

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

Reserved on: 26.02.2019
Pronounced on: 03.05.2019

+ **FAO(OS) (COMM) 269/2018, CAV 1074/2018 & C.M. APPL. 48680-48681/2018**

DISPOSABLE HEALTH & LIFE CARE LTD & ANR Appellants

Versus

HINDUSTAN SYRINGES & MEDICAL DEVICES LTD .
.... Respondent

+ **FAO(OS) (COMM) 272/2018, CAV 1079/2018 & C.M. Appl. 48934-48935/2018**

DISPOSABLE HEALTH & LIFE LTD & ORS Appellants

Versus

RAJIV NATH & ANR Respondents

Counsel for the petitioner:

Mr. Amit Sibal, Senior Advocate with Mr. Hemant Daswani, Mr. Soham Kumar, Mr. Aisvary Vikram and Mr. Saksham Dhingra, Advocates

Counsel for the respondent:

Mr. Peeyosh Kalra, Ms. V. Mohini, Mr. Udayvir Rana, Advocate in FAO(OS) (Comm) 269/2018 & 272/2018

CORAM:

HON'BLE MR. JUSTICE S. RAVINDRA BHAT

HON'BLE MR. JUSTICE PRATEEK JALAN

MR. JUSTICE S. RAVINDRA BHAT

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1. This judgment will dispose of two appeals; FAO (OS) (Comm) 272/2018 is preferred by Disposafe Health & Lifecare Ltd (“DHL”) and Disposafe Healthcare (P) Ltd (“DHPL”)- both collectively referred to hereafter as “DH”; it challenges the denial of injunction in a commercial suit (IA 2618/2016, filed in C.S. (Comm.) 139/2016- which is referred to as “the first suit” or “the DH suit”). The learned single judge denied the interim injunction which DH claimed in the first suit, against Hindustan Syringes and Medical Devices Ltd. (hereafter “Hindustan”). FAO 269/2018 is also preferred by DHL and DHPL against the interim injunction granted in C.S.(Comm) 1494/2016 (hereafter “the second suit”) preferred by Hindustan. DH, its assignees, successors-in-interest, licensees, franchisee, partners, directors, representatives etc. were restrained from using the trade mark 'DISPOCAN' and other DISPO formative marks identical to and/or similar to Hindustan's trade marks 'DISPOVAN' and 'DISPOCANN' singularly or in conjunction with any other word or monogram/logo or label in any manner whatsoever. The impugned order was to be operative after four weeks i.e. till November 28, 2018.

2. DH was incorporated in the year, 2007 under the Indian Companies Act, 1956. It sells medical disposable devices such as I.V. Cannulas, three way Stop Cock, Injection Stopper, Nebulizers, Blood Lancets, Nebulizer Face Masks, Oxygen Masks under the trade name and/or trade marks 'Disposafe Health and Life Care Limited' and 'Disposafe Health Care Private Limited' for which the DH

companies had applied for trade mark registrations which are still pending before the Registrar.

3. The first suit claimed that DH collectively were leading manufacturers and traders of medical, surgical instruments and appliances, sold under the trademarks and is a proprietor of the trademark DISPOSAFE. Both plaintiffs were incorporated in 2007; they have been continuously using the mark in relation to their goods, (i.e. Nebulizers since 2011 and IV cannulas etc. since 2013). It is alleged that the word mark DISPOSAFE has been used not only commercially, but also in international fairs and other such events (in Dubai, Germany, Brazil, USA etc) so that it gained publicity and prominence. It also alleged that its open and continuous use of the mark is backed up by its sales of the products, with the DISPOSAFE mark. Furthermore, it also alleged that it spent substantial amounts towards construction of its plant and manufacturing facilities and had been sanctioned loans from public banks, to the tune of over ₹ 48 crores. It launched a website www.disposafe.com in 2007. DH alleged that its healthy marketing strategies led to its becoming the only company in India in the medical disposable devices field to achieve a turnover of more than ₹ 18 crores within the first eight months of its commercial sales activities. It also submits that it is member of an association since 2013, namely Association of Indian Medical Device Industry (herein referred to as "AIMED") having its office at GL-3, Ashoka Estate, 24, Barakhamba Road, New Delhi and that the defendant/Hindustan's Rajiv Nath is the forum coordinator of that association. DH claimed to acquiring a reputation as manufacturer and seller of safe medical devices and its sales have steadily increased; it also claims to be member of various trade associations and that it possesses clearances from various authorities, such as drug control office, etc. The application for its mark *Disposafe For Healthy Living* has been pending in the Trademark Registry, since July 25, 2013. Similarly, its claim for registration of *Disposafe For Safe Lancets* is pending from the same date.

