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

+ **CS(OS) 1186/2011**

MERCK KGAA AND ONE ANOTHER Plaintiffs
Through : Ms Kripa Pandit, Advocate.

Versus

EDEN REMEDIES PVT LTD Defendant
Through :

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU

ORDER
% **20.07.2016**

1. The Plaintiffs have filed the present suit for permanent injunction,
inter alia, praying as under:-

“a. A decree for permanent injunction restraining the defendants, by himself, his servants, agents assigns etc. from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in medicinal preparations under the trademark ENCEFO or any other trademark identical, deceptively and /or confusingly similar to the trademark ENCEPHABOL so as to infringe Plaintiff's trademark Registration No. 253764.”

b. A decree for delivery of all the infringing goods as complained of herein and all blocks, dies and all such articles employed by Defendants in applying the trademark ENCEFO to the offending goods to an authorized representative of the plaintiffs for

destruction/erasure.

c. An order for rendition of accounts of profit illegally earned by the defendant and a decree for an amount so found due or in the alternative, a decree of Rs. 20 lacs towards damages, compensation including conversion damages may be passed in favour of the plaintiffs and against the defendant.

d. An order for costs in the proceedings."

2. Plaintiff no.1, Merck KGaA, is a company incorporated under the laws of Germany, having its offices at Frankfurter Strasse 250, D-64293 Darmstadt, Germany. Plaintiff No 2, Merck Ltd, is a subsidiary of Plaintiff no 1 in India and is also a permitted user of Plaintiff no 1's trademark in India. Ms Laxmi Bisht is the constituted attorney of the Plaintiffs'. She has been authorized by a Power of Attorney on behalf of Plaintiffs' to sign and verify the plaint. The present suit has been signed by her and is supported by her affidavit.

3. It is stated in the plaint that Plaintiff no 1 is an old, well known and reputed company and is engaged in the manufacture and marketing of a wide range of medicinal and pharmaceutical preparations for the past 300 years.

4. It is stated that Plaintiff no.1 is the registered proprietor of the trademark 'ENCEPHABOL' which is a duly registered mark in India under registration no 253764 dated 28.12.1968 in class 05 under the Trade Marks Act, 1999 in respect of pharmaceutical preparations and the said mark is valid and still in force. It is further stated that Plaintiff no 1 has registered the trademark 'ENCEPHABOL' in other countries as well.

5. The Plaintiffs claim that sometime in October, 2010, it came to their knowledge that the Defendant has adopted the mark 'ENCEFO' in respect of medicinal preparations by virtue of advertisement of application no. 1511276 in the Trade Marks Journal no 1444 dated 16.07.2010. It is stated in the plaint that adoption of the trademark 'ENCEFO' by the Defendant is deceptively similar to the Plaintiff's trademark 'ENCEPHABOL' and has propensity to deceive the public into believing that preparations of the Defendants are those of the Plaintiffs'.

6. It is further stated in the plaint that the intention of the Defendant is not only mala fide but also dishonest as the Defendant must have been fully aware of the Plaintiffs' trademark as the same is a coined word.

7. On 23.05.2011, this Court passed an ex-parte ad-interim injunction restraining the defendant from using the trademark 'ENCEFO' or any other mark similar to the Plaintiff's trademark 'ENCEPHABOL'. By an order dated 01.10.2014, the Defendant was proceeded *ex parte*.

8. Ms. Ulrike Tobler and Ms. Jessica Schmidt (hereafter jointly referred to as 'PW 1'), being Authorized Signatories of Plaintiff no 1, have jointly filed an Affidavit of Evidence on behalf of Plaintiff no 1. PW1 have duly proved the authorization in their favour by Plaintiff no 1, to jointly depose on its behalf and the same has been exhibited as Exhibit PW 1/1 and Exhibit PW 1/2.

9. PW1 has duly proved that Plaintiff no 1 is the registered proprietor of the trademark 'ENCEPHABOL' which is duly registered in India by filing a certified copy of the said trademark registration which has been exhibited as Exhibit PW1/3.

10. PW 1 has deposed that the mark 'ENCEPHABOL' is registered in various other countries and the list of those countries has been marked as Mark A. PW1 has further placed on record the original sales invoices of

Plaintiff's products in India from 2009 onwards and the same have been collectively exhibited as Exhibit PW1/4.

