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

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Reserved on: 28th August, 2017
Pronounced on: 31st August, 2017

+ **CS(COMM) 593/2016 and IA No. 23628/2014**

OPTIMUS PHARMA PVT LTD

..... Plaintiff

Through : Mr.Nitin Sen, Mr.Mohinder Vig
and Mr.Dhruv Grover, Advocates.

versus

RISHABH LOHIA & ANR

..... Defendants

Through : None being *ex parte*.

CORAM:

HON'BLE MR. JUSTICE YOGESH KHANNA

YOGESH KHANNA, J.

1. This is a suit for permanent injunction, infringement of trademark OPTIMUS or any other deceptively similar mark and variation thereof and also for delivery up and destructions of the breached labels, blocks, dies etc with advertising and packing materials; for rendition of accounts and also for damages filed by the plaintiff against the defendants.

2. The defendants were served with the summons of the suit on 09.06.2015, but they did not appear and their right to file written statement was closed on 09.10.2015.

3. The case of the plaintiff in brief is:-

- a. the plaintiff's mark/name is unregistered as on date, the present suit is for passing off action, preserved under Section 27(2) of the Trade Marks Act, 1999 ("the Act"). Article 8 of Paris Convention for the Protection of Industrial Property administered by WIPO to which India is a signatory and it provides that *"a trade name shall be protected in all countries of the Union without the obligation of filing or registration, whether or not it forms part of a trade mark"*;
- b. the plaintiff-Optimus Pharma Private Limited, is a private limited company incorporated on 21.09.2004 and is engaged in the business of manufacturing of pharmaceutical products. The incorporation certificate is Annexure "A" to the Plaint. The plaintiff also has other closely associated companies/subsidiaries, such as Optimus Drugs Pvt. Ltd., Optimus Generic drugs Pvt. Ltd. and Optimus Life Sciences Pvt. Ltd. and all these companies are operating as part of Optimus Group, engaged in the business of developing, producing and marketing of pharmaceutical substances. It is pertinent to note that the phrase "OPTIMUS" forms most memorable and dominant part of the trading style of all Optimus Group companies, including the plaintiff;
- c. post the honest adoption of OPTIMUS in the year 2004, the plaintiff and its group companies have commercially used the name/mark openly, continuously, and exclusively in the course of trade in respect of manufacturing and marketing of pharmaceutical products, generating common law rights and goodwill in the mark/name OPTIMUS. The extensive use and advertising by the plaintiff and its group companies having corporate name OPTIMUS is established by the sales and advertising figures mentioned in the plaint/evidence affidavit supporting

by sample sales invoices -bearing the mark/name-OPTIMUS. As such, the plaintiff and its group companies is recognised by public at large as well as the entities/organization in the relevant industry by the name 'Optimus' only owing to its extensive, continuous and uninterrupted use of the Trade mark 'Optimus.'

d. that there is quality, trust and goodwill attached to OPTIMUS by virtue of the plaintiff's business which deserves protection from this Court as an intangible business asset. The plaintiff has expended resources and money on its R&D and Manufacturing activities to ensure high quality standards including cGMP, ICH and WHO-GMP compliance and regulations of a few other MoH authorities from whom they have approvals. These are prestigious recognitions/inclusions. As affirmed on affidavit, the plaintiff having specialty in API (active pharmaceutical ingredient), advanced intermediates and generic drugs have been able to secure a distinguished position in the world market and has been recognised as a reliable pharmaceutical drugs, API and intermediates provider not only to the public at large but also by leading pharmaceutical companies in India including but not limited to Pfizer, Cipla, Glenmark, Dr.Reddy Laboratories, Mylan India, Torrent Pharmaceuticals, Sun Pharmaceuticals, Lupin, Intas Pharmaceuticals, Sanofi, Novartis, and Abbott *inter alia*. True copies of some of the invoices issued in the names of above mentioned Pharma Giants by the Optimus Group companies may be seen as Annexure D1/4 to Annexure D4/4 enclosed with the plaint. The plaintiff has created highly efficient and quality-conscious business processes that are certified as ISO 9001: 2008 compliant which is given for a quality management system of an

organisation which consistently provides products that meet customer satisfaction including processes for continual improvement of the system and the assurance of conformity to applicable statutory and regulatory requirements. True copy of the Certificate confirming compliance of International Standard Quality Control Standard by the plaintiff Group Company Optimus Drugs (P) Ltd., may be seen in Annexure "F". As mentioned above, the plaintiff has also significantly invested in the advertisement, promotion and marketing

