

* **HIGH COURT OF DELHI : NEW DELHI**

+ **CS (OS) No.305/2007**

% Order decided on : 18.04.2012

Expchar SA & Ors. Plaintiffs
Through Ms. Divya Vijan, Adv. with Mr. Raunaq
Kamath, Adv.

Versus

Eupharma Laboratories Ltd. Defendant
Through Ex Parte

Coram:

HON'BLE MR. JUSTICE MANMOHAN SINGH

MANMOHAN SINGH, J.(Oral)

1. The plaintiffs have filed the present suit for permanent injunction restraining infringement of copyright, passing off, rendition of accounts of profits and delivery up etc.

2. The defendant in this suit has been proceeded ex-parte vide order dated 30.03.2009 and has failed to cross examine the witnesses of the plaintiffs. Infact, the matter is not contested by the defendant.

3. Learned counsel for the plaintiffs has argued the matter and has referred the pleading and documents placed on record, as well as the evidence produced by the plaintiffs by way of affidavit. As the evidence produced by the plaintiffs has gone un-rebutted by the defendant, therefore, ex-parte order is being passed on the basis of the material available.

4. It is averred in the plaint that since the year 1991, the plaintiff No.1 is engaged in manufacturing and marketing pharmaceutical products including pharmaceutical preparation for the

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treatment of malaria which are sold under the trademark MALOXINE. A certified translated copy of the Certificate of Incorporation of plaintiff No. 1 is marked as **Ex. PW-1/4**. Mr. A.S. Bhargava, the Constituted Attorney of plaintiff No. 1, Exphar SA (hereinafter referred to as “the plaintiff”) has tendered his affidavit for and on behalf of the plaintiffs. Certified copy of the Board Resolution dated 10.09.1998 in his favour, is marked as **Ex. PW-1/1**. Certified copy of the Board Resolution in his favour is exhibited as **Ex. PW-1/2**. Certificate of Incorporation along with the Memorandum and Articles of Association of plaintiff No. 2 is exhibited as **Ex. PW-1/3**.

5. As per the plaintiffs, the plaintiff’s trade mark MALOXINE is a coined word having no obvious meaning either in the English language or in any Indian language and the trade mark MALOXINE is an inherently distinctive mark signifying the pharmaceutical preparations of the plaintiff exclusively. The trademark MALOXINE has been used openly, extensively and uninterruptedly by the plaintiff since July 1991.

6. Apart from the common law rights, the plaintiff holds registration for the trade mark MALOXINE (label) in India in class 5 under No. 811482 in respect of pharmaceutical products. Certificate for use in the legal proceedings for the trade mark No. 811482 is exhibited as **Ex. PW 1/5**. The plaintiff has also applied for the registration of the trade mark MALOXINE EXPHAR in India in class 5 in respect of pharmaceutical products. A certified copy of the application for registration of the trademark MALOXINE EXPHAR bearing No.687530 is exhibited as **Ex. PW-1/6**. The plaintiff’s trade marks MALOXINE, MALOXINE EXPHAR and MALOXINE (Label) are registered in Benelux, OAPI, United Kingdom & Nigeria.

Registration certificates in favour of the plaintiff in Benelux are filed herewith and exhibited as **Ex. PW-1/7(i) to Ex. PW-1/7 (iii)**. Certified copy of the certificate of renewal of registration for MALOXINE (Label) under No.61692 in Nigeria is filed herewith and exhibited as **Ex PW-1/8**. Copies of Registration Certificates in favour of the plaintiff in United Kingdom and OAPI are collectively marked as **Mark-B**.

7. The plaintiff's products under the trade mark MALOXINE have been sold in various countries of the world apart from India, including Nigeria, Rwanda, Cameroon, Ivory Coast, Senegal, Chad, Togo, Mali, Burkina Faso, etc. The sales figures in respect of the plaintiff's products bearing the trade mark MALOXINE for the years 1992 to 2009 are given in the affidavit tendered in evidence are reproduced as under:

YEAR	SALES (US \$)
1992	14,588
1993	248,550
1994	324,225
1995	569,850
1996	235,800
1997	1.170.635
1998	1.640.452
1999	1.652.463
2000	2.694.687
2001	861.576
2002	910.640
2003	730.165

2004	666.407
2005	631.260
2006	434.102
2007	483.000
2008	504.285
2009 till September 2009	502.200

A certificate of the Certified Public Accountants, Coppens & associés S.P.R.L authenticating the above sales figures is annexed herewith and may be exhibited as **Ex. PW-1/9**.

