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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
NOTICE OF MOTION NO. 399 OF 2013
IN
SUIT NO. 164 OF 2013

1. **GUFIC PRIVATE LIMITED,**
a company incorporated under the Companies Act, 1956 and having its office at 2nd Floor and 3rd Floor, Old Sanskar Jyoti School Building (Above Bank of Maharashtra), S. V. Road, Andherit (West), Mumbai 400 058

2. **GUFIC BIOSCIENCES LIMITED,**
a company incorporated under the Companies Act, 1956 and having its office at 2nd Floor and 3rd Floor, Old Sanskar Jyoti School Building (Above) Bank of Maharashtra, S. V. Road, Andherit (West), Mumbai 400 058 ... Applicants/ Plaintiffs

Versus

1. **VASU HEALTHCARE PRIVATE LIMITED,** a company incorporated under the Companies Act, 1956 having its office at 896/A, G.I.D.C., Makarpura, Vadodara - 390 010 ... Defendants

Appearances

FOR THE APPLICANTS/ PLAINTIFFS	**Mr. Rashmin Khandekar**, *with Ms. Mahua R. Chaudhary, Ms. Akshata Ankolekar, Ms. R. Shrivastava, i/b Solomon & Co.*
FOR DEFENDANTS	**Mr. Hiren Kamod**, *a/w Mr. Mahesh Mahadgut, Miloni Gala, i/b M /s. Mahesh Mahadgut.*

CORAM : G. S. PATEL, J.

DATED : 28th March 2016

ORAL JUDGMENT:

1. This is a Notice of Motion in a Suit for trade mark infringement and passing off. The Plaintiff claims to have statutory and common law rights in respect of its mark **"SALLAKI"** registered under Class 05 under the 4th Schedule to the Trade mark Rules, 2002. The competing mark used by the Defendants is **"SHALLAKI"** for the same product.

2. Before I proceed further, I must note that there seems to be a substantial Affidavit in Rejoinder. The Advocates for the Defendants say that they have been served with this Rejoinder and they have today tendered a brief Affidavit in Sur-Rejoinder. The Registry is directed to obtain an authenticated copy of the Affidavit in Sur-Rejoinder and to have this placed on file for completeness of the record.

3. Briefly stated, the case of the Plaintiffs as presented by Mr. Khandekar is this: the Plaintiffs adopted the mark SALLAKI sometime in 1981. This is used in conjunction with a particular kind of ayurvedic tablet. It is a herbal extract from 'Boswellia Serrata (Guggal)'. The preparations manufactured from this extract are sold in tablets, capsules and ointment form. They are used to relieve pain and to cure or heal joint pains.

4. On 13th January 1982, the Plaintiff applied for registration of its mark SALLAKI under No. 385295 in Class 05. The mark was advertised in the Trade Marks Journal No. 850 of 1st November 1984. It was ultimately registered to the Plaintiff with effect from 13th January 1982. This registration has been periodically renewed and is current.

5. The Plaintiff made an application to the Commissioner of Food and Drugs Controls Administration, Gujarat with a manufacturing license. Permission followed in due course.

6. The Plaintiff have been manufacturing and marketing their products under the mark SALLAKI, SALLAKI 400 mg, SALLAKI 600 mg tablets, SALLAKI PLUS and various other variants all using the mark SALLAKI. The Plaintiffs claim that their extensive and continuous user has resulted in the acquisition of considerable reputation and goodwill in the mark and an association in the mind of the public of products with that mark with the Plaintiffs' products alone. There are some documents evidencing sales[1] and expenses.[2]

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1 Plaint, part of Ex "F", *pp.* 45-47.

2 Plaint, *p.* 76.

For the year 2011-2012, the Plaintiffs claimed to have sold Rs. 7.5 crores worth of SALLAKI branded products. The expense statements show a consistently rising expenditure of promotional expenses. For the year 2011-2012, an amount of Rs. 4.11 Crores was spent on advertising and promotion.