4. DH claims to have noticed on February 17, 2016, while browsing the records of the Trade Marks Register on the internet, coming across the impugned trade mark DISPOSAFE of Hindustan which applied for registration of the impugned trade mark DISPOSAFE under the application number 2654034 dated January 03, 2014 in Class 10 in respect of disposable syringes, needles, I.V. cannula, infusion sets and surgical, medical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth, orthopedic articles, suture materials. In these circumstances, it alleges that it is aggrieved because its corporate name *Disposafe Health and Life Care Limited* and *Disposafe Healthcare Private Limited* and/or trade-marks *Disposafe for Healthy Life* and *Disposafe Blood Lancets* are infringed. In any event, any use of the trade mark DISPOSAFE thereafter would amount to passing off of its reputed trade name and trade mark. It also alleges that the defendant Hindustan claims to be using and selling its products under the DISPOSAFE mark since December 24, 2013 which is denied by the appellant. Further the appellant was unable to obtain goods under the impugned trade mark DISPOSAFE of the Defendant Hindustan. DH also claimed to be aggrieved by Hindustan's adoption and use of DISPOSAFE and DISPOCANN, being identical and/or deceptively similar to the prior registered trademark of the plaintiff.

5. The sale figures furnished in DH's suit, in respect of the appellants' products are shown in para No.16 of its plaint and its advertisement expenses were ₹166.77 Lakhs in 2014-15. Its claim also was that Hindustan had infringed its registered trademark and has deliberately filed this suit, earlier in time, showing it's a prior adopter / user of the trademark DISPOSAFE, but whereas the defendant has been using DISPOVAN, DISPOCANN since the year 1986 and 2006 respectively and its application for DISPOSAFE and DISPO is pending since 2013-14 and Hindustan which had infringed the trademark of the defendant by concealing the facts, has obtained an *ex-parte* injunction on 24.02.2016 restraining Disposafe from using the trademark DISPOSAFE. Rather the defendant alleges

that the plaintiff be restrained from infringing registered trademark DISPOCANN, DISPOVAN, DISPO, and other formative marks by using the same tradenames or any other deceptively similar to the said registered trademarks, besides other reliefs.

6. DH alleged that by using the trademark DISPOSAFE, Hindustan was capitalizing on its goodwill and reputation and the user is likely to be confused, as in the minds of the public it is as if its (DH's) product are sold by Hindustan. The latter's registered marks DISPOCANN and DISPOVAN were registered since 1986/2007 respectively. DH's trademark is as follows:



7. Hindustan, in its suit, (and in the written statement to DH's suit) claimed to being a leading manufacturer and trader of medical and surgical instruments and appliances sold under various trademarks. It is the first company in the world to launch a comprehensive range of auto disable Syringes for curative segment. It alleged to launching, in 1986, its medical and surgical instruments and appliances under the mark "Dispovan" and which has been, extensively and regularly used since then. DHL was incorporated in 2007 under the provisions of the Companies Act, 1956. It primarily deals with the manufacturing and marketing of medical disposable devices such as I.V. cannulas etc.