of the brand through sponsorships, advertising campaigns and promotion through news papers, magazines, catalogues & other printed materials. The plaintiffs are also actively involved in conducting business alliances and meetings/presentations with various partners. Copies of the brochure published by National Institute of Pharmaceutical Education and Research (NIPER) in respect of International Conference on "drugs for the Future: Infectious Diseases (DFID -2014) held at Hyderabad from March 27-28, 2014 wherein the plaintiff was one of the Sponsors can be seen as Annexure "E1/3 to E3/3". The Group has total sales running into hundreds of crores and details of sales and advertisement costs incurred by the plaintiff on the publicity of the said mark can be seen in the plaint.

e. the plaintiff and its group companies have applied for registration of number of trademarks under class 5 including 'Optimus' and variations thereof which are progressing at different levels of Registration at Trade Mark Registry in India and the details can be seen in Annexure "F 1/5 to F 5/5" enclosed with the plaint.

f. the plaintiff is extensively present over the internet and has been using the website <http://optimuspharma.com/registered> on 23.04.2012

which provides substantial information about the business activities of the Optimus Group and use of its trade marks. The website has led to an national and international awareness and recognition of the wide range of Plaintiffs goods/services available under the brand/name "OPTIMUS."

g. defendant No. 1, Mr. Rishabh Lohia, claims to be proprietor of the firm 'Optimus Lifecare' and is engaged in the same business as that of the plaintiff and its group companies, viz., manufacturing and trading of pharmaceutical products. Defendant No. 2, Optimus Lifecare is the trade name or entity through which Defendant No. 1 intends to or appears to be carrying out its trading activities. The plaintiff is not aware of the exact constitution of the Defendant's firm.

h. the plaintiff became aware that Defendants have dishonestly adopted the Trade Name and Trade Mark 'Optimus' Lifecare which is identical to the Plaintiffs Trade Name & Trade Mark. Given the nature of the mark/name having inherent distinctiveness, it is clear that such adoption on the defendants' part was/is with an intention to ride on the reputation and goodwill of the Plaintiff and its OPTIMUS group companies. The Defendants' use of OPTIMUS is bound for the same goods i.e. Pharmaceutical products under class 5 has caused or is bound to cause confusion and/or deception in the market that the goods business of the Defendants is related or affiliated to Plaintiff and its OPTIMUS group of companies, which is not the case. As the Plaintiffs mark "OPTIMUS" enjoys huge reputation in the market, the Defendants have deliberately, willfully, purposely and with a malafide intention copied the essential and most distinctive part of the plaintiff's trade name and trade mark and started using the same as their trade name and trade mark. The

defendants' trade name and trade mark 'Optimus Lifecare' has been adopted and is being used by the Defendants with the sole intention of passing off their goods as that of plaintiff's goods. Such adoption and use is dishonest which is void *ab initio*.

i. that in their malafide attempt to secure legitimacy to their illegal adoption of the trade name and trade mark "' Optimus Lifecare with Device', Defendant no. 1 has also filed a trademark application No.2314003 dated 12.04.2012 on "Proposed to Use" basis for the registration of the trade mark 'Optimus Lifecare' in a stylized form in which OPTIMUS forms the dominant part with the sole intention to take shelter of legal protection for the illegal deed of passing off their goods as that of plaintiffs goods. Copy of the defendants' Trade Mark application with the Trade mark Registry is placed as at Annexure "G" with the Plaint. The application has since been opposed by the plaintiff.

j. upon becoming aware of the Defendants' adoption of its name OPTIMUS, the Plaintiff sent a Cease and Desist notice to the Defendants dated 24th August 2014 in order to provide an opportunity to give up the name and attempted registration of the Plaintiff's OPTIMUS name and mark. Copy of the Cease and Desist Notice is annexed as Annexure "J" in the plaint. However the contents of same were not appreciated by the Defendants in right earnest and were simply rebuffed by the Defendants by making irresponsible and irrational statements in the letter 'Reply to Cease and Desist Notice' dated 14.09.2014, wherein it has been stated that, *"There are more than 20,000 pharmaceutical companies in India including small, medium and large scale companies. No company in the world knows each and every companies name prior to starting their*

business Since this happens to be coincidences that our trade name and your trade name has been more or less same, you have issued notice on me." Copy of the "Letter of Reply to Cease and Desist Notice" can be seen as Annexure "H" enclosed with the plaint. A rejoinder dated 19.09.2014 (Annexure "K" to the plaint) was sent on behalf of the plaintiff which got no response. The defendants have not engaged with the plaintiff for an amicable settlement of the matter and they are responsible for these legal proceedings. They have also not cared to enter appearance herein. Coupled with the fact that the plaintiff believes it has been able to prove its case on merits, this plaintiff is deserving of the reliefs sought.