8. It is submitted that the plaintiff has also spent a considerable sum of money on the promotion of its pharmaceutical products bearing the trade mark MALOXINE and the same has acquired tremendous reputation and goodwill in the trade and also amongst the public at large through extensive advertising in various medical journals and publications. Specimen advertisements and promotional material pertaining to the plaintiff's products bearing the trademark MALOXINE are collectively exhibited as **Ex. PW-1/10(i)** to **Ex. PW-1/10(iv)**. Original advertisements published in the 'FANE', a directory of European Companies exporting to Africa and 'EKO AKETE- 97', a publication of the Pharmaceutical Society of Nigeria are exhibited as **Ex. PW-1/11** and **Ex. PW-1/12** respectively. The annual advertising figures pertaining to the trade mark MALOXINE for the years 1992 to 2009 mentioned in the affidavit of Mr. A.S. Bhargava are reproduced as under:

YEAR	EXPENDITURE (US \$)
Vander Haegen	15.498,79

Studio Goffin	18.986,56
Goldprint	41.263,04
ABC Expo	8.244,32
Apeke Promo Afrique	1.126,15
Athena Graphics	445,46
Audio Video Pro	1.437,28
Concept Expo Project	68.410,04
Createl Studio	1.113,08
Logo Design	447,95
Lorri Printing	3.129,56
Studio Goor	3.475,93
Triographic	540.578,27
Promotion Afrique	10.478,48
Total Euros	714.634,91

A certificate of the Certified Public Accountants Coppens & associés S.P.R.L authenticating the above advertising figures is exhibited as **Ex. PW-1/13**.

9. It is alleged that the plaintiff's pharmaceutical products bearing the trade mark MALOXINE are sold in a packaging/carton having a distinctive color scheme, get-up, lay out and arrangement of features. The plaintiff's carton has an overall blue background bearing the device of a mosquito depicted within a highly distinctive green patch and the word MALOXINE appearing in a unique small font. At the bottom of the aforesaid carton, appear four crosses in green and white color. The carton also bears a device of a tablet split into two halves, in a green and white color combination. The plaintiff's

product packaging bearing the trade mark MALOXINE is exhibited as **Ex. PW-1/14**.

10. It is also alleged that the aforesaid color scheme, get up and arrangement of features constitute an original artistic work within the meaning of Section 2 (c) of the Copyright Act, 1957 and the plaintiff's packaging is entitled to protection in India, in view of Belgium and Nigeria being signatories to the Berne Convention and the Universal Copyright Convention. The plaintiff's MALOXINE packaging/carton was designed by Mr. Mne Dina Vander Haeghen, an employee of the plaintiff exclusively and the copyright in the MALOXINE packaging/carton vests with the plaintiff. Mr. Mne Dina Vander Haeghen also filed an affidavit dated 24.03.1999 before this Court and the same is exhibited as **Ex. PW-1/15**.

11. It is the case of the plaintiffs that the plaintiff No. 2 is authorized by plaintiff No. 1 to manufacture pharmaceutical preparations/tablets under the trademark MALOXINE by virtue of an Exclusive Manufacturing Contract which is renewable after every five years and by virtue of the said manufacturing contract, the plaintiff No. 2 manufactures MALOXINE tablets for sale in various countries of the world, barring Nigeria where the plaintiff No. 1 has another exclusive agent namely plaintiff No. 3. A certified copy of the latest Manufacturing Contract dated 13.02.2008 between the plaintiff and plaintiff No. 2 is exhibited as **Ex. PW-1/16**. A certified copy of the Exclusive Sub-Manufacturing Contract dated 05.02.1997 between plaintiff No. 1 and plaintiff No. 3, by virtue of which plaintiff No. 3 has exclusive rights in respect of manufacturing MALOXINE tablets for sale in Nigeria is exhibited as **Ex. PW-1/17**.

