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

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**CS(OS) No.1181/2003**

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**5<sup>th</sup> October, 2012**

SMITHKLINE BEECHAM PLC. & ANR. .... Plaintiffs

Through: Mr. Saif Khan and  
Mr. Raunaq Kamath, Advs.

**VERSUS**

SUNIL SARMALKAR & ORS.

..... Defendants

Through:

**CORAM:**

**HON'BLE MR. JUSTICE VALMIKI J.MEHTA**

To be referred to the Reporter or not? **Yes.**

**VALMIKI J. MEHTA, J (ORAL)**

1. The subject suit has been filed by the plaintiffs seeking the reliefs of injunction, rendition of accounts, etc. with respect to two trade marks namely PARAMAX and PANAMAX which are stated to be used by

the plaintiffs for paracetamol tablets. The defendants are stated to be using the mark 'Effer-PARAMAX' for dissolvable paracetamol tablets.

2. The suit so far as the reliefs qua the trade mark PANAMAX is concerned is based on the registration of the trade mark in India. The registration certificate has been filed and proved on record as Ex.PW1/2. So far as the relief qua the trade mark PARAMAX is concerned, the suit is based on the ground of passing off inasmuch as there is no registration of the said trade mark in India.

3. Defendants initially appeared and filed a joint written statement. They thereafter stopped appearing and were proceeded exparte. The defendants were restrained by the exparte order dated 28.5.2003 from manufacturing and selling paracetamol tablets under the trademarks of the plaintiffs and which order has been confirmed. The defendants it appears have thus stopped manufacturing and selling and may be therefore not interested in contesting the suit.

4. The following issues were framed in this case on 02.02.2006:

- “(i) Whether the plaintiff is prior adopted user and registered owner of the trademark 'Panamax' and 'Paramax'? OPP

- (ii) Whether the plaintiff is the copyright owner for the Swirl device adopted for 'Crocin' tablets and syrup? OPP
- (iii) Whether by adoption of trade mark 'Paramax' in respect of identical goods by the defendants amounts to infringement of plaintiff's mark 'Panamax'? OPP
- (iv) Whether the defendants have infringed the copyright of plaintiff by substantially reproducing the 'Swirl device of the plaintiff? OPP
- (v) Whether the defendant is honest user of trade mark "Effer Paramax"? OPD
- (vi) Whether this court has no territorial jurisdiction? OPD
- (vii) Whether the plaint is not properly instituted, signed and verified by the authorized person? OPD
- (viii) Whether the present suit is liable to be dismissed for no cause of action? OPD
- (ix) Whether the present suit is liable to be dismissed for non-joinder/misjoinder of parties? OPD
- (x) Whether the defendants have passed off their goods as that of the plaintiff? OPP
- (xi) Whether plaintiff is entitled to any relief as prayed in paragraph 25 of the plaint? OPP
- (xii) Relief."

5. It is settled law that in order to establish the entitlement of a person to the reliefs of infringement or passing off, it is necessary that although the defendants are *ex parte* plaintiffs must also prove their case. It has been held by the Supreme Court in the case of ***Balraj Taneja & Anr. vs.***

*Sunil Madan, 1999 (8) SCC 396* that even where there is no defence of a defendant, and the facts as stated in the plaint are such that the same required to be proved, the plaintiff is not automatically entitled to a judgment unless the plaintiff proves his/its case. Paras 42 and 45 of the said judgment are relevant and are reproduced below:-

“42. Judgment” as defined in Section 2(9) of the CPC means the statement given by the Judge of the grounds for a decree or order. What a judgment should contain is indicated in Order 20, Rule 4(2) which says that a judgment:

"shall contain a concise statement of the case, the points for determination, the decision thereon and the reasons for such decision.

It should be a self-contained document from which it should appear as to what were the facts of the case and what was the controversy which was tried to be settled by the Court and in what manner. **The process of reasoning by which the Court came to the ultimate conclusion and decreed the suit should be reflected clearly in the judgment.**

45. Learned Counsel for respondent No. 1 contended that the provisions of Order 20, Rule 1(2) would apply only to contested cases as it is only in those cases that "the points for determination" as mentioned in this Rule will have to be indicated, and not in a case in which the Written Statement has not been filed by the defendants and the facts set out in the plaint are deemed to have been admitted. We do not agree. Whether it is a case which is contested by the defendants by filing a Written Statement, **or a case which proceeds ex-parte and is ultimately decided as an ex-**

parte case, or is a case in which the Written Statement is not filed and the case is decided under Order 8 Rule 10, the Court has to write a judgment which must be in conformity with the provisions of the Code or at least set out the reasoning by which the controversy is resolved.”

6. Let me now examine whether the plaintiffs have proved their case for entitlement of the reliefs individually qua the trade marks PANAMAX and PARAMAX. Let me first take the case so far as the trade mark PANAMAX is concerned.

