

IN THE HIGH COURT OF JUDICATURE AT MADRAS**DATED : 20.04.2015****CORAM****THE HONOURABLE MR. JUSTICE R.SUBBIAH****Application Nos.3307 & 3308 of 2014****in****C.S.No.8 of 2014**

Sri Vari Pharma
120/43, Rasapaa Chetty Street,
Parrys, Chennai-600 003.

.... Applicant/3rd defendant

Vs.

1.M/s.Apex Laboratories Pvt Ltd.,
29, III Floor, SIDCO Garment Complex,
Guindy, Chennai-600 032.

....1st respondent/Plaintiff

2.Sree Sai Varsha Nutritions,
Plot No.34, LN Colony,
Uppal, Hyderabad-500 039,
represented by its Proprietor
K.Gangahdar Reddy

....2nd respondent/1st Defendant

3.Vyshnavi Pharma,
2-4-81, Medical Complex,
Rajagiri Kota, Narasaraopet-522601,
Guntur District,

Rep. by its Partner N.Ramalingeswara Rao ... 3rd respondent/2nd defendant

Application No.3307 of 2014 has been filed by the applicant/3rd defendant under Order XIV Rule 8 of Original Side Rules r/w Order I Rule 10(2) of CPC, praying to strike out the name of the applicant/3rd defendant as being a misjoinder and improperly joined as a party in C.S.No.8 of 2014.

Application No.3308 of 2014 has been filed by the applicant/3rd defendant under Order XIV Rule 8 of Original Side Rules r/w Order VII Rule 11 of CPC, praying to reject the plaint and dismiss the suit in C.S.No.8 of 2014.

For Applicant : Mr.S.P.Vijayaraghavan

For 1st respondent : Mr.R.Sathish Kumar

ORDER

Application No.3307 of 2014 has been filed by the applicant/3rd defendant under Order XIV Rule 8 of Original Side Rules r/w Order I Rule 10(2) of CPC, praying to strike out the name of the applicant/3rd defendant as being a misjoinder and improperly joined as a party in C.S.No.8 of 2014.

2.Application No.3308 of 2014 has been filed by the applicant/3rd defendant under Order XIV Rule 8 of Original Side Rules r/w Order VII Rule 11 of CPC, praying to reject the plaint and dismiss the suit in C.S.No.8 of 2014.

3.The applicant herein is the 3rd defendant, the 1st respondent herein is the plaintiff and the respondents 2 & 3 are the defendants 1 & 2 in the suit. For the sake of convenience, the parties are referred to as per their rankings in the suit.

4.The plaintiff has filed the suit for the following reliefs_

(1)a permanent injunction restraining the defendants, by itself, its partners, men, servants, agents, distributors, stockiest, representatives or any one claiming through or under them from in any manner infringing the plaintiff's registered trademark ZINCOVIT under No.487453 in class 5 by using a deceptively similar trademark ZINKOWIT or any other trademark deceptively similar to the plaintiff's

registered trademark or in any other manner whatsoever;

(2)a permanent injunction restraining the defendants, by itself, its partners, men, servants, agents, distributors, stockiest, representatives or any one claiming through or under them from in any manner committing acts of copyright infringement by using, in the course of trade, labels/artistic works which are substantial reproductions of plaintiff's registered copyright under No.A-54243/1997 in colour scheme, get up and layout for their ZINKOWIT syrup, drops tablets etc., or in any other manner whatsoever;

(3)a permanent injunction restraining the defendants, by itself, its partners, men servants, agents, distributors, stockiest, representatives or any one claiming through or under them from in any manner committing acts of copyright infringement by using, in the course of trade, labels/artistic works which are substantial reproductions of plaintiff's registered copyright under No.A-91339/2011 for their ZINKOWIT syrups, drops, etc., or in any other manner whatsoever;

(4)a permanent injunction restraining the defendants, by itself, its partners, men servants, agents, distributors, stockiest, representatives or any one claiming through or under them from in any manner passing off and/or enabling others to pass off the defendants products under the trademark ZINKOWIT as and for the plaintiffs' products by manufacturing, selling or offering to sell, distributing,

displaying, printing, stocking, using, advertising their products with a trademark and/or label or artistic work that is identical in colour scheme, get up and layout with that of the plaintiff's ZINCOVIT trademark or artistic work or in any other manner whatsoever;

(5)the defendants be ordered to surrender to plaintiffs for destruction of all products, labels, cartons, dyes, blocks, moulds, screen prints, packing materials and other materials bearing the trademark ZINKOWIT label or any mark deceptively similar to plaintiffs' trademark and artistic work ZINCOVIT label.