8. Hindustan alleged to commencing use of the mark DISPOCANN in respect

of its medical devices in the year 2006 and that it was extensively using the same and other DISPO formative marks in respect of its goods. Its primary markets are in India, USA, Europe, Middle East and secondary markets in Africa and South-East Asia. It has 7 plants in different locations in India and has more than 3500 employees. It mainly deals in products like 'single use syringes, single use needles, I.V. cannulas, safety I.V. cannulas, surgical blades, scalpels, scalp vein sets, glass syringes, non-reusable (AD) syringes, blood collection tubes, blood collection needle and blood collection set. Hindustan's products are marketed through an established national and international distribution network of more than 4500 dealers in India and 250 dealers/distributors all over world and exported to 170 countries. It was argued by the plaintiff that from the year 2013 till 2016 the plaintiff was a member AIMED, of which DH was a Forum co-ordinator and thus the defendant was fully aware of Hindustan's producing the product under the mark DISPOSAFE and yet did not prefer to allege infringement for three years. The word marks DISPOVAN, DISPOCANN have been registered and Hindustan, therefore, has proprietorship over them. It also claims association with other DISPO formative marks in India and worldwide. Its registration applications for the DISPOSAFE and DISPO marks are pending.

9. Hindustan highlights that its DISPOVAN has been widely known and accepted world over, and is registered in several jurisdictions including Bangladesh, People's Republic of China, Kenya, Pakistan, South Africa, Tanzania, WIPO with European Union, Ghana, Iran, Morocco, Oman, Philippines, Turkey as designating countries. It also urges that its mark and device is distinctive and has been globally accepted for its association with quality and superior nature of its products. Hindustan's device which it claims to be using since long, is as follows:



10. Hindustan also alleged that its products serve the medical profession with an affordable, world class medical devices and it first entered into the technical collaboration with Japanese Corporation to produce glass syringes in the year 1959 and thereafter started producing the other products and it later came up with USD 22.73 million worth state of the art manufacturing facility especially for manufacturing K1 Design Auto Disposable syringes. The details of its trademarks were given in its suit. Its marks DISPOVAN and DISPOCANN are registered. The DISPOCANN registered trademark is also a device mark; it is as follows:



11. Hindustan's application with respect to DISPOSAFE and DISPO are pending since 2013-14.

12. It started with the manufacturing of glass syringes in the year 1959 and subsequently added other products such as surgical blades in 1971; single use syringes in 1986; single use needle in 1987; cannula manufacturing in 1989; scalp vein infusion sets in 1991; I.V cannulas in 1992; auto disable syringes in 2001; vacuum blood collection tubes in 2007; blood collection needles in 2008, and safety I.V cannulas in 2014 to its product range.

14. Hindustan contends that its reputation is evident from the fact that GAVI- the Global Vaccine Alliance had chosen it as a knowledge and strategic partner for an innovative multi-million dollar global initiative to promote injection safety around the world. Plaintiff will act as a knowledge partner across India, contributing its considerable expertise valued at up to USD \$ 1.5' million in initiating advocacy campaigns on injection safety. Its DISPOVAN was used since 1986, in respect of disposable syringes; with respect to IV Cannulas, it has been using DISPOCANN since 2006. It has considerable sales turnover, which is set out in a tabular statement in the plaint – for the period 2002 onwards; for 2016 it was ₹ 38699.50 lakhs. It has also disclosed its advertising expenses for the promotion of those products.

15. The learned single judge, in the impugned order, reasoned as follows, while granting the *ad-interim* injunction in favour of Hindustan and against DH:

“26. Thus the defendant has prior statutory and proprietary rights vesting in the trade marks DISPOVAN and DISPOCANN and DISPO formative marks. The defendant commenced user of the mark DISPOVAN/ in the year 1986; registration for the said mark dates back to the year 1986 and registration/use of the mark DISPOCANN/ dates back to 2006. The mark DISPOVAN is registered and being used internationally as well. The use by the plaintiffs is subsequent to that of defendant. The plaintiffs have rather failed to show any evidence of use of the mark DISPOSAFE in respect of goods in question and despite directions, have not filed their balance sheets, sales figures evidencing sale of their products under the trade mark DISPOSAFE in any manner. Further the plaintiffs have amended the user claim in respect of their applications for registrations of the mark DISPOSAFE from April 01, 2011 to August 27, 2008 and for the mark from April 01, 2011 to December 18, 2007, however, there is no evidence to show any use of the said marks even since the year 2007/2008.