12. In the year 1991, the plaintiff entered into a manufacturing contract with the defendants through their agent, International Commerce Promotion SPRL (ICP) to manufacture tablets under the trademark MALOXINE for export to various countries of the world including Nigeria, on the basis of the specifications set out by plaintiff No. 1. It is stated that the tablets under the trademark MALOXINE manufactured by the defendants were sold to plaintiff No. 1 through a London based company, Britlodge Limited. Copies of invoices issued to the plaintiff by Britlodge Limited with respect to products bearing the trademark MALOXINE are collectively be marked as **Mark-C**. It is alleged that all through the contractual relationship between the plaintiff and the defendants, it was understood that the plaintiff is the proprietor of the trademark MALOXINE as also of the copyright in the MALOXINE carton/packaging and the MALOXINE tablets were sold by the defendant in cartons clearly attributing the ownership of the trademark MALOXINE to the plaintiff.

13. In November, 1991, the plaintiff No. 1 terminated its manufacturing contract with the defendant owing to the deteriorating quality of the MALOXINE tablets manufactured by the defendant. A certified copy of the Letter of Termination of the Manufacturing Contract between plaintiff No. 1 and the defendant dated 23.11.1991, is exhibited as **Ex. PW-1/18**. It is stated in the affidavit that Ms. Anne Marie Martinez, who was the Export Manger of plaintiff No. 1 at the time of the institution of the suit also filed an affidavit dated 08.03.1999 and the same is exhibited as **Ex. PW-1/19**.

14. Further, it is deposed in the affidavit that termination of the Manufacturing Contract by the plaintiff was vindicated when newspaper reports were published in May 1998 on the termination of the defendant's manufacturing license for its Vile Parle factory by the
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Food & Drugs Administration. The news report in 'Express Pharma Pulse' dated 28.05.1998 is exhibited as **Ex. PW-1/20**. The aforesaid newspaper report detailed the loopholes/lapses in the manufacturing process observed by the defendant including the use of non-sterilized bottles, improper packaging standards, ill-maintained shop floor, etc. It was also reported that the defendant was found in possession of large quantities of paracetamol with fungus growth.

15. The plaintiffs further submit that the National Agency for Food and Drug Administration and Control, Nigeria identified MALOXINE tablets manufactured by the defendant as fake while recognizing the plaintiff's tablets under the trade mark MALOXINE as genuine. Original publications in the Newspapers 'The Guardian' dated 12.06.2003, 'Vanguard' dated 13.06.2003 and 'Sunday Punch' dated 15.06.2003 are exhibited as **Ex. PW 1/21, Ex. PW 1/22 and Ex. PW-1/23** respectively.

16. On 05.11.1993 the plaintiff No. 3 received a cease and desist letter from the attorneys of the defendant calling upon them to cease and desist from manufacturing pharmaceutical preparations/tablets under the trademark MALOXINE. A certified copy of the cease and desist letter dated 05.11.1993 is exhibited as **Ex. PW-1/24**. In response to the defendant's aforesaid letter, plaintiff No. 3 replied vide letter dated 19.11.1993 pointing out that the trademark MALOXINE was owned by plaintiff No. 1 and there was no reason for plaintiff No. 3 to comply with the notice of the defendant. A certified copy of the letter dated November 19, 1993 is exhibited as **Ex. PW-1/25**. Thereafter, on 08.01.1994 the defendant, through its attorneys wrote to plaintiff No. 3 calling upon them to forward samples of their label and packing material used in respect of

trademark MALOXINE. A certified copy of the defendant No. 2's letter dated 08.01.1994 is exhibited as **Ex. PW-1/26**. Plaintiff No. 3 once again denied the claims of defendant No. 2 in a letter dated 18.01.1994. A certified copy of the letter dated 18.01.1994 is exhibited as **Ex. PW-1/27**.