(6)a preliminary decree be passed in favour of the plaintiffs directing the defendants to render account of profits made by use of trademark and copyright in the artistic work ZINKOWIT label and a final decree be passed in favour of the plaintiffs for the amount of profits thus found to have been made by the defendants after the latter have rendered accounts;

(7)for costs of the suit.

5.The brief facts of the case of the plaintiff are as follows_

5(1)The plaintiff is a company incorporated under the Companies Act in the year 1976 to carry on business of pharmaceutical and other allied businesses. In the course of business, the plaintiff has adopted several trademarks and applied the same to various pharmaceutical and nutraceutical products manufactured by it. One such trademark adopted by the plaintiff is ZINCOVIT and the said trademark has been adopted by the plaintiff in the year 1988 and used since 1990. The plaintiff has applied for

registration of the trademark ZINCOVIT under No.487453 in Class 5. The said registration has been granted with effect from 16.03.1988 in favour of the plaintiff and the same is valid and subsisting till the year 2019. The plaintiff has also adopted a unique packaging for its products under the trademark ZINCOVIT with distinctive features. The said packaging qualifies as a copyright also and it has also been registered by the Copyright Office under No.A-54243/1997. The plaintiff is using the above artistic work for its ZINCOVIT SYRUP and ZINCOVIT DROPS. The plaintiff has also registered a copyright for the artistic work under No.A-91339/2011 for ZINCOVIT drops label, which are also used for their ZINCOVIT products as dietary supplements. The said artistic work has also come to be identified with the plaintiff's ZINCOVIT. The product of the plaintiff is essentially a vitamin supplement given to develop immunity to children and also adults. The plaintiff has extended the product portfolio of ZINCOVIT brand into nutraceuticals and food supplements also in the year 2005 by obtaining necessary licences from the appropriate authorities. The plaintiff is also advertising its products under the trademark with the distinctive copyright for ZINCOVIT in several accepted means in the pharmacological and nutraceutical circles.

5(2)While things stood thus, there was a news item in DINAKARAN daily, Puducherry Edition, dated 20.11.2013, that ants were found in ZINKOWIT bottles. The said news item was published along with photograph. The plaintiff's marketing agents and some doctors of the region

who became aware of the same informed the plaintiff about the said news item. The said news item also contained a statement that the product was purchased at Vikravandi, near Villupuram. The plaintiff verified the same and immediately filed a complaint before the Inspector of Police, Vikravandi Police Station and the Police investigated the matter by filing an First Information Report. Upon such investigation, it was revealed that the 1st defendant is the manufacturer of the product ZINKOWIT, the 2nd defendant is the distributor and the 3rd defendant is the distributor in Tamilnadu, who has supplied the products that were found with ants in the bottle and all the three defendants are involved in the infringement chain. In fact, during the investigation, the 1st defendant had sent a fax message to the authorities that he is the manufacturer of the ZINKOWIT product and that he would discontinue using the impugned trademark ZINKOWIT.

5(3) It is further case of the plaintiff that the product ZINKOWIT is identical to the plaintiff's product as they are health supplements. The trademarks are phonetically identical; ZINCOVIT and ZINKOWIT. The product cartons are also identical with the fruits and vegetables label in both of them. The plaintiff's product ZINCOVIT is in the market for more than two decades and it has acquired tremendous reputation and goodwill. The defendants' ZINKOWIT has caused immense hardship and damage to the plaintiff as the packaging cartons which were published in the news item are very much identical to the plaintiff's products ZINCOVIT. The defendants have deliberately and knowingly adopted an identical trademark ZINKOWIT

and have also adopted an identical label for their products, which clearly shows the *malafide* intention of the defendants in copying the plaintiff's trademark and artistic work. The adoption of the fruits and vegetables as part of their artistic work was arbitrary as none of the ingredients contain fruits or vegetables except for the flavor. The products involved are identical viz., nutritional preparations. The products are multivitamin preparations prescribed for young children for their immunity development. The defendants are using an identical trademark ZINKOWIT which is phonetically, visually and structurally similar to the plaintiff's registered trademark ZINCOVIT. Hence, the plaintiff has filed the present suit for the reliefs as stated supra.

6. Pending the suit, on 10.01.2014 the plaintiff has obtained an order of interim injunction in Application No.16 of 2014 in C.S.No.8 of 2014, restraining the defendants, their partners, men, servants, agents, distributors, stockiest, representatives or any one claiming through or under them from in any manner passing off and/or enabling others to pass off the respondent's products under the trademark ZINKOWIT as and for the plaintiff's products by manufacturing, selling, or offering to sell, distributing, displaying, printing, stocking, using, advertising their products with a trademark and/or label or artistic work that is identical in colour scheme, get up and layout with that of the plaintiff's ZINCOVIT trademark or artistic work or in any other manner whatsoever.