27. The plaintiffs are blowing hot and cold at the same time. On the one hand, they are alleging DISPO is publici juris and on the other hand they allege DISPOSAFE is a coined mark; they allege DISPO denotes disposables with respect to disposable medical devices and such words are matter of public rights. This is contrary to their stand

before the Trade Marks Registry and in Suit No. CS (COMM) 139/2016 wherein they are asserting rights in the marks DISPOSAFE .

28. *Though the plaintiffs have now admitted they are only asserting rights over the mark DISPOSAFE and not on DISPO formative marks but it is again contrary to their conduct before the Trade Marks Registry where they have filed applications for registration of DISPO formative marks such as DISPOSAFE (No. 2569950); (No. 2569923); DISPOCAN (No. 2569927); DISPOFLEX (No. 2569930), DISPOFLON (No. 2569926); DISPON (No. 2569928); DISPOWAY (No. 3933703) and DISPONEO (No. 2569929). The aforesaid establishes they are also attempting to secure rights over DISPO formative marks.*

29. *The plaintiffs are relying on third party applications filed with the Trade Marks Registry for registration of DISPO formative marks, however, have failed to adduce any documents showing such marks are in use and whereas on the other hand the defendant has taken actions such as addressing cease & desist notices against entities found to be using DISPO formative marks or filed opposition proceedings against DISPO formative applications, as and when it has come to its knowledge.*

30. *On account of defendant's earliest registration for the mark DISPOVAN in India since the year 1986, DISPOCANN/ since 2006; registrations for the same internationally, use of the said marks in India as well as internationally in over 170 countries, its rights in the marks DISPOCAN/DISPOCANN and other DISPO formative marks stands established. In fact, it is a matter of record that in the trade/industry, defendant's products under the mark DISPOVAN are referred as 'DISPO'. Documents in the form of purchase orders evidencing the same have been filed on record.*

31. *In Godfrey Philips India Limited v Girnar Food & Beverages Pvt Ltd 2005(3) PTC 1, the Court held :*

"4. xxxxx A descriptive trade mark may be entitled to protection if it has assumed a secondary meaning which identifies it with a particular product or as being from a particular source. xxxxx "

32. *It is a settled law of intellectual property the ultimate reason which prevails with the Court in granting injunction i.e. of dishonesty*

and an attempt on the part of the defendant to ride on the goodwill of the plaintiffs, to steal the market created by the plaintiffs, to have a headstart from the place to which the plaintiffs have built the business, to pass off his/her/its goods or services as that of the plaintiffs, all obviously to the prejudice of the plaintiffs and amounting to cheating the patrons/consumers/customers of the plaintiffs and the public at large. No society governed by law will permit a defendant to do so. The message which this Court will be sending out if refuses injunction in a case as this is that it, embroiled in its legalese and technicalities of law as the defendant here has raised, is encouraging such deception in society and allowing hijacking of businesses which another has toiled to build. Such a message going out from the Court will kill entrepreneurship in the country, thereby spelling the doom for development. Even laws relating to tangible properties, as distinct from intellectual property have, been interpreted to protect titles in property, as long as acquired honestly and for consideration, even if imperfect per Sunil Mittal and Another v Darzi on Call 2017 (70) PTC 346 (Delhi).

33. Thus in the circumstances it is the plaintiff who has adopted the DISPO mark of the defendant who first started using this mark in the year 1986 when it developed disposable syringes and thus it became a coined/invented word for the defendant in 1986 and plaintiff has no right to use such work.”

Parties' contentions

16. DH argued that the impugned order has failed to appreciate that words, which are merely abbreviations of generic/descriptive words, cannot be monopolized so as to prevent others from honestly adopting the same. It is argued that a learned single judge of this court by order dated February 7, 2018 had expressed a *prima-facie* view that no party can claim exclusivity over the mark 'DISPO' which is generic and descriptive and, hence, the learned single judge ought to have decided the question only at the time of trial. It is submitted that an abbreviation of a generic name, which still conveys to the buyer the original generic connotation of the abbreviated name is still generic.