k. the defendants have not offered any explanation/justification for their adoption of OPTIMUS and have merely brushed aside their adoption of an identical mark/name as a mere coincidence which cannot inspire confidence in law. A later entrant like the defendants has to conduct market search before adopting a mark/name that is already in the field. In *Kamath v Lime and Chilli Hospitality* 2015 (62) PTE 23 (Bom), it has been stated at para 42 that: " ... *given the longevity of the Kamaths' mark, the defendant must be deemed to have had knowledge of its existence and market presence. The defendant was, it is now settled, duty-bound to conduct both a market search and a search in the register.*" The defendants' reply as extracted above establishes that no such prior search was carried out. Section 20(2) of the Companies Act also relating to 'undesirable names' disallows registration of names already registered and the records of the ROC are freely and easily searchable by the public to facilitate registration of non-conflicting company names. The

Defendants are very well aware of this database as is evident in their reply but they chose to not access it. Given that passing off is an action against unfair trading and deceit, the Defendants are duty bound to follow honest and fair trading practices in case they wish to validly adopt and use OPTIMUS. By deliberately eschewing/repudiating/ignoring such practices which involve prior check of public records, the Defendants cannot justify their adoption and/or right to use-the Plaintiffs mark/name OPTIMUS.

l. such prior due diligence on the defendants' part is especially pertinent in the field of pharmaceuticals where a stricter standard applies. In *Cadila Health Care Ltd. v. Cadila Pharmaceutical Ltd.* 2001 PTC 541 the Apex Court observed that "*Public interest would support lesser degree of proof showing confusing similarity in the case of trade mark in respect of medicinal product as against other non-medicinal products. Drugs are poisons, not sweets. Confusion between medicinal products may, therefore, be life threatening, not merely inconvenient.*" Thus, in case the Defendants' OPTIMUS product is given against a prescription for the Plaintiff s OPTIMUS product or vice versa and the two products are unrelated or the Defendants' product may be found wanting in quality or efficacy, there can be grave consequences to -human life, besides the commercial harm/loss and erosion of goodwill, reputation and distinctiveness of the plaintiffs mark/name OPTIMUS.

m. the plaintiff has established incorporation and use since 2004 while the Defendant No.1 's Trade Mark application for 'OPTIMUS' is on a proposed to use basis which makes it crystal clear that the Plaintiff is the prior adopter and user of the mark/name 'OPTIMUS' as compared to

the Defendants. Hence, the Defendants are liable to be restrained from using the mark/name 'OPTIMUS' in the interest of justice.

n. plaintiffs submit that defendants has used different *modus operandi* to carry out its trade under the impugned trademark, which includes but not limited to online selling of pharmaceutical products, thus enabling defendants to deal throughout India including Delhi which is within the jurisdiction of this Court. One of the websites through which the defendant is carrying out its illegal deed of passing off goods of their goods as that of plaintiffs - is www.tradeindia.com whose head office is situated at New Delhi which is also within the jurisdiction of this Court. Proof of defendants profile on the website www.tradeindia.com can be seen at Annexure- "L" enclosed with the plaint. The plaintiff further submits that the website www.tradeindia.com. operated through Infocom Network Limited provides virtual platform to the Indian Business Community and provide online services, directory services and facilitation of trade promotion providing opportunity for buyers and sellers across the globe to interact and conduct business smoothly and effectively. Plaintiff further submits that the defendants have registered themselves to these services and carried out business and sold pharmaceutical products/offered for sale across India including in Delhi and traded on the goodwill of the plaintiffs by trading in the name of 'Optimus Lifecare'. The buyers from the relevant industry dealing through such website are tend to believe that the goods provided by the defendants in some way or the other are related to the plaintiffs and are actually deceived and confused of the source of goods provided by the Defendants. Thus trading by the defendants in the name of "Optimus

Lifecare" through such virtual platforms which provides opportunity for traders to trade across various countries worldwide, has caused irreparable damage to the plaintiffs which are beyond calculation and thus caused losses to Plaintiff which runs in millions of Rupees.

o. the plaintiff further submits that from the facts stated hereinabove it is successfully established and proved beyond any doubt that the plaintiff enjoys goodwill and high reputation in the market with revenues running in hundred of crore, misrepresentation that has been or will be caused by the Defendants by the identical trade name and trademark for the same is bound to lead to commercial loss and loss of distinctiveness/erosion of the Plaintiffs OPTIMUS trademark which cannot be computed in monetary terms. The confusion over the source of origin and the peril to public health as submitted above are also equally important considerations. The necessary order of injunction as prayed for is therefore mandated in this case.