7. On appearance, the 3rd defendant, who is the distributor of the 1st defendant's products viz., ZINKOWIT, in Tamilnadu, has filed the present applications, one to strike out the 3rd defendant's name from the plaint, in Application No.3307 of 2014; and another to reject the plaint as against the 3rd defendant, in Application No.3308 of 2014.

8. The sum and substance of the averments made in the affidavits filed in support of the above two applications filed by the 3rd defendant are as follows_

8(1) The suit is not maintainable as against the 3rd defendant as no cause of action exists at the time of filing the suit as against the 3rd defendant. The 3rd defendant does not have the alleged ZINKOWIT product. The plaint is liable to be rejected on the following grounds_

- (i) for want of cause of action,
- (ii) for misjoinder and improper joining of the 3rd defendant as a party to the suit;
- (iii) for want of vesture of rights on the plaintiff so as to invoke Sections 27, 28, 29, 134, 135 of the Trademarks Act;
- (iv) For suppression of withdrawal of Police Complaint lodged at Vikravandi Police Station;
- (v) For filing concocted/extraneous documents, misleading facts, abuse and misuse of rights, ambiguity in pleadings and suppression of facts and material;

It is further contended by the 3rd defendant that the plaintiff does not have any statutory right under Section 28 of the Trademarks Act, so as to invoke Sections 29, 134 & 135 of the said Act and initiate proceedings alleging infringement of their purported trademark ZINCOVIT against the 3rd defendant. The plaintiff's trademark ZINCOVIT bearing Registration No.487453 is registered for 'pharmaceutical and medicinal preparations'. But, the product ZINCOVIT of the plaintiff is not a drug or medicine or pharmaceutical preparation; but, in the plaintiff's very own words it is 'a dietary supplement'. The plaintiff itself stated in the packaging of its ZINCOVIT product as if it is to be a 'nutritional food supplement', 'not for medical use'; and in their packaging, the plaintiff has mentioned the license obtained under Food Safety and Standards Act, 2006, FSSAI Lic. No.10012042000404. There is no mention of any license obtained from Controller of Drugs for the product of the plaintiff and therefore, the product ZINCOVIT of the plaintiff is not a drug or pharmaceutical and medicinal preparations.

8(2)Section 28 of the Trademarks Act confers exclusive rights on the plaintiff in respect of the mark ZINCOVIT only in relation to goods or services in respect of which the trademark is registered and not otherwise. The plaintiff is not using the mark ZINCOVIT for the 'pharmaceutical and medicinal preparations'. The plaintiff is using the mark ZINCOVIT only for the 'nutritional food supplement'; whereas the trademark was registered by the plaintiff under Registration No.487453 only for "pharmaceutical and

medicinal preparations". Since the plaintiff is not using the mark for which it was registered, the plaintiff cannot maintain the suit for infringement under Section 28 of the Trademarks Act.

8(3)The plaintiff does not have any right under common law, either invoking Section 27 of the Trademarks Act, so as to initiate proceedings alleging passing off of the goods under their purported trademark 'pharmaceutical and medicinal preparations' against the 3rd defendant. There is no specific pleading or document by the plaintiff to say or satisfy or substantiate that the 3rd defendant continues to have the alleged ZINKOWIT products or continues to violate purported rights of the plaintiff. There is no pleading or document that the alleged ZINKOWIT products were found on date of filing of the suit and that the 3rd defendant is the one who is distributing those alleged ZINKOWIT products of the 1st defendant.

8(4)No rights vest with the plaintiff in the nature of copyright when there is no document to show that the plaintiff has published or continues to publish the 'artistic work' as has been registered under the law of Copyright so to say that public is aware of such a work and existence of right thereupon in favour of the plaintiff. The 3rd defendant is also not aware of the existence of copyright or registrations obtained by the plaintiff on this score.

8(5)There is no statutory right vested in the plaintiff either under the law of Trademarks under Sections 28 & 29 of the Trademarks Act or under Common law in respect of passing off or under the law of Copyright

under Sections 51 & 55 of the Copyright Act, 1957, as alleged in the plaint and therefore, the suit ought to be befittingly dismissed *in limine*.