17. DH submits that the accepted judicial test when an abbreviation of a

generic/descriptive word is used in conjunction with any non-suggestive/non-descriptive word is that the customer will tend to ignore the generic/descriptive abbreviation and will focus more on the non-suggestive/non-descriptive word; reliance is placed on *S.B.L. Ltd. V. Himalayan Drugs Co.* AIR 1998 Del 126 in this regard.

18. It is argued that the learned single judge by the impugned order granted a blanket injunction *qua* the "other DISPO formative marks" without even considering the fact that Hindustan did not even furnish a list of such marks. This amounts to granting an unfettered and undefined right to Hindustan over a generic/descriptive abbreviation "DISPO". Having acquiesced and allowed Disposafe to build up their business under the name and style 'DISPOSAFE' and allowing it to prosper, Hindustan is now estopped by acquiescence from seeking to crush the Appellants by lay claim to the word 'DISPOSAFE'.

19. The DHL primarily manufactures and markets medical disposable devices such as I.V. Cannulas Way Stop Cock, Injection Stopper, Nebulizers, Blood Lancets, Nebulizer Face Masks, Oxygen Masks and others started marketing/using aforesaid goods under the trade name/trademark *Disposafe for Healthy Life* since the year 2013. Hindustan's marks DISPOVAN/DISPOCANN over which it claims exclusive rights are not being used by DH and it has categorically submitted that they shall not use the said marks DISPOVAN/DISPOCANN - a concession recorded by the court by order dated October 27, 2017. It is also urged that the learned single judge failed to consider that once Hindustan has taken a stand before the Examiner of Trade Marks and replied to the objections of the Examiner stating that their mark 'DISPO' is different and not identical or deceptively similar to the trade marks cited by the Examiner, it cannot now do a *volte-face* and take the defence that the DH's mark 'DISPOSAFE' is similar to its 'DISPO'.

20. Counsel argues that by virtue of extensive, continuous and uninterrupted use of the trade name/trade mark DISPOSAFE coupled with the wide publicity, it

is exclusively associated by the general public and trade with none else other than the appellants. The trade name/trade mark DISPOSAFE has, therefore, achieved the secondary meaning within the meaning of the Trade Marks Act, 1999 ("the Act") and DHL and DHPL have acquired substantial goodwill and reputation within the same. They applied for the trademark for Disposafe in 2013. DH also argues that Hindustan has not sold any goods under the mark DISPO simpliciter at any point of time.

21. It is urged by counsel for DH that Section 17 of the Trade Marks Act limits the registration/application made by Hindustan as a whole. Assuming but not conceding to the fact that Hindustan used the mark DISPOVAN and DISPOCANN (although there is no documentary evidence with respect to the sale of goods under the mark DISPOCANN as well), Disposafe also relies on Section 15 of the Act to say Hindustan is prohibited from breaking the mark and claiming any exclusivity over a part of the word specially when the said word DISPO simpliciter is Generic/Descriptive. It is also argued that it is an admitted position that the word DISPO simplicitor has been adopted by the both parties and is a derivate of the word "Disposable" as they both deal with "disposable medical devices". The counsel for Disposafe urged that the origin of the word DISPO is Disposable Medical Device, whereby by order dated February 7, 2018, this Court has concluded that the mark DISPO simpliciter cannot be exclusively claimed by anybody. That order *inter alia*, reads as follows:

"Being prima facie of the opinion that neither party can have exclusive right to 'use of 'DISPO', especially when the same is indicative of the products being sold thereunder, I have toyed with the idea of making the packaging and trade dress etc. of the two very different, so to not lead to any confusion in the market"

22. It is asserted that such word being generic in nature cannot be said to be the exclusive proprietorship of any person. Provisions of Section 9(1) (b) of the Act, clearly bar any exclusive monopoly over any such generic words in favour of any

single individual. Disposafe also urges that the impugned judgment did not consider Hindustan's plea with respect of its own admission that the mark 'DISPO' is not similar to the other marks in the examination report. The impugned judgment noted that the 'presence of such marks in the examination report does not prove that these marks are actually in use in the market' is not of any consequence, because the point of consideration is not the presence of such other marks in the market but the admission of the Respondent that his mark is not similar to other marks with the word DISPO (regardless of the fact of them being used in the market or not).