7. Then there are representative samples of invoices.[3] In addition, the Plaintiffs' products have been mentioned in various trade journals.[4]

8. The Plaintiffs state that they came across the Defendants' preparations bearing the impugned mark SHALLAKI in May 2009.[5] The Plaintiffs caused their Advocates to sent cease and desist notice on 7th May 2009.[6] A temporary reply was received on 20th May 2009[7] only saying that the Defendants' Advocates were awaiting instructions. There were no further communications from the Defendants or their Advocates. The Plaintiffs through their Advocates sent two further notices dated 6th December 2010[8] and 27th October 2012.[9]

9. Mr. Khandekar submits that given the fact that the Plaintiffs have registration, they are entitled to protection of their mark. After all this is a mark that has now acquired a considerable reputation

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3 Plaint, *pp.* 48-75.

4 Plaint, *pp.* 106-108.

5 Plaint, paragraph 17.

6 Plaint, *p.* 111

7 Plaint, *p.* 115

8 Plaint, *p.* 116

9 Plaint, *p.* 119

and much goodwill. The Plaintiffs have spent an appreciable amount in developing their mark and brand and acquiring a market. Mr. Khandekar says that the only defence seems to be that the word SALLAKI is a generic name of the plant and that the Defendants use of it is descriptive within the meaning of Section 35 of the Trade Marks Act, 1999.

10. At this stage I must note two documents annexed to the plaint. The first is Exhibit "N1".[10] This was apparently the Defendants' first use of the rival mark. In English it is spelt "SHALLAKI" and above this to the right is a small trade mark sign:™ In Devnagari, however, the word is spelt phonetically as "SALLAKI".

11. Mr. Kamod for the Defendants submits that this was an error that was subsequently rectified and what the Defendants are now using is the packaging and word shown at Exhibit "P".[11] I will turn to Mr. Kamod's explanation of this use momentarily.

12. Mr. Khandekar for the Plaintiffs point out that this is not the first time that the Plaintiffs have encountered rival use. Previously too, in 2003, they were forced to take action against the Himalaya Drug Company for its use of the very same word as a mark. That was ultimately carried out in Appeal to this Court from the District Court. A learned Single Judge of this Court (S. Radhakrishnan, J as he then was) considered the arguments of both sides at length in

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10 Plaint, *p.* 118

11 *Plaint, p.* 122

The Himalaya Drug Company v. Gufic Ltd. & Anr.[12] Before him, very substantially the same arguments were advanced as before me today: viz., that SHALLAKI is descriptive of the product itself and that it is common to the trade. Radhakrishnan J found, first, that it was not descriptive and, therefore, the argument under Section 34 of the 1958 Act (equivalent to Section 35 of the 1999 Act) had to be repelled. In addition, Radhakrishnan J held that the present Plaintiffs had been using the mark for over three decades.

13. Mr. Kamod points out that there is a subsequent order of the Supreme Court in which a Civil Appeal from the 29th January 2004 decision of Radhakrishnan J was allowed and his order set aside. I have seen a copy of the Supreme Court order. What is set aside is the order of injunction. The basis for the order of the Supreme Court was apparently that not only was the progress of the trial being held up, but the Respondent before the Supreme Court (the present Plaintiffs) seemed to have obtained an injunction and were then delaying the trial. It is for this reason that the Supreme Court said that the Respondents (Gufic) were taking contrary stands. Having made an application for stay of proceedings in the Suit (by way of having filed a separate application for rectification of the register), they could not at the same time enjoy the benefits of the interim order of injunction passed earlier by the Trial Court and affirmed by Radhakrishnan J in the High Court. I notice from a copy of this order of the Supreme Court passed on 12th July 2011 in Civil Appeal No. 5830 of 2004 that there was no assessment by the Supreme Court on the findings of fact and law relating to infringement and passing off in Radhakrishnan J's Judgment.