8(6)The plaintiff has purposefully suppressed the fact with regard to the complaint filed by the plaintiff before the Vikravandi Police Station and its withdrawal upon being remedied at the said Police Station itself. The plaintiff has opted to reveal only to limited extent suiting their own purpose and convenience. The plaintiff has further suppressed their application dated 18.04.2012 addressed to the Director of Drugs Control, Tamilnadu, Chennai on the basis of which the Certificate was issued to them by the Director of Drugs Control. Further, there is no document filed by the plaintiff to show that they are permitted to manufacture ZINCOVIT syrup after the year 1990. The plaintiff has not approached the Court with clean hands. Thus, the 3rd defendant sought to strike out the name of 3rd defendant from the plaint as being a misjoinder in the plaint and also to reject the plaint as against the 3rd defendant.

9.Opposing the applications filed by the 3rd defendant, the plaintiff has filed a common counter affidavit contending that the grounds raised in the applications filed by the 3rd defendant for rejection of the plaint as well as to strike out their name from the plaint, are all questions of facts, which cannot be summarily decided in the above applications; hence, the plaint cannot be rejected at this stage. The 3rd defendant, who is only the distributor, has raised the above allegations, when the other defendants who are

manufacturing the products have conveniently not chosen to even defend the claims of the plaintiff. In the plaint, the plaintiff has clearly stated that the 3rd defendant has received the goods manufactured by the 1st defendant through the 2nd defendant. Therefore, the 3rd defendant is a necessary party in the suit claim. Further, it would not be proper to state that there is no cause of action against the 3rd defendant when he has clearly sold the infringing products. All the defendants have jointly committed infringement of the trademark, copyright and passing off of the plaintiff's products and hence, they are added as parties to the suit. There is no misjoinder or improper joining as alleged by the 3rd defendant. The allegations made by the 3rd defendant that the trademark under No.487453 in Class 5 is registered for 'pharmaceutical and medicinal preparations' and the product sold by the plaintiff being a 'dietary supplement' or a 'nutritional food supplement', the registration does not cover the goods being sold by the plaintiff and as such, Section 27 of the Act cannot be invoked, are denied by the plaintiff. The 3rd defendant's attempt to question the common law rights of the plaintiff over the trademark ZINCOVIT is also incorrect. The plaintiff has further stated in the counter that during the investigation relating to the news item published in the Tamil daily stating that dead ants were found inside ZINKOWIT bottles, they became aware that the defendants are manufacturing and distributing the impugned ZINKOWIT products which are identical to the plaintiff's ZINCOVIT products. The plaintiff has also averred in the plaint as to how they became aware of the 3rd defendant's involvement

in the said infringement chain. The plaintiff has also produced the bill issued from the 2nd defendant to the 3rd defendant; therefore, neither the suit allegations nor the supporting documents are questionable especially at this stage. The copyright registrations obtained by the plaintiff are valid and subsisting. The 3rd defendant is raising grounds that are not germane and necessary to determine the suit. The Copyright Office has also granted the registration in favour of the plaintiff, only after satisfying the procedural and legal requirements. Further, the 3rd defendant has not even raised a plea that they have independently designed the ZINKOWIT carton as an artistic work; as such, it is apparent that the said carton is copied from the plaintiff's ZINCOVIT carton. There is no suppression of material facts as alleged by the 3rd defendant. In fact, the 1st defendant has admitted that he is the manufacturer of the impugned ZINKOWIT products. The defendants are knowingly infringing the rights of the plaintiff. A careful perusal of the averments in the above applications would show that the 3rd defendant admits that they are the distributor of the 1st defendant's products. The licence produced by the plaintiff would show that the plaintiff is using the trademark ZINCOVIT since 1990. The 3rd defendant is desperately trying to question each and every document of the plaintiff without any reason. At any point, the 3rd defendant has not even stated the reason for adoption of the trademark ZINKOWIT or their distribution; hence, it is *prima facie* proved that the plaintiff is the prior user of the trademark. There is a clear cause of action for the suit and the 3rd defendant's plea are not supportive to reject

the plaint at all. Thus, the plaintiff sought for dismissal of the above applications filed by the 3rd defendant.

10. At the outset, the learned counsel for the 3rd defendant/applicant herein, by inviting the attention of this Court to the averments made in the plaint, submitted that the entire allegations made in the plaint are only as against the manufacturer of the product ZINKOWIT; only in para 10 of the plaint, a reference was made as against the 3rd defendant/applicant herein stating that the 3rd defendant is the distributor, who has supplied the products that were found with ants in the bottle. Except the said vague reference in para 10 of the plaint, absolutely there is no other reference made about the 3rd defendant in the entire plaint. Thus, the learned counsel for the 3rd defendant/applicant herein submitted that there is no cause of action to maintain the suit as against the 3rd defendant.