23. It is urged that Disposafe had applied for the trademark DISPOSAFE using the prefix DISPO. It could then not be said that the mark was generic, considering that it filed seven applications for DISPO formative marks, hence cannot allege it is generic. It alleges that DISPOSAFE is a coined mark. It alleges that DISPO denotes disposables with respect to disposable medical devices and such words are matter of public rights. This is contrary to Hindustan's stand before the Trade Marks Registry and in Suit No. CS (COMM) 139/2016 wherein it asserted rights in the marks DISPOSAFE.

24. It is stated that Hindustan filed application for registering the marks 'DISPOSAFE' 'DISPOCAN', 'DISPOFLET', 'DISPOFLON', 'DISPON' 'DISPOWAY' and 'DISPONEO' and not for the mark 'DISPO' *per se*. It is submitted that those marks should be looked at as a whole and Hindustan cannot state that Disposafe by virtue of such applications claimed any proprietary rights over the word 'DISPO'. Hence, DH is not barred from taking a stand that the word 'DISPO' is generic in nature. They were not claiming any exclusive rights over the word 'DISPO' simpliciter, rather, their consistent contention has always been that the word 'DISPO' simpliciter is generic and could be used by any person, but the word 'DISPO' along with the word 'SAFE' constitutes a distinctive and invented mark upon which the Appellants are claiming exclusive rights. It is disputed that as

a matter of record in the trade/industry, defendant's products under the mark DISPOVAN are referred to as DISPO'.

25. DH has, from adoption of the trade name/trademark DISPOSAFE through promotional activities and participation in trade fairs, have done considerable groundwork in establishing its goodwill. Disposafe's reputation and goodwill is not only restricted within the territory of India but also extends internationally wherein the Hindustan's directors as well as marketing representatives, foreign distributors have regularly from last many years participated in various prestigious seminars. In 2007, DH had launched their website. The website categorically contained a detailed list of all DH products which they were to market, the background of the promoters and more specifically the name of DH companies were categorically highlighted in the website at all point of time. DH extensively sold its products under the trade name/trade mark DISPOSAFE across the globe as well as outside the country reaching to millions of people. It is not surprising that owing to such healthy marketing strategies DH is perhaps the only company in India in the medical disposable devices field to achieve a turnover of more than 18 crores within the first eight months of its commercial sales activities.

26. Hindustan argues that the trademark Dispovan is its extremely valuable asset and is well-known world over for the products it represents. Hindustan has used the mark/artwork DISPOVAN, trade mark DISPOCANN and other DISPO formative marks in respect of its products ever since its adoption and the said marks/artwork are exclusively associated with it and none else. It has extensive presence in terms of geographical spread in several countries around the world and is well recognized in the industry for its business/goods/services under the trademark/artwork *Dispovan*, *Dispocann* and other Dispo formative marks. The trade marks/artwork DISPOVAN, DISPOCANN and other DISPO formative marks represent important proprietary rights of the Respondent.

27. Hindustan submits that the trademarks/artwork DISPOVAN, DISPOCANN

and other DISPO formative marks are representative of the products, brand identity, business reputation and public identification throughout the globe including in India. The Respondent has invested years of time, capital, effort and resources and attained immense goodwill and reputation in the said trademarks. As a result, a secondary meaning stands attached in respect of the distinctive trade marks/artwork Dispovan, DISPOCANN and other DISPO formative marks and the same are exclusively associated by members of the trade and public with it and its products.

28. In fact, there have been several instances where third parties have stopped using DISPO formative marks or have withdrawn applications filed for registration of DISPO formative marks, pursuant to receipt of a cease and desist notice from Hindustan and/or filing opposition proceedings with the Trade Marks Registry. For instance, Plaintiff came across use of the mark DISPO VN by Veidehi Surgicals Private Limited and addressed a 'cease and desist' notice dated July 17, 2006 to it. Veidehi Surgicals Private Limited, by letter dated July 21, 2006, agreed to give up all use of DISPO VN. In another case, a Notice of Opposition was filed by Hindustan against application No 1291326 for the mark DISPOSYN of Aggarwal Surgicals, Punjab with the Trade Marks Registry, pursuant to which Aggarwal Surgicals withdrew its application.