7. So far as the fact that the trade mark PANAMAX is registered in favour of the plaintiffs is concerned, the same cannot be disputed, however mere registration of a trade mark cannot confer a right unless goods have been sold under the said trade mark. The entire issue of distinctiveness qua the trade mark is necessarily with reference to sales made under a trade mark. If there are no sales there cannot be distinctiveness. A Division Bench of this Court in the judgment reported as *Fedders Lloyd Corporation Ltd. & Anr. Vs. Fedders Corporation & Anr., 119 (2005) DLT 410* has observed in para 23 as under:-

“23. Though the object of the Trade Marks Act is to protect the proprietary rights of a registered trademark holder, at

the same time the object is not to facilitate any monopoly of such registered trade mark holder, despite non use of the trademark by him as contemplated by the Act. A trademark has no meaning, even if it is registered, unless it is used in relation to goods and/or services. A Trademark which drops out of the use, dies when there are no goods offered for sale as there is no use of the trademark. The mark can lose its distinctiveness by non use, where non use is on the part of registered trade mark holder but not on account of external factors beyond the control of such registered trade mark holder.” (underlining added)

8. A reading of the aforesaid paragraph makes it more than clear that though the object of the Trade Marks Act is to protect the proprietary rights of a registered trade mark holder, at the same time the object is not to facilitate any monopoly of such trade mark holder despite non-use of the trade mark by him. The Division Bench has clearly said that the trade mark has no meaning, even if it is registered, unless it is used in relation to goods and/or services. The Division Bench has further observed that the 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. Finally, the Division Bench observed that a mark loses its distinctiveness by non-use.

9. Another Division Bench judgment of this Court in the case of *Virumal Praveen Kumar vs. Needle Industries (India) Ltd. & Anr., 2001*

(93) *DLT 600* has made similar observations in paras 24, 26 and 29 and which read as under:

“24. In view of the aforesaid factual position what has to be considered is whether the factum of the registration of the trademark in the name of appellant is sufficient to grant relief in favor of the respondents or whether something more is required. This has to be considered in view of the submission of learned counsel for the appellant that the trademark cannot exist in vacuum and in view of their being a non-user of trademark since 1981, the respondents are not entitled to any protection.

26. Though delay be itself would not be a defense but if there was a non-user for a long period of time the mark would lose its distinctiveness or the mark is then permitted to die for non-user. The Bombay High Court observed "It is well settled that lapse of time may bring about a change in the state of things in such a manner that to grant injunction in favor of the plaintiff's would be harsh and it may cause irreparable damage or harm to the rights of the defendants." Thus the Bombay High Court was of the view that non-use of trademark does have a bearing in action for infringement specially at the interlocutory stage and equities would have to be balanced in such a situation. The Bombay High Court had further laid down certain principles in this behalf which have been reproduced in the impugned judgment. In point (f) of the order dated 28th March, 2000 it is stated that the object of the Act is to protect the right and not be a source of monopoly. In point (j) it has been observed that a mark can lose its distinctiveness by non-user. Thus the enforcement of the right of exclusive use of a trade mark will depend on continuous use of the mark by the proprietor. In point (k) it has been observed that the court shall not protect the right of

proprietor unless there is sale of the articles to which trade mark is attached or related.

29. We are in agreement with the view of the learned Single Judge of the Bombay High Court that if there is non-user for a long period of time then by mere registration of the mark continuing the respondents would not be entitled to any injunction. this view is further reinforced by the judgment in Imperial Group's case (supra) wherein it was held that where there is no trading to give rise to a goodwill there is no interest to be protected by a trademark and such a trademark cannot exist in vacuum.” (underlining added)

10. In the above case, counsel for the plaintiffs states that no documents whatsoever have been filed and proved with respect to sale of the paracetamol tablets by the plaintiff no.1 in India under the trade mark PANAMAX. Therefore, once there are no sales of the goods under the trade mark PANAMAX, it cannot be said that the plaintiffs have proved their distinctiveness qua the trade mark PANAMAX. The object of the trade mark law is that a person should not be allowed to squat on a trade mark, without actually using the same. Since there is no proof whatsoever filed by the plaintiffs of actual user of the trade mark PANAMAX in India, i.e since it is not shown that sales have been made under the trade mark PANAMAX in India, the plaintiffs are not entitled to reliefs as prayed. Once there are no sales, the plaintiffs are not entitled to any relief although the trade mark is registered, in view of the observations of the Division Bench in the cases of CS(OS) No.1181/2003

*Fedders Lloyd Corporation Ltd. (supra) and Virumal Praveen Kumar (supra).*

11. So far as the alternative case of passing off with respect to the trade mark PANAMAX is concerned, even that right with respect to passing off has to be established by prior use of the trade mark PANAMAX by the plaintiffs as compared to the defendants. Actual use, as already stated above, is only by showing sales in the market. Sales admittedly have not been proved and established on record. A self-serving statement in an affidavit by way of evidence cannot be a substitute for actual discharge of onus of proof which is required to be done by leading credible evidence and which surely could have been done in this case inasmuch as if the plaintiff no.1 has huge sales it was not difficult at all for the plaintiff no. 1 to prove the sales of the paracetamol tablets under the trade mark PANAMAX.