11. That apart, the learned counsel for the 3rd defendant/applicant herein, by drawing the attention of this Court to the Trademark Registration Certificate of the plaintiff under No.487453 in Class 5 issued by the Trademarks Registrar, Bombay, submitted that the plaintiff's trademark ZINCOVIT has been registered for 'pharmaceutical and medicinal preparations'; whereas the product of the plaintiff under the mark ZINCOVIT is not a drug or medicine or pharmaceutical preparations, but it is only a 'dietary supplement' or a 'nutritional food supplement'. In this regard, the

learned counsel appearing for the 3rd defendant/applicant herein has also invited the attention of this Court to the package of the plaintiff's ZINCOVIT product and submitted that the product of the plaintiff was described as 'nutritional food supplement' ; 'not for medical use'. Further, in the package of the plaintiff's product, it has been printed to the effect that licence was obtained under the Food Safety and Standards Act, 2006, FSSA Lic.No.10012042000404. Thus, the learned counsel for the 3rd defendant/applicant herein submitted that had the product of the plaintiff been for 'pharmaceutical and medicinal preparation', the plaintiff's licence ought to have been obtained from the Controller of Drugs; but, in the plaint there is no mention as to whether any licence was obtained from the Controller of Drugs for the product of the plaintiff. Thus, the learned counsel for the 3rd defendant/applicant herein submitted that the product sold by the plaintiff being the 'nutritional food supplement', the registration certificate of the plaintiff does not cover the goods sold by the plaintiff; therefore, the question of infringement of the plaintiff's trademark by the defendants does not arise in this case. Section 28 of the Trademarks Act, 1999, confers exclusive rights on the plaintiff in respect of the mark ZINCOVIT only in relation to the goods or services in respect of which the trademark is registered and not otherwise. Therefore, according to the learned counsel for the 3rd defendant/applicant herein, absolutely there is no cause of action in the plaint to maintain the suit for infringement as against the 3rd defendant. In this regard, the learned counsel for the 3rd

defendant/applicant herein has also invited the attention of this Court to the Food Safety and Standards Act, 2006 and submitted that the product of the plaintiff under the mark ZINCOVIT will fall under Section 22(1)(a)(2) of the said Act and that when the plaintiff is using their registered mark for their unrelated goods and not for the goods registered under the Trademarks Act, the suit is not maintainable to sustain the prayer of infringement.

12. In this regard, the learned counsel for the 3rd defendant/applicant herein has also relied upon the judgment delivered by the High Court of Justice (Chancery Division) reported in **[2002] F.S.R. 51** and submitted that the normal connotation of a medicine is something for the treatment (whether by alleviation or cure) of disease. In the instant case, the product of the plaintiff has nothing to do with the 'pharmaceutical and medicinal preparation' and it is only a 'nutritional food supplement'. The 'pharmaceutical and medical preparation' and the 'nutritional food supplement' are two different products. The usage of the registration certificate of the plaintiff is unrelated to the product/service, for which there is no registration made. Hence, it will not give rise to a cause of action to file the suit for infringement. In this regard, the learned counsel for the 3rd defendant/applicant herein has also relied upon the judgment of the **Intellectual Property Appellate Board (Circuit Sitting at Mumbai), dated 20.04.2012**, in the case of **Manichand & Sons (J) Pvt. Ltd Vs. Rasiklal Manikchand Dharwal (HUF)**.

13. Further, the learned counsel for the 3rd defendant/applicant herein has also submitted that the plaintiff's product was registered under Class 5; and the said Class contains several descriptions of goods. Under such circumstances, at the time of registration of the mark, the plaintiff ought to have obtained certificate by mentioning the specific description of the goods; but, in the instant case, the plaintiff has not given any specific description; whereas the plaintiff has obtained registration only in respect of 'pharmaceutical and medicinal preparation' and using the said registered trademark for 'nutritional food supplement'. In this regard, the learned counsel for the 3rd defendant/applicant herein relied upon the judgment of the Hon'ble Supreme Court reported in **1996 PTC (16) [Vishnudas Trading as Vishnudas Kishendas Vs. Vazir Sultan Tobacco Co. Ltd.]** and submitted that when there are number of distinctly identifiable goods which are marketed separately and also used differently, it would be proper to register the goods by specifically mentioning the name of each article. When that being the legal position, the plaintiff by using the trademark registered for unrelated goods cannot maintain the suit for infringement. Further, the learned counsel for the 3rd defendant/applicant herein, by inviting the attention of this Court to Section 13 of the Trade Marks Act, submitted that since the plaintiff cannot maintain the suit for infringement, this court will also not have the jurisdiction to entertain the present suit and when the cause of action for infringement is not there, the suit will fall

outside the jurisdiction of this Court. In this regard, the learned counsel for the 3rd defendant/applicant relied upon the judgment reported in **(1960) 1 SCR 968 : AIR 1960 SC 142 (Corn Products Refining Co., Vs. Shangrila Food Products Ltd).**