29. In or around March 2016, Hindustan learnt that DH filed a lawsuit CS (COMM) No. 139 of 2016 for passing off, rendition of account, delivery up and damages against them with this court. The case set up by the DH was that it was the alleged prior adopter and user of the trademark DISPOSAFE since 2007 and recently of its coming across an application filed by Hindustan (on January 13, 2014) with the Trade Marks Registry seeking registration of the trade mark DISPOSAFE in Class 10. DH, in its suit concealed the fact that Hindustan was using the trademark DISPOVAN since the year 1986 and DISPOCANN since the year 2006, prior to the adoption/alleged use by DH. Further, DH deliberately did

not reveal to the court that Hindustan is the proprietor of the registered trademarks Dispovan and Disposafe and this court granted an *ex-parte* order of interim injunction dated February 24, 2016 against Hindustan restraining them from using the mark DISPOSAFE.

30. DH being in the same line of business as the Plaintiff, were well aware of the Hindustan's established reputation and goodwill in its prior, registered and well-known trade marks/artwork DISPOVAN and DISPOCANN and cannot feign ignorance in respect thereof. Adoption of an identical mark DISPOCAN by Defendants and that too in respect of identical products is not a mere coincidence and is a testimony to its dishonest and fraudulent intentions to derive unjust pecuniary benefits therefrom. By adopting and using the trade mark DISPOCAN and other DISPO formative marks, the Defendants are seeking to (a) capitalize on the reputation and goodwill subsisting therein; (b) project to the members of trade and, public that their products emanate from or enjoy the backing/approval/consent/license of Hindustan; and (c) achieve an increase in its sales and the concomitant revenue generated therefrom.

31. It was argued that the total effect of DH's acts are resulting *inter alia*, in:

- i) Infringement of Hindustan's prior, registered and well-known trademarks DISPOCANN and DISPOVAN (ii) Passing off at common law thereby violating the goodwill and reputation enjoyed by the Hindustan in India as well as internationally; (iii) Dilution of the distinctiveness of Hindustan's trade marks; (iv) Diminishing and diluting the value, goodwill, reputation and proprietary rights vesting in the trade marks which vest exclusively in favour of DH ; (vi) possibility of 'mushrooming effect', in that in case the DH are not stopped, it may embolden other potential infringers/misusers to violate Hindustan's statutory and proprietary rights with respect to the trade marks DISPOCANN, DISPOVAN and other DISPO formative marks; (vii) possibility of dangerous consequences inasmuch as the quality standards adopted by DH in respect of their goods is not known; and

(viii) public interest being put to jeopardy.

Analysis and Conclusions

32. History of medicine and medical inventions reveals that in 1951 Rothauser produced the first injection-moulded syringes made of polypropylene, a plastic that can be heat-sterilised. Millions were made for Australian and export markets. Later, in 1956, New Zealand pharmacist and inventor Colin Murdoch was granted New Zealand and Australian patents for a disposable plastic syringe. Much later, in 1989, Manuel Jalón Corominas invented the auto-disposable needle-syringe. The head with the needle is detached from the syringe after use. This invention greatly reduced from there on the spread of AIDS and drug related diseases. It is this disposable product which is widely dispensing single shots, but also for other medical and surgical devices including collection of blood samples, IV cannulas, etc.

