

IN THE HIGH COURT OF JUDICATURE AT BOMBAY**ORDINARY ORIGINAL CIVIL JURISDICTION****NOTICE OF MOTION (L) NO. 2838 OF 2014
IN
SUIT (L) NO. 1212 OF 2014**

Blue Cross Laboratories Ltd. ...Plaintiff / Applicant
vs.
RB Remedies Pvt. Ltd. & Anr. ...Defendants

WITH**LEAVE PETITION (L) NO. 354 OF 2014
IN
SUIT (L) NO. 1212 OF 2014**

Blue Cross Laboratories Ltd. ...Plaintiff
vs.
RB Remedies Pvt. Ltd. & Anr. ...Defendants

WITH**NOTICE OF MOTION (L) NO. 2978 OF 2014
IN
SUIT (L) NO. 1212 OF 2014**

RB Remedies Pvt.Ltd. ...Applicant / Deft.No.1

In the matter between

Blue Cross Laboratories Ltd. ...Plaintiff
vs.
RB Remedies Pvt.Ltd. & Anr. ...Defendants

.....

Mr. Vinod Bhagat a/w. Mr. Dhiren Karania and Mr. Punit Jani, i/b. G.S. Hegde & V.A. Bhagat, for the Plaintiff.

Mr. Sanjeev S. Hariakar, for the Defendants.

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CORAM : S.C. GUPTE, J.

27 JANUARY 2015

P.C. :

. The Notice of Motion seeks interim reliefs in an infringement and passing off suit. By consent of Counsel, the motion is taken up for hearing at the ad-interim stage itself.

2. The Plaintiff is a leading pharmaceutical business house in India and is a registered proprietor of the trade mark 'CEDON' vide Registration No. 717042 as of 14.08.1996 in Class 5 of the Fourth Schedule to the Trade Mark Rules, 2002. The Plaintiff manufactures and markets antibacterial dry syrup used to treat cough, under the trade mark 'CEDON'. The Plaintiff has used the trade mark in relation to these goods continuously since 2004. The sales figures, invoices, promotional material, etc. produced with the Plaintiff indicates an extensive sale of the goods under the trade mark 'CEDON' by the Plaintiff throughout the last more than ten years. In 2013-14 itself, the sales were over Rs. 11 crores. In August 2014, the Plaintiff learnt about the use of the mark 'CEFDON' by Defendant No. 1 in respect of similar goods, namely, antibacterial dry cough syrup. The Plaintiff thereupon served a cease and desist notice on Defendant No.1 and its manufactures, one M/s Origin Formulations Pvt. Ltd. Whilst Defendant No.1 refused to desist from using the mark 'CEFDON', M/s Origin Formulation agreed and undertook to stop the use of the mark. The Plaintiff later found that Defendant No.1 continued to market its goods under the mark 'CEFDON', getting the same manufactured by Defendant No.2. Hence the suit and the application by way of a Notice of Motion. Since the Defendants are located outside the jurisdiction of this Court and the cause of action for passing off also arises outside, the Plaintiff has filed a leave petition for combining the two causes of action.

3. Defendant No.1 contests the leave petition and the Notice of Motion. Defendant No.1 has also taken out its own Notice of Motion,

Notice of Motion (L) No. 2978 of 2014, under Order 7 Rule 11 of the Code of Civil Procedure for rejection of the Plaintiff.

4. All three matters, i.e. the Leave Petition and the two Notices of Motion, are taken up for hearing.

5. The Suit, in so far as the cause of action for infringement is concerned, lies within the jurisdiction of this Court. The Plaintiff, who is the registered proprietor of the trade mark, infringement whereof is the subject matter of this Suit, carries on business within the territorial jurisdiction of this Court. It is alleged that the Defendants, by means of selling their goods under the offending mark 'CEFDON', are not only infringing the Plaintiff's registered trade mark 'CEDON', but also passing off their goods as the goods of the Plaintiff. The same set of facts, as those alleged in respect of the cause of action of infringement, are the foundation of the plea of passing off. In order to avoid multiplicity of proceedings, it is in the interest of justice to allow the Plaintiff to combine the causes of actions of infringement and passing off in the suit. No prejudice is likely to be caused to the Defendants thereby.

6. Now, coming to the Notice of Motion (L) No. 2978 of 2014, the Defendant's case is that the Plaintiff has been affirmed on behalf of the Plaintiff by an unauthorized person. It is submitted that Suresh Mahalingam, who has affirmed the Plaintiff, is not a director or principal officer of the Plaintiff Company; that the Plaintiff has not produced on record any resolution passed by its Board of Directors for instituting the suit herein or authorizing Suresh Mahalingam to affirm the plaintiff on its behalf; and that therefore, having regard to Section 291 of the Companies Act read with Order 29 Rule 1 of CPC, the Plaintiff is barred from instituting the Suit, requiring rejection of its plaintiff under Order 7 Rule 11.