14.It is the next fold of submission of the learned counsel for the 3rd defendant that only if a party is a sub-agent, a suit can be maintained against him; in the instant case, the 3rd defendant is only a distributor and in the plaint it has not been stated by the plaintiff that the 3rd defendant is a sub-agent of the 1st defendant. In this regard, the learned counsel for the 3rd defendant/applicant herein relied upon the judgment reported in **2006(9) SCC 41 (Dhodha House Vs. S.K.Maingi).**

15.The learned counsel appearing for the 3rd defendant/applicant herein would further submit that even according to the averments in the plaint, in the instant case the products were sold at Vikravandi; but on the date of filing the suit, the ZINKOWIT product was not available with the 3rd defendant. Therefore, the suit in respect of passing off is also not maintainable. In this regard, the learned counsel for the 3rd defendant/applicant relied upon Section 134(1)(c) of Trade Marks Act and submitted that the suit for Passing Off could be instituted before this Court when passing off arose out of use by the defendant of any trademark which is identical with or deceptively similar to the plaintiff's trade mark, whether

registered or unregistered. In the instant case, according to the learned counsel for the 3rd defendant/applicant herein, on the date of filing the suit, the 3rd defendant was not in possession of the products and moreover, the products were sold outside the jurisdiction of this Court; hence, the suit for passing off is not maintainable.

16.As the next fold of submission, the learned counsel for the 3rd defendant, by inviting the attention of this Court for the application for registration of the Copyright under Form-4 of Copyright Rules, submitted that as per Class 13(a) of the Statement of Particulars under Form-IV of Copyright Rules, if the work is an 'artistic work' which is used or is capable of being used in relation to any goods, the application for registration under Copyright Act shall include a certificate from the Registrar of Trade Marks in terms of the proviso to sub-section (1) of Section 45 of the Copyright Act, 1957 (14 of 1957). But, in the instant case, the certificate issued by the Registrar of Copyright would show that the plaintiff has not included the certificate issued to them from the Registrar of Trademarks, which would go to show that the plaintiff is not using the copyright label, that is the reason why they have not annexed the Registration Certificate issued by the Registrar of Trademarks; therefore, the prayer sought for by the plaintiff under Sections 51, 52, 56 of the Copyright Act is also not maintainable.

17.In this regard, the learned counsel for the 3rd defendant has also

relied upon the judgment reported in ***AIR 1992 SIKKIM 34 [I.T.C. Ltd., Vs. Phurba Lama and others]***, wherein it has been held that before a person could acquire a proprietary right in a Trade Mark, use of that mark for some time is essential. In the instant case, the plaintiff is not using the certificate issued by Registrar of Trademarks; hence, there is no cause of action for maintaining the suit. Thus, the learned counsel for the 3rd defendant sought to strike out the name of the 3rd defendant from the plaint and for dismissal of the plaint as against the 3rd defendant.

18. Countering the submissions made by the learned counsel for the 3rd defendant/applicant, the learned counsel for the plaintiff submitted that 'pharmaceutical and medicinal preparations', 'dietary supplement' and 'nutritional food supplement' all fall under Class 5 only. In the instant case, the plaintiff has registered its trademark ZINCOVIT only under Class 5. Classification of goods and service under the trademark is a broad classification; whether the plaintiff's product will fall within that classification or not, is purely a subject matter of trial; therefore, none of the submissions made by the learned counsel for the 3rd defendant in this regard will serve as a ground to reject the plaint.

19. In this regard, the learned counsel for the plaintiff, by inviting the attention of this Court to Sections 7 & 8 of Trademarks Act, submitted that the Registrar of Trademarks shall classify the goods and services and if any

question arose as to the class under which it would fall, it shall be determined only by the Registrar of Trademarks; therefore, the entire submissions made by the learned counsel for the 3rd defendant have to be decided only during the trial. In this regard, the learned counsel appearing for the plaintiff relied upon the judgment reported in **(2005) 7 SCC 510 [Popat and Kotecha Property Vs. State Bank of India Staff Association]** and submitted that the disputed question cannot be decided at the time of considering the application filed under Order 7 Rule 11 CPC. The learned counsel for the plaintiff has also placed reliance on one more judgment reported in **2005-3 LW 145 [M/s.Ferdous Finance (P) Ltd., Vs. R.Thyagarajan & others]** in support of his contention that the plaint can be rejected only when it does not disclose cause of action.