17. In April 1996, consequent to information received by the plaintiff from the offices of the National Agency for Food and Drugs Administration and Control, Nigeria, inquiries were conducted at the behest of the plaintiff which revealed that the defendant was exporting tablets under the trademark MALOXINE to Moore Associates Ltd. and Moore Onyekaba in Nigeria. Sample of defendant No. 2's unauthorized product packaging bearing the trademark MALOXINE is exhibited as **Ex. PW-1/28**. The plaintiff also learnt that the defendant was also exporting MALOXINE tablets to other parts of the world through its agent ICP. Thereupon, the plaintiff was instituted a civil suit against the aforesaid Moore Associates Ltd. before the Federal High Court of Nigeria which was decided in favour of the plaintiff. A certified copy of the order dated 28.02.2003 passed by the Federal High Court of Nigeria is exhibited as **Ex. PW-1/29**.

18. The license to import and sell pharmaceutical preparations under the trademark MALOXINE has been approved to the plaintiff by the National Agency for Food, Drug Administration and Control, Nigeria and published in the Official Gazette of Federal Republic of Nigeria. A copy of the publication in the Official Gazette of Federal Republic of Nigeria dated 29.04.1998 is marked as **Mark-D**. A certified copy of the certificate of registration issued by the National Agency for Food and Drugs Administration and Control, Nigeria in

respect of plaintiff's, Maloxine tablets dated 30.11.2004 is exhibited as **Ex. PW-1/30.**

19. On 19.05.1998, plaintiff No. 2 was issued a cease and desist letter by the attorneys of defendant No. 2 calling upon plaintiff No.2 to cease and desist from manufacturing pharmaceutical preparations under the trade mark MALOXINE and from imitating the alleged copyright of the defendant in the MALOXINE carton. A certified copy of the letter dated 19.05.1998 from the defendant No. 2's attorneys is exhibited as **Ex. PW-1/31.** In response to defendant No. 2's aforesaid letter to plaintiff No. 2, a letter dated 04.06.1998 was sent by the attorneys of the plaintiff. A copy of the aforesaid letter dated 04.06.1998 is exhibited as **Ex. PW-1/32.**

20. In view of the pleadings and documents placed on record , this Court is of the view that the defendant cannot claim the ownership of the trademark MALOXINE after termination of the manufacturing contract with the plaintiff. Any unauthorized reproduction of the plaintiff's MALOXINE carton/ packaging by the defendants amounts to an infringement of the copyright vested with the plaintiff and the unauthorized use of the plaintiff's trademark MALOXINE amounts to infringement of trademark No. 811482 in class 5. The reproduction of the plaintiff's carton/packaging by the defendant and misuse of the plaintiff's trademark would cause confusion and deception in the minds of the general public at large about a connection or affiliation with the plaintiff since the trademark MALOXINE connotes and denotes the plaintiff's products alone. The defendant is clearly passing off its goods as those originating from the plaintiff. By the illegal trade activities of the defendants, the plaintiffs would suffer loss in their business and it would also damage the plaintiff's reputation and goodwill. The defendant can have no

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plausible reason to explain the adoption of the trademark MALOXINE and an identical colour scheme get up and arrangement of features except to take undue advantage of the reputation that the plaintiffs have built up in respect of their goods after the termination of relations between the parties.

21. As the defendant has failed to prove its case contrary to the case pleaded by the plaintiffs, therefore, the plaintiffs are entitled to a decree of permanent injunction as pressed.

22. The suit of the plaintiffs is accordingly decreed in terms of para 22 (a) and (b) of the plaint which are reproduced as under:

“a) An order for permanent injunction restraining the defendants, their principal officers, servants, distributors and agents from passing off or attempting to pass off or causing, enabling or assisting others to pass off, a preparation for the treatment of malaria not of the plaintiffs’ manufacture or merchandise, as and for the goods of the plaintiffs’ by the use or in connection therewith, in the course of trade, of the trade mark MALOXINE or any deceptive variant thereof or adopting the distinctive get up, package design and logo identical in all essential details to that of the plaintiffs’ MALOXINE carton or any colourable imitation thereof or by any other means;

b) An order restraining infringement of the copyright of the plaintiff No.1 in the artistic work comprised in the MALOXINE carton.”

23. Decree be drawn accordingly.

24. Other reliefs claimed in the plaint are not pressed hence, not granted. The plaintiffs are however, entitled for costs. Suit and pending applications stand disposed of.

MANMOHAN SINGH, J.

APRIL 18, 2012