability on account of the failure of the availability of account books.

In ***Microsoft Corporation v. Deepak Raval*** MIPR 2007 (1) 72, this Court observed that in our country the Courts are becoming sensitive to the growing menace of piracy and have started granting punitive damages even in cases where due to absence of defendant, the exact figures of sale made by them under the infringing copyright and/or trademark, exact damages are not available. The justification given by the Court for award of compulsory damages was to make up for the loss suffered by the plaintiff and deter a wrong doer and like-minded from indulging in such unlawful activities.

In ***Larsen and Toubro Limited v. Chagan Bhai Patel*** MIPR 2009 (1) 194, this Court observed that it would be encouraging the violators of intellectual property, if the defendants notwithstanding having not contested the suit are not burdened with punitive damages.

Also, the Court needs to take note of the fact that a lot of energy and resources are spent in litigating against those who infringe the trademark and copyright of others and try to encash upon the goodwill and reputation of other brands by passing off their goods and/or services as those of that well known brand. If punitive damages are not awarded in such cases, it would only encourage unscrupulous persons who actuated by dishonest intention, in the case of a trademark use the well-reputed trademark of another person, so as to encash on the goodwill and reputation which that mark enjoys in the market, with impunity or in the case of a software use the pirated software thereby depriving the copyright owner

of the revenue to which he is entitled by sale of licence to use that software and then avoid payment of damages by remaining absent from the Court, thereby depriving the plaintiff an opportunity to establish actual profit earned by him from use of the infringing mark/pirated software, which, if he is using the infringing mark/pirated software for business purposes, can be computed only on the basis of his account books. This would, therefore, amount to putting premium on dishonesty and give an unfair advantage to an unscrupulous infringer over those who have a bona fide defence to make and therefore come forward to contest the suit and place their case before the Court.”

The view taken above applies with a stronger force in the case of sale of medicines.

13. For the reasons stated hereinabove, a decree for permanent injunction is hereby passed, restraining the defendant from packing, selling, distributing, marketing or promoting any analgesic/anti-inflammatory drug under the trademark PENTAGESIC or any other mark which is identical or deceptively similar to the said mark. A decree for recovery of Rs 5 lakh as damages is also passed in favour of the plaintiff and against the defendant. The plaintiff shall also be entitled to proportionate costs of the suit. No other relief is granted to the plaintiff.

Decree sheet be drawn accordingly.

V.K.JAIN, J

DECEMBER 19, 2012
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