20. With regard to the submission made by the learned counsel for the 3rd defendant that the 3rd defendant is only a distributor and not an agent or sub-agent and as such, the suit for infringement will not lie against the 3rd defendant, the learned counsel for the plaintiff by inviting the attention of this Court to Section 29(6) of the Trademarks Act submitted that if a person uses a registered mark or offers or exposes goods for sale or puts them on the market or stocks them for those purposes under the registered trademark, or offers or supplies services under the registered trademark, then the suit will lie as against him also. In the instant case, the bills issued from the 2nd defendant to the 3rd defendant would show that the infringed

products were sent from the 2nd defendant to the 3rd defendant; therefore, as a distributor, the suit is maintainable as against the 3rd defendant also. In this regard, the learned counsel for the plaintiff has relied upon the judgment reported in **2003(26) PTC 239 [Lalli Enterprises Vs. Dharma Chand & Sons]**.

21. With regard to the submissions made by the learned counsel for the 3rd defendant that the plaintiff has not annexed the trademark certificate along with Form-4 under the Copyright Rules, the learned counsel appearing for the plaintiff replied that a suit for copyright will lie even if there is no registration; when that being the position, now no significance could be given to the submission of the learned counsel for the 3rd with regard to the non-enclosure of Registration Certificate along with Form-4 under Copy Right Rules. Thus, the learned counsel for the plaintiff submitted that no case has been made out by the 3rd defendant, neither to reject the plaint nor to strike out the name of the 3rd defendant from the plaint.

22. I have carefully heard the submissions made on either side and perused the materials available on record.

23. It is the contention of the plaintiff in the plaint that they are carrying on the business of pharmaceutical and other allied businesses. In the course of their business, the plaintiff has adopted several trademarks and

applied the same to various pharmaceutical and nutraceutical products manufactured by them. One such trademark adopted by the plaintiff is ZINCOVIT and the said trademark was adopted by the plaintiff in the year 1988 and used since 1990. The plaintiff has also obtained registration of their trademark ZINCOVIT under No.487453 in Class 5, with effect from 16.03.1988 and the same is valid and subsisting till the year 2019. According to the plaintiff, they have also adopted a unique packaging for their products under the trademark ZINCOVIT with distinctive features and their packaging has also been registered by the Copyright Office under No.A-54243/1997. The plaintiff is using the above artistic work for their ZINCOVIT SYRUP and ZINCOVIT DROPS. The plaintiff has also registered a copyright for the artistic work under No.A-91339/2011 for ZINCOVIT drops label which are also used for their ZINCOVIT products as dietary supplements. While things stood thus, there was a news item in DINAKARAN daily, Puducherry Edition, dated 20.11.2013, that ants were found in ZINKOWIT bottles. The said news item was published along with a photograph. The plaintiff's marketing agents and some doctors of the region who became aware of the same informed the plaintiff about the said news item. The said news item also contained a statement that the product was purchased at Vikravandi, near Villupuram. The plaintiff verified the same and immediately filed a complaint before the Inspector of Police, Vikravandi Police Station and the Police Investigated the matter by filing a First Information Report. Upon such investigation, it was revealed that the 1st defendant is the manufacturer of the product

ZINKOWIT, the 2nd defendant is the distributor and the 3rd defendant is the distributor in Tamilnadu, who has supplied the products that were found with ants in the bottle and all the three defendants are involved in the infringement chain.

24. Now, it is the main submission of the learned counsel appearing for the 3rd defendant/applicant herein that the trademark was registered by the plaintiff only for 'pharmaceutical and medicinal preparation' and not for any health food supplement. But, now after registration the plaintiff is using the said Mark for 'dietary supplement'. Since the plaintiff is using the mark, which was registered with the Registrar of Trademarks, for the unrelated goods, the question of infringement of trademark within the purview of Section 28 of the Trade Marks Act, does not arise in this case. Hence, there is no cause of action for filing the suit. It is further submission of the learned counsel for the 3rd defendant, that the 3rd defendant is only a distributor; therefore, the suit will not lie against him. Further, the product of the plaintiff will fall within the purview of Food Safety and Standards Act, 2006; Therefore, if there is any grievance, the plaintiff has to challenge the same only under the said Act before the District Court. It is further submission of the learned counsel for the 3rd defendant that the plaintiff has not annexed the certificate issued by the Registrar of Trademarks along with Form-4 of the Copyright Act while they applied for registration of their label before the office of the Copyright, which would show that the plaintiff is not using the

copyrightable label. In support of this contention, the learned counsel for the 3rd defendant/applicant herein relied upon number of judgments.