7. Under Order 29 Rule 1, in a suit by or against a corporation any pleading may be signed or verified on behalf of the corporation by its Secretary. Suresh Mahalingam is the Company Secretary of the Plaintiff Company. The Plaintiff has produced the requisite Form 32 filed in respect of his appointment. The plaint has, thus, been affirmed properly. In any event, the question, namely, whether or not the signatory or declarant of a pleading is authorised to affirm a pleading or institute the suit or proceeding, is a question which arises in the trial of the suit. The suit cannot be said to be barred by any law within the meaning of Clause (d) of Rule 11 of Order 7, if the authority of the signatory and declarant is not produced with the plaint or shown to exist at the time of filing of the suit. Thus, there is no merit in the Defendant's application. The judgments relied upon by the learned Counsel for Defendant No.1, where the authority of the person verifying the pleadings or filing suits or petitions on behalf of a Company has been examined by the Courts with reference to Order 29 Rule 1 of CPC and Section 291 of the Companies Act, are all either concluded trials, where the question was gone into after evidence was led by the parties, or final decisions rendered upon the final hearing of the matters. There is nothing to support the proposition that this inquiry could properly be made at the stage of an application for rejection of plaint under Order 7 Rule 11. There is, thus, no merit in the Notice of Motion of Defendant No.1.

8. In reply to the Plaintiff's Notice of Motion for interim injunction, it is submitted by Defendant No.1 that its mark 'CEFDON' was honestly adopted by it and has been in its use, since 2008. It is the case of Defendant No.1 that the principal drug used in the product is Cefpodoxime, from which the Defendant has coined the word 'CEFDON' and adopted it in respect of its goods, just as the Plaintiff has coined the word 'CEDON' from

Cefpodoxime. The Defendant has produced sales figures certified by its Chartered Accountants as also its sales promotional material, invoices, etc. According to the Defendants, there is no deceptive similarity between the two trade marks. It is the Defendant's case that the goods in respect of which the parties' respective trademarks are used are Schedule H drugs sold only on prescriptions of medical practitioners and there is no likelihood of any confusion amongst the buying public.

9. *Prima facie* the word marks 'CEDON' and 'CEFDON' per se appear to be deceptively similar. There is sufficient phonetic and visual similarity between the two marks, leading to a palpable possibility of confusion. The question is, whether, having regard to the fact that both words, 'CEDON' and 'CEFDON', being derivatives of the name of the principal drug used in the medicine, namely, Cefpodoxime, and that the goods in relation to which both marks are used being Schedule H drugs sold only on prescriptions of medical practitioners, is there no actual likelihood of confusion. Secondly, it is submitted by the learned Counsel for the Defendant that the Plaintiff's trade mark being descriptive of the particular drug used in its preparation, no monopoly can be claimed by the Plaintiff.

10. Though the Plaintiff's trade mark, just as the Defendant's, appears to be derived from the name of the principal drug used in the product, i.e. Cefpodoxime, it cannot be said to be descriptive. It is a known fact that names of pharmaceutical products are often coined from the names of the drugs used in them. It facilitates the medical practitioners' recollection of the products with reference to the drugs used in them. Unless the word thus coined so closely resembles the name of the drug/s from which it is derived, it cannot be a case of description of the product. In the present case, the Plaintiff's mark does not describe the product. It

cannot be called generic as opposed to distinctive. Secondly, the monopoly is derived from its registration. The registration is *prima facie* proof of its registrability, that is to say, its being distinctive and not descriptive and its being capable of being accordingly registered. By relying on its registration, the Plaintiff can certainly claim an injunction against an identical, or descriptively similar, trade mark.

11. Relying on the decision of Delhi High Court in the case of **SBL Limited Vs. Himalaya Drug Company**¹, it is submitted by the learned Counsel for the Defendant that there is no possibility of confusion in the present case, since there is an industry practice that common elements which reflect main components of the name of the principal drug are used to form trade marks for medicinal products. The Defendant has not produced any material or shown that the word 'CEDON' or alphabets forming it are of common use in the trade by reason either of the name of the principal drug being used commonly to form marks in relation to similar medicines or otherwise. It is not shown that the two marks 'CEDON' and 'CEFDON' contain common elements which are also used in the trade. This is a matter of fact and unless there is evidence of extensive use of a common element in the trade, it is not possible to deny interim relief to the registered proprietor on this ground.

12. No doubt, as discussed by the Delhi High Court in the case of **Himalaya Drug Co.** (supra), when one considers a case of infringement or passing off relating to medicines or pharmaceutical preparations, a few additional considerations do arise in cases where the products in question are sold on prescriptions of doctors and only by persons possessing special knowledge or expertise in the field. The likelihood of confusion may be less than in the case of other goods which are sold freely. But the tests for

¹ 1997 (17) PTC 540 (DB)

judging these cases are the same. It is the degree or order of similarity with a view to make out the likelihood of confusion or deception that may be different in the two cases. The test to be adopted is still is, whether an unwary customer, who goes to purchase the medicine, may end up mistakenly buying one medicine in place of the other. The factors leading to the mistake may be many. In the first place, a close phonetic and visual similarity may lead to a mistake on the part of the prescribing doctor in writing the name of the medicine, more so because of the same principal drug contained in the two medicines. It may even be a case of misspelling. The dispensing chemist may make a mistake in reading the name or even slur over it. Besides, it is well known that in practice, medicines of common ailments such as cough and cold are sold in our country without insisting on prescriptions. Closer the similarity of the two marks, the greater the chances of such mistakes. Thus, one will have to go by the degree of similarity between the two marks.