4. During evidence, the plaintiff has examined its sole witness PW1 Sh.Sridhar Prasangi, who has proved his affidavit *Ex.PW1/A* and relied upon the documents *Ex.PW1/1* to *Ex.PW1/17*.

The witness *PW1* has proved the copy of board resolution in his favour by the plaintiff company as *Ex.PW1/1*; the copy of Certificate of Incorporation dated 21.04.2004 in the name of plaintiff firm as *Ex.PW1/2*; copy of Certificate of Incorporation dated 02.12.2003 in the name of Surya Kiran Labs Private Limited as *Ex.PW1/3/1*; copy of certificate of name change in the present name of plaintiff is *Ex.PW1/3/2*; copy of certificate of incorporation dated 24.06.2014 as *Ex.PW1/4* ; copy

of registration certificate of firm dated 04.07.2011 as *Ex.PW1/5*; copies of invoices issued by plaintiff to different firms as *Ex.PW1/6 colly*; copy of stand confirmation bookings in the name of plaintiff by different events in abroad as *Ex.PW1/7 colly*; copy of brochure published by National Institute of Pharmaceutical Education and Research (NIPER) as *Ex.PW1/8*; copy of sale record duly certified by the chartered accountant of the plaintiff as *Ex.PW1/9*; copy of different applications moved by plaintiff with the Trademark Registry as *Ex.PW1/10*; copy of the certificate for International Standard of Quality and Control as *Ex.PW1/11*; copy of the application of defendant for trademark as *Ex.PW1/12*; copy of the reply to cease and desist notice sent by the defendant dated 14.09.2014 as *Ex.PW1/13*; copy of the cease and desist notice dated 24.08.2014 sent by plaintiff as *Ex.PW1/14*; copy of reply of defendant dated 14.09.2014 as *Ex.PW1/15*; copy of rejoinder sent by the plaintiff as *Ex.PW1/16*; and copy of the defendant's profile on the website as www.tradeindia.com as *Ex.PW1/17*.

5. In the circumstances, where the plaintiff has proved the contents of the plaint; the user of present name of the company; copies of different applications with Trademark Registry for registration of the trademark; copy of application by defendant; its reply dated 14.09.2014 all prove that case of the plaintiff that they are the prior user and adoption of its trade name and trademark by the defendant clandestinely (clandestinely) would certainly be illegal and would affect the business reputation of the plaintiff being in same business. The defendant has not put up their defence, they being ex parte and their right to file written statement was

also closed. Thus, considering the documents proved on record by the plaintiff; the prayers made by the plaintiff need to be allowed.

6. *Bio-Chem Pharmaceutical vs. Astron Pharmaceuticals* 2003 (26) PTC 200 (Delhi) has laid down many of the possible adverse consequences that may occur due to confusion in the pharmaceutical space making the basic trademark dictum -"One mark, one proprietor" particularly relevant in this sector. Trade mark/name disputes in the pharmaceutical sector must be seen through the prism of public interest where the correct manufacturer is held responsible in case there is any problem with its pharmaceutical product and conversely no innocent manufacturer is made to suffer an injury because of the same name. It has been held as under:-

“18. Before parting with this judgment, in order to avoid such situation directions may also be given to the Registrar of Trade Marks as well, as were given to the Drug Authorities by the Supreme Court. The Supreme Court directed that the Drug Authorities should consider requiring such an applicant to submit Official Search Report from the Trade Marks Office pertaining to the trade mark in question which will enable the drug authorities to arrive at a correct conclusion. It would not be out of place to mention that different Acts like Drugs and Cosmetics Act, 1940, Food Adulteration Act, Trade and Merchandise Marks Act, Copyright Act, Designs Act etc. have made numerous provisions to protect the consumers. But as is bound to happen in impending legislative explosion following globalisation and numerous existing Acts, different authorities act differently. Such an approach is bound to create much more confusion and is sure to result in the problem like