25. But, I find that all the judgments relied upon by the learned counsel for the 3rd defendant/applicant herein are not delivered under Order 7 Rule 11 of CPC and they are under different grounds; hence, the said judgments cannot be made applicable to the present facts of the case.

26. Now, the question that has to be decided in the above applications, is *whether the grounds raised by the learned counsel for the 3rd defendant on merits of the case would serve as a ground to reject the plaint.*

27. In my considered opinion, all the grounds raised by the learned counsel for the 3rd defendant are only all disputed questions of facts that could be decided only at the time of trial. Further, as contended by the learned counsel for the plaintiff, Class 5 of the Act contains various descriptions of the goods, one among them is "pharmaceutical and medicinal preparation", which also falls under the same Class 5 and the registration of the plaintiff's product is also under Class 5 only. Therefore, the questions as to whether the plaintiff can use the trademark registered for a particular product, to a different product under the same Class and whether the act of the defendants would amount to infringement of the plaintiff's trademark or not, are all the questions of disputed facts and the said questions can be

decided only at the time of trial.

28. In this regard, a reference could be placed in the judgment, relied upon by the learned counsel for the plaintiff, reported in **2005 (7) SCC 510 (Popat and Kotecha Property Vs. State Bank of India staff Assn.)**, wherein it has been held as follows_

"10. Clause (d) of Order 7 Rule 7 speaks of suit, as appears from the statement in the plaint to be barred by any law. Disputed questions cannot be decided at the time of considering an application filed under Order 7 Rule 11 CPC. Clause (d) of Rule 11 of Order 7 applies in those cases only where the statement made by the plaintiff in the plaint, without any doubt or dispute shows that the suit is barred by any law in force."

A reading of the said judgment would clearly show that the disputed question can be decided only at the time of filing the application under Order 7 rule 11 of CPC.

29. The other judgment reported in **2005 (3) LW 145 (M/s. Ferdous Finance (P) Ltd., Vs. R. Thyagarajan & others)** gives a fitting answer to the issue involved in this case. In the said decision, it has been held as follows_

"The plaint can only be rejected where it does not disclose a cause of action or where the suit appears from the statements made in the plaint to be barred by any provisions of law. While

exercising the power of rejecting the plaint, the Court has to act with utmost caution. This power ought to be used only when the Court is absolutely sure that the plaintiff does not have an arguable case at all. The exercise of this power though arising in civil procedure, can be said to belong to the realm of criminal jurisprudence and any benefit of the doubt must go to the plaintiff, whose plaint is to be branded as an abuse of the process of the Court. This jurisdiction ought to be very sparingly exercised and only in very exceptional case."

From the dictum laid down in the above said judgment, it could be seen that the plaint can be rejected only when it does not disclose any cause of action and the said power could be used only when the Court is of the view that absolutely the plaintiff has no arguable case at all. But, in the instant case, I find that the plaintiff is having an arguable case with regard to the submissions made by the learned counsel for the 3rd defendant.

30. It is yet another contention of the learned counsel for the 3rd defendant that in the plaint, a reference was made by the petitioner with regard to the 3rd defendant stating that the 3rd defendant is the distributor of the 1st defendant in Tamil Nadu and the 3rd defendant had sold the product, which was found with ants. But, it is the contention of the learned counsel for the 3rd defendant that on the date of filing the suit, the said product was not in possession of the 3rd defendant. Hence, according to the learned counsel for the 3rd defendant, the suit is not maintainable as against the 3rd defendant.

31. But, the said submission of the learned counsel for the 3rd

defendant will not be helpful in any way either to reject the plaint as against the 3rd defendant or to strike out the name of the 3rd defendant from the plaint. In fact, the said submission of the learned counsel for the 3rd defendant would go to show that originally the 3rd defendant was selling the said product. Therefore, under Section 29 of the Trade Marks Act, the suit is very well maintainable as against this defendant also. Therefore, the plaint cannot be rejected at the threshold, by accepting the submissions made by the learned counsel for the 3rd defendant. If the plaint is rejected, it would end in failure of justice. Similarly, the name of the 3rd defendant also can not be struck out at this stage. Therefore, I am not inclined to accept the submissions made by the learned counsel for the 3rd defendant. I find that the 3rd defendant/applicant has not made out any ground within the ambit of Order 7 Rule 11 of CPC.

For the foregoing reasons, the applications are liable to be dismissed and accordingly, the same are dismissed.

20.04.2015

Internet : Yes / No

Index : Yes / No

R.SUBBIAH, J.,

SSV

Pre-delivery order
in

A.Nos.3307 & 3308 of 2014
in
C.S.No.8 of 2014

20.04.2015