[12] 2004 (29) PTC 366

However, that being said, the fact of the matter is that the decision of Radhakrishnan J at least to the extent that it confirms the injunction has been set aside.

14. Mr. Kkhandekar then relies on a decision of the Intellectual Property Appellate Board dated 30th July 2010. He is quick to point out that he does so only in the context of certain factual findings. The particular finding that he refers to is the one in paragraphs 37 to 41 of the order, in which the Intellectual Property Appellate Board has in terms held that the word "SALLAKI" is not descriptive: it is a derivative of a Sanskrit word; and, alternatively, that it has acquired a secondary meaning by virtue of its extensive and continuous use by the Plaintiffs since the year 1982. In paragraph 46 the Intellectual Property Appellate Board held that the Plaintiffs' mark had acquired a secondary meaning and was distinctive of the medicinal preparations manufactured by the present Plaintiffs. It is true, as Mr. Kamod points out, that a Writ Petition against this order has been admitted, but that is no assessment as yet of this decision on merits.

15. What I have before me today, therefore, is very nearly the same material that was first before Radhakrishnan J in 2004 though in the context of another contestant company, and then later before the Intellectual Property Appellate Board. Mr. Kamod begins by referring me to page 199 of the Written Statement. This is an extract from the Indian Council of Medical Research's review of Indian Medicinal Plants, Volume 4. At page 201 of this extract is some general information about this particular plant. The entry in this reference volume gives various names in Hindi, English, Kannada,

Gujarati, Sanskrit and other languages for this plant. In Sanskrit it is known by at least two names. One of these is SALLAKI. The other is Kunduru. Both of these also have synonyms. There are as many as five different synonyms for these two words. It is difficult from this material alone to say that the word SALLAKI is entirely and solely 'descriptive'.

16. Mr. Kamod then refers to an extract from a private publication.[13] This also has an entry for the botanical name 'Boswellia Serrata (Guggal)'. In English this known as the Indian Frankincense Tree. The vernacular names in Indian languages are also listed. One of the names in Sanskrit is SALLAKI; but it is not the only one. This also notes two other names in Sanskrit and several names in other languages.

17. At this stage, looking at only this material, it would be difficult to precisely formulate the arguments that is being canvassed before me. Is it being suggested, for instance, that only SALLAKI is a purely a descriptive name? Or is it being suggested that all the names that are listed in every single one of these languages is by definition purely descriptive? I do not think it can possibly be the first. If that were so, it would necessarily have to follow that the equivalent names in every other language would also have to be considered descriptive. That is nobody's case before me.

18. Mr. Kamod then refers to number of extracts from websites and to photographs of containers of products by various

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[13] Written Statement, *pp.* 226 to 228

manufacturers (Himalaya and Natura and others among them), all of which, he says, establish that the word SALLAKI is openly and commonly used in the entire trade. This might have been of some consequence had it been backed by any real material. There is a tabulation at pages 155 and 156 which lists 16 different usages of SALLAKI against various parties who are said to be manufacturing products with that name or some variation of it. There is, however, no data about the sales or extent of this use, or whether in these cases it is in fact being used in a purely descriptive sense.

19. The distinction here is, in my view, a question of testing whether the present Defendant is using the mark as a trade mark or in a purely descriptive sense. I noticed that the first iteration of the mark at Exhibit "N1"[14] did not in any way indicate its use in a descriptive sense. It was clearly being used as a trade mark. In fact the packaging said so with its use of the trade mark symbol. I will take it that this is or was a mistake. But the revised product sample shown at Exhibit "P"[15] does not really carry the matter much further. The cardboard carton at the top of that page shows the Defendants' name with the word SALLAKI. Below that are other words "tablets 3 x 10" and below these are simply the words 'Arthritic Care'. It is difficult to see how this use of the mark can be said to be "descriptive".