12. I therefore hold that the plaintiffs have miserably failed to prove their case either with respect to infringement or passing off with respect to the trade mark PANAMAX.

13. So far as the trade mark PARAMAX is concerned, admittedly, the suit is only a suit for passing off and not for infringement, inasmuch as,

**CS(OS) No.1181/2003**

so far as India is concerned, neither of the plaintiffs has any registration of the said trade mark PARAMAX in India. The plaintiffs only have set up a case of transborder reputation on the basis of sale of the paracetamol tablets under the trade mark PARAMAX in countries abroad such as U.K., New Zealand, Bangladesh. Once again, a mere self-serving averment is not discharge of onus of proof. A self-serving statement in an affidavit by way of evidence cannot be the discharge of proof with respect to a vital issue of transborder reputation. Transborder reputation or spill over reputation has two elements, one of actual sales abroad prior to the use of the trade mark by the defendants and secondly of the fact that there is a spill over reputation of such marks in India. Both these aspects have to be established to the satisfaction of the Court. This surely could have been very easily established by the plaintiffs by filing the documents of the sales abroad, and to show how knowledge of the sales of the paracetamol tablets under the trade mark PARAMAX also exists in India. The plaintiffs having failed to file any documents whatsoever, the plaintiffs have failed to discharge their onus of proof.

14. No doubt, in terms of the various provisions of the Trade Marks Act, the plaintiffs will have a right to file a suit for infringement, however, filing a suit and proving of a case are two totally different aspects. Mere self-serving averments in the pleadings and thereafter in the affidavit by way of evidence, in cases such as the present, cannot without credible evidence lead to discharge of onus of proof which was upon the plaintiffs.

15. Learned counsel for the plaintiffs has placed reliance upon two judgments of the Supreme Court, first in the case of *Cadila Health Care Ltd. vs. Cadila Pharmaceuticals Ltd.*, AIR 2001 SC 1952 and second in the case of *N.R.Dongre vs. Whirlpool Corporation*, 1996 PTC (16). These judgments have been relied upon in support of the proposition of the entitlement to the relief of infringement on the ground of registration and the entitlement to the relief on the ground of passing off on the basis of prior use. All I have to say is that propositions of laws stated in these judgments cannot be disputed, however, to apply the law, it is necessary that the plaintiff at the stage of final arguments has proved the case as stated in the plaint. If the plaintiff fails to prove the case, I fail to understand that how

reference to the judgments stating a legal position can in any manner help the plaintiffs.

**Issue nos.1, 3, 8 & 10**

16. In view of the aforesaid discussion, issue nos. 1, 3, 8 and 10 are decided against the plaintiffs and it is held that the plaintiffs have no right to seek the reliefs of infringement and passing off with respect to the trade marks PANAMAX and PARAMAX.

**Issue Nos.5, 6, 7 & 9**

17. So far as the issue nos. 5, 6, 7 and 9 are concerned, the same are decided in favour of the plaintiffs and against the defendants inasmuch as onus of proof of these issues was on the defendants who have failed to appear and lead evidence. These issues are therefore decided in favour of the plaintiffs.

**Issue nos.2 & 4**

18. So far as the issue nos. 2 and 4 are concerned, the same pertain to the claim of the plaintiffs with respect to a swirl device i.e. an elliptical sign put on the packets of the plaintiffs. A copyright is granted with respect

CS(OS) No.1181/2003 Page 12 of 14

to an **original** work in terms of Section 13(1)(a) of the Copyright Act, 1957. In the present case the stand of the plaintiffs with respect to copyright is a copyright in an artistic work. A swirl device in my opinion cannot be said to be such an original artistic work that copyright in the same should subsist. An elliptical design or swirl pattern at best would be for distinguishing goods of the plaintiffs from those of others, and in fact normally would be treated as necessary to decide the issue of passing off in the facts of a particular case. The object of granting of copyright under the Copyright Act is only if there exists original literary, artistic, musical, and cinematographical work. Copyright claim in certain patterns or designs or shapes etc which are well known are really in the nature of a trade mark used with respect to goods and not with respect to an issue of originality in a work for granting of copyright in the same unless the same is really an original work entitling grant of copyright. Since in the present case as already stated above plaintiffs have miserably failed to prove their case of sales even this relief based on copyright claim cannot be granted to the plaintiffs, assuming the issue is taken only from the standpoint of passing off and not from the point of copyright.

**Issue nos. 11 and 12(relief)**

19. In view of the aforesaid discussion, plaintiffs have failed to prove their case. Plaintiffs will therefore not be entitled to the relief of injunction or rendition of accounts or other reliefs as claimed in the plaint.

20. The suit is accordingly dismissed, leaving the parties to bear their own costs.

**VALMIKI J. MEHTA, J**

**OCTOBER 05, 2012**

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