13. In our case, the goods bearing the two trade marks contain the same generic drug; bear the same potency; and the two marks very nearly resemble each other. The whole of the Plaintiff's mark 'CEDON' is copied in the Defendant's mark with merely the addition of the alphabet 'F' between 'E' and 'D'. It lends a very high degree of visual similarity to the two marks. Even phonetically, the similarity is of a very high order. The marks contain two phonetic phrases each, 'CE' and 'DON' in 'CEDON', and 'CEF' and 'DON' in 'CEFDON'. The pronunciation of the alphabet 'F' as a component of the phonetic element formed by 'CEF' does not materially alter the overall phonetic effect of the word 'CEFDON' from that of 'CEDON'. In **Ranbaxy Laboratories Vs. Dua Pharma**², the Court held the trade marks 'CALMPOSE' and 'CALMPROSE', used in relation to schedule drugs, to be descriptively similar and granted an injunction. It was held that the two

2 AIR 1989 Delhi 44

words are phonetically similar and that addition of a single letter without altering its phonetic sound, did not make it dissimilar. So also, in **Astra IDL Vs. TTK Phama**³, our Court held the trade marks BETALONG and BETALOC, both used for Schedule drugs, to be phonetically, visually and structurally similar, and granted an injunction in favour of the Plaintiff. In the present case also, the letter 'F' in the mark 'CEFDON' does not alter the phonetic sound sufficiently so as to distinguish it from 'CEDON'. The degree of similarity is so high as to cause a serious likelihood of confusion, even though the medicines are sold on prescription. The Plaintiff, therefore, deserves the injunction claimed for.

14. The Defendant opposes the grant of interim relief to the Plaintiff also on the ground of honest and concurrent user. There is no case of any user prior to the registration of the Plaintiff's trade mark, which is as of 1996. The user claimed by the Defendant is only since 2008. There is no case, therefore, under Section 34 of the Trade Marks Act, 1999. No case can be made out under Section 12 either. There is no application for registration by the Defendant under Section 12.

15. The Defendant claims to have adopted the word 'CEFDON' as its mark honestly. Honesty of adoption by itself is no defence to the action of infringement, though it may have some relevance from the point of view of a passing off action.

16. The Defendant also opposes the Notice of Motion on the ground that the application for injunction suffers from delay. It is a well settled position of law that mere delay, without anything more, is never regarded as a good defence to an infringement action. The Plaintiff's case is that the infringement was noticed for the first time by the Plaintiff in

3 1992 AIR (Bom) 35

August 2014. The Plaintiff thereafter gave a cease and desist notice, in response to which the manufacturer of the Defendant's goods even gave an undertaking to desist from using the offending mark, though Defendant No.1 refused to discontinue the user. The suit filed by the Plaintiff in December 2014 cannot be said to be suffering from an inordinate delay, disentitling the Plaintiff to the equitable relief claimed. The Defendant, however, relies on the evidence of its having used the trade mark from 2008. Inordinate delay in the sense a delay of such long duration as would suggest an abandonment of the right to seek relief on the part of the plaintiff, may in a given case defeat an equitable relief. In our case, the Defendant claims to have used the mark for about five years. The sales of Defendant No.1 through this period are not significant enough to impute the Plaintiff with any knowledge of the Defendant's use of the mark – leave aside any intention of abandonment of the right to relief.

17. Thus *prima facie* there is no good defence available to the Defendant to oppose the interim injunction application made on the ground of infringement.

18. In support of its case of passing off, the Plaintiff has made out a *prima facie* case of extensive reputation and goodwill of its registered trade mark in the market. As for likelihood of confusion or deception, I have already held above that there is such concrete likelihood. The Defendant claims to have adopted the word 'CEFDON' from the name of the principal drug contained in the product, namely, Cefpodoxime. This may *per se* be an honest adoption, but then there was the Plaintiff's trade mark 'CEDON' already on the Register. The Defendant could only be said to have adopted its mark 'CEFDON' at its own peril. Any actual intention on the part of the defendant to pass off his goods as those of the plaintiff, is not an essential ingredient of a passing off action. It is sufficient if there is

a likelihood of the goods being so passed off. The Plaintiff has, accordingly, made out a case for interim relief even in the passing off action.

19. Accordingly, the matters are disposed of as follows:

- (i) Leave Petition is allowed in terms of prayer clause (a);
- (ii) Notice of Motion (L) No. 2978 of 2014 is dismissed;
- (iii) Notice of Motion (L) No. 2838 of 2014 is made absolute in terms of prayer clauses (a) and (b);
- (iv) There shall be no order as to costs.

(S.C. GUPTE, J.)