the present one. To avoid this, similar direction is required to be issued to the Registrar of Trade Marks so that right hand knows what the left hand is doing and there is no conflict and any problem of this kind is sorted at the very initial stage. It is also notable that the Drug Authorities do not have any centralized office system of allotting names and they are generally working in different State capitals. If similar directions are issued, some Drug Controllers may respond while others may sleep over the matter. But it would not be difficult to get the requisite information in case they are inter-connected through internet and the information is made available by all the Drug Controllers; the Registrar of Trade Marks and similar other Authorities to each other on internet itself to avoid such a situation. One has to look to the problem from the point of saving time, energy and money not only of the parties but of different offices of the Government and the Courts by undertaking few minutes exercise before accepting a trade mark after making a search. That will save hundreds of hours of several authorities. This exercise appears to be essential from another point of view. If the drug is spurious and the offence is punishable to sell the spurious drugs, then the Drug Controllers in absence of information may not take appropriate steps for prosecution of the guilty and the person who adopt this kind of trade mark innocently do not suffer prosecution for criminal offence. Ignorance would again lead to unnecessary wastage of time, energy and money of the State and innocent accused who fail to make any search about similar trade mark and the graph of ever increasing social cost in the shape of time, energy and money of the public officers and the Courts would continue to rise causing loss to national exchequer.”

7. The matter concerns identical corporate/trade name of both the parties, i.e., OPTIMUS which is also included in the definition of "mark" under Section 2(1)(m) of the Act. Both parties are in the same field of activity: pharmaceutical products. OPTIMUS is an invented mark/name. It has no dictionary meaning and is not descriptive of the plaintiff's activities in the pharma sector. The mark/name is therefore both 'arbitrary' as well as 'fanciful' making it highly distinctive and deserving of protection from later adopters/usurpers like the defendant since it comes within the highest protectable categories of trademarks.

8. In *Evergreen Sweet House Vs. Ever Green and Ors.*, 2008 (38) PTC 325 (Del), it has been observed as under:-

"14. Marks are often classified III categories of generally increasing distinctiveness; they may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful. The last three categories are entitled to trademark protection because they are inherently distinctive and can serve to identify a particular source of a product."

9. Hence, in view of above, the suit of the plaintiff is decreed against the defendants in terms of prayer (a) and (b) of para No.32 of the plaint.

10. Besides the above the learned counsel for plaintiff has claimed the damages to the extent of ₹22,00,000/-. The plaintiff is more concerned with the punitive damages and rely upon *Time Incorporated vs. Lokesh Srivastava & Anr* 116 (2005) DLT 599. The decision in *Time Incorporated* was relied upon by a Co-ordinate Bench of this Court in *Jockey International Inc & Anr vs. R. Chandra Mohan & Ors* 211 (2014) DLT 757 which read as under:-

“43. I am in agreement with the aforesaid submission of learned counsel for the plaintiff that damages in such cases must be awarded and a defendant, who chooses to stay away from the proceedings of the Court, should not be permitted to enjoy the benefits of evasion of court proceedings. Any view to the contrary would result in a situation where a defendant who appears in Court and submits its account books would be liable for damages, while another defendant who, chooses to stay away from court proceedings would escape the liability on account of failure of the availability of account books. A party who chooses not to participate in court proceedings and stays away must, thus, suffer the consequences of damages as stated and set out by the plaintiffs. There is a larger public purpose involved to discourage such parties from indulging in such acts of deception and, thus, even if the same has a punitive element, it must be granted. R.C. Chopra, J. has very succinctly set out in Time Incorporated's case (supra) that punitive damages are founded on the philosophy of corrective justice.”

11. The witness of plaintiff has deposed that damages ought to be imposed upon the defendants on account of infringement and passing off. Thus, given the facts and circumstances of this case where the defendants secluded itself from the proceedings, cannot be permitted to enjoy the benefits of evasion or covert priorities as he has been selling the goods and has been infringing the plaintiff's mark/packaging /trade dress which certainly makes the defendant liable to pay the punitive damages to the plaintiff. Hence, a decree for a sum of ₹3,00,000/- in favour of the plaintiff and against defendant, is passed on account of infringing the

registered marks/label/trade dress. The plaintiff shall also be entitled to interest @ 12% pa on the damages so awarded from the date of filing of the suit till the date of realisation. Costs of the suit is also awarded to the plaintiff. Decree Sheet be drawn.

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12. In view of above, the application stands disposed of.

YOGESH KHANNA, J

AUGUST 31, 2017

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