20. If there was any doubt about this, it is finally put to rest by the manner in which the Defendants use the mark on blister pack's silver foil backing shown at at the bottom half of page of 122. Here,

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[14] Plaint, *p.* 118.

[15] Plaint, *p.* 122.

there is no manner of doubt whatsoever that the Defendants' use of the mark is in a purely 'trade marky' sense and not in any descriptive sense at all.

21. In my view, Mr. Khandekar is justified in his reliance in decision in *Jagdish Gopal Kamath & Ors. v Lime & Chilli Hospitality Services*.[16] This was precisely the argument taken in that case as well, where two common place words were used. In paragraph 34, I held that to succeed a defendant must establish that the marks which it claims are generic, common to the trade or descriptive are many; are extensively used; and in fact so common that they can no longer connote any one particular vendor, manufacturer or user. It is necessary to show that the use in the trade is extensive. This has been settled law for over six decades. In our case, there is a tabulation without any source material. We are only told in the Written Statement that the sales are extensive, but there is no material produced to show this. There are extracts of websites. This proves very little. A great many things are to be found on a great many websites. Not all are true. If there exists one truism today it is that just because something is found on the Internet it is not only for that reason necesssarily and invariably true. Photographs of containers do not all themselves evidence extent of sales. I do not ask of the Defendants anything unusual or anything that Courts have not in the past demanded of defendants who adopt these arguments. It is no answer, in my view, to say that since there is a known Sanskrit word for a particular plant therefore it is axiomatically descriptive. As I have pointed out, much of the

[16] 2015 (62) PTC 23

material that the Defendants rely on shows that there are several alternative names for this very same plant and the very same extract.

22. The last argument raised by Mr. Kamod need not detain us for very long. He says that there was a reply to cease and desist notice and that the Plaintiffs did not act. Indeed that reply is no reply at all. It only says that instructions are being obtained. The Defendants could well have put the Plaintiffs directly to counter notice that they intended to persist in using SALLAKI in whatever form they wished. If, knowing this the Plaintiffs stood by and waited for the Defendants to grow their business, then conceivably other considerations might have come in to play. But that is not the case here. It can hardly be doubted that as on date, the Plaintiffs have a valid and subsisting registration of the mark SALLAKI. The Defendants' use of the mark is, in my view, very much as a trade mark and not in any descriptive sense. There is a clear case of both infringement and passing off made out. Visually, structurally and phonetically the two marks are indistinguishable. I do not see how and why either in equity or under the statute, the Defendants should be permitted to continue this particular use of the mark.

23. The Plaintiffs have made out more than sufficient *prima facie* case and the balance of convenience is also in their favour. I must, in assessing this, keep in mind the perspective of the average consumer of this product. Since these are Ayurvedic medicinal preparations, some extra caution is required.

24. There will, therefore, be an injunction in terms of prayer clauses (a) and (b) which reads as follow:

"(a) that pending the hearing and final disposal of the suit, that the Defendants, their directors, servants, dealers, distributors, agents and stockists be restrained by an order and injunction of this Hon'ble Court from using or manufacturing, selling or exhibiting for sale pharmaceutical and medicinal preparations under the trade mark "SHALLAKI" and/or any other trade mark deceptively similar to the Plaintiffs' registered trade mark "SALLAKI" so as to infringe the Plaintiffs' registered trade mark no. 385295;

(b) that the Defendants, their directors, servants, dealers, distributors, agents and stockists be restrained by an order and injunction of this Hon'ble Court from using in relation to their pharmaceutical and medicinal preparation the trade mark "SHALLAKI" or any other trade mark deceptively similar to the Plaintiffs' registered trade mark "SALLAKI" or so as to pass off the Defendants' preparations as and for those of the Plaintiffs' preparations or in some way connected with the Plaintiffs or in any other manner whatsoever."

25. At the request of Mr. Kamod, the operation of this order is stayed for a period of three weeks from today.

(G.S. PATEL, J.)