11. PW1 deposed that Defendant had applied for registration of the mark 'ENCEFO' by providing a copy of Journal Advertisement of Defendant's application as appearing in the Trade Marks Journal No 1444 dated 16.07.2010, the same has been marked as Mark B. PW1 has also produced a copy of the opposition filed by Plaintiff no 1 to the abovementioned application for registration of the mark 'ENCEFO' as Mark C. PW 1 has filed and proved the original packaging of Plaintiff's product along with the invoice for its purchase as Exhibit PW1/5.

12. PW 1 has further deposed that the mark 'ENCEPHABOL' has been used in India since 1969 and has further provided figures for the sales of 'ENCAPHABOL' preparations for the years 2007-2014. It is further stated in the Affidavit of Evidence that because of the use of the mark 'ENCEFO' by the Defendant, the Plaintiffs' have suffered loss and damages and continuance of such conduct is causing the Plaintiffs further irreparable loss and damages. PW1 has also deposed that the Plaintiffs have

no knowledge of the extent and quantum of the sales of the impugned products of the Defendant. However, in the additional affidavit dated 21.05.2011 filed by Ms. Laxmi Bisht, it is affirmed that "*That the medicines under Trademark ENCEFO of the Defendant are not available in the market and it seems that user claimed by the Defendant in their Trademark Application No. 1511276 dated December 08,2006 advertised in Trademark Journal No. 1444 dated July 16, 2010 is fabricated*".

13. It is evident that the Plaintiff no1 is the registered owner of the mark 'ENCEPHABOL' in Class 05 in respect of pharmaceutical preparations under the Trademarks Act, 1999. It is also plainly clear that the Trademark 'ENCEFO' is deceptively similar to 'ENCEPHABOL' and the use of the said Trademark in respect of medicinal products is likely to cause confusion.

14. However, there is no evidence on record that establishes that the Defendant has been selling its product under the brand name 'ENCEFO'.

15. The Supreme Court in **Milmet Oftho Industries and Others v. Allergan Inc.:** (2004) 12 SCC 624 had held as under:-

"In respect of medicinal products it was held that exacting judicial scrutiny is required if there was a possibility of

confusion over marks on medicinal products because the potential harm may be far more dire than that in confusion over ordinary consumer products. It was held that even though certain products may not be sold across the counter, nevertheless it was not uncommon that because of lack of competence or otherwise that mistakes arise specially where the trade marks are deceptively similar. It was held that confusion and mistakes could arise even for prescription drugs where the similar goods are marketed under marks which looked alike and sound alike. It was held that physicians are not immune from confusion or mistake. It was held that it was common knowledge that many prescriptions are telephoned to the pharmacists and others are handwritten, and frequently the handwriting is not legible. It was held that these facts enhance the chances of confusion or mistake by the pharmacists in filling the prescription if the marks appear too much alike."

16. In the aforesaid view, the Plaintiffs are entitled to the decree in terms of prayer (a) that is, "*A decree for permanent injunction restraining the defendants, by himself, his servants, agents assigns etc. from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in medicinal preparations under the trademark ENCEFO or any other trademark identical, deceptively and /or confusingly similar to the trademark ENCEPHABOL so as to infringe Plaintiff's trademark Registration No. 253764.*"

17. However, apart from producing a copy of the advertisement in the Trademark Journal which indicates that the Defendant has asserted that it is using the mark 'ENCEFO' since 02.01.2006, there is no other material which would indicate the extent of the sales. Therefore, the Plaintiff would be entitled to the decree in terms of Prayer (a) of the plaint. Further, the Plaintiffs have also not been able to establish any loss caused to them by use of the trade mark 'ENCEFO' by the Defendant.

18. In view of lack of evidence that the Defendant has manufactured or sold or dealt with pharmaceutical preparations under the brand name 'ENCEFO', it is difficult to hold that the Plaintiffs are entitled to damages or for other reliefs. Accordingly, the same are rejected. Let a decree sheet be drawn up.

19. The suit is disposed of in the above terms.

VIBHU BAKHRU, J

JULY 20, 2016
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