33. What is discernable from the factual narrative is that Hindustan introduced its products in 1986; disposable syringes and other products were introduced in the market since 2006. It is the proprietor of the term DISPOCANN (since more recent times) and DISPOVANN (since 1986). The question then is whether the Hindustan suit claims infringement. This claim has to be considered only in the light of whether the use of the expression DISPOSAFE by the DH Companies in their products – since 2007 and later in 2013 when it entered the market with respect to certain products given “DISPOSAFE” was used always as a corporate name and also associated with medical devices and other products, amounts to infringement. In this regard, it would be useful to notice that the registration granted to Hindustan is of the composite mark “DISPOCANN” repeated in a stylized font (all in capitals) in a specific manner within a label. Furthermore, the registration in Class 10 “*for surgical, medical, dental and maternal apparatus and instruments,*

artificial limbs, eyes and teeth, orthopedic articles, materials”, the trademark registry specifically directed for “the mark to be used as specially used in the label as agreed to”. The trademark image too is part of the registration certificate. Thus, there is some merit in the DHA’s arguments that the protection is not *per se* of the word mark but in respect of “DISPOCANN” as represented in the label for which registration is granted. The court notices that the materials on record clearly show that the trademark registration is of the *device* rather than the words in isolation.

34. In this context, it would be necessary to extract Section 17 which outlines the nature of protection afforded to registered marks:

*“17. Registration of trade marks subject to disclaimer:
If a trade mark-*

(a) contains any part

(i) which is not the subject of a separate application the proprietor for registration as a trade mark; or

(ii) which is not separately registered by the proprietor as a trade mark; or

(b) contains any matter which is common to the trade or is otherwise of a non-distinctive character; the tribunal, in deciding whether the trade mark shall be entered or shall remain on the register, may require, as a condition of its being on the register, that the proprietor shall either disclaim any right to the exclusive use of such part or of all or any portion of such matter, as the case may be, to the exclusive use of which the tribunal holds him not to be entitled, or make such other disclaimer as the tribunal may consider necessary for the purpose of defining the rights of the proprietor under the registration:

Provided that no disclaimer shall affect any rights of the proprietor of a trade mark except such as arise out of the registration of the trade mark in respect of which the disclaimer is made.”

35. In this context, the judgment *Carlsberg India Pvt. Ltd. v. Radico Khaitan Ltd.* 2012 (49) PTC 54 (Del) is instructive. The Court had observed as follows:

“28. Section 17 of the T.M. Act 1999 makes it ample clear that a registered proprietor of a composite mark cannot seek exclusivity with respect to individual components of the trademark. Therefore, by logical extension, it is not open to Radico, which is the registered proprietor of the composite mark '8 PM', to seek protection for infringement of its trademark by a third party who merely uses the numeral '8', since no exclusivity can be claimed in a single numeral.

29. Therefore, in the present case, an action for trademark infringement in respect of the composite word mark '8 PM' against Carlsberg, which uses the mark 'PALONE 8', where the only commonality between the two is the numeral '8', must prima facie undoubtedly fail.

30. If Radico's mark had been a label mark, then the issue of the size and manner of representation of the numeral would have had some bearing, but since the registration is for the word mark simpliciter, no case for trademark infringement prima facie appears to be made out against Carlsberg.”

36. In the opinion of this court the expression “Disposafe” is a portmanteau word, which has been described by Britannica (<https://www.britannica.com/topic/portmanteau-word> accessed on 30.04.2019 at 15:45 hours) as

“Portmanteau word, also called blend, a word that results from blending two or more words, or parts of words, such that the portmanteau word expresses some combination of the meaning of its parts. Examples in English include chortle (from chuckle and snort) smog (from smoke and fog), brunch (from breakfast and lunch), mockumentary (from mock and documentary), and spork (from spoon and fork). A portmanteau is a suitcase that opens into halves.”

37. In *Schering Corporation & Ors. vs. Alkem Laboratories Ltd.* 2010 (42) PTC 772 the Division Bench had to decide an appeal where the learned single judge held that the respondents were able to show the derivation of the trademarks 'TEMOKEM' and 'TEMOGET' by employing 'TEMO' from TEMOZOLOMIDE and 'KEM' from the name of the respondent ALKEM and, similarly, 'GET' from the name of the respondent GETWELL, respectively. The combined effect of 'TEMO' and 'KEM' would be TEMOZOLOMIDE manufactured by Alkem Laboratories. Similarly, the combined effect of 'TEMO' and 'GET' is TEMOZOLOMIDE manufactured by Getwell. The learned single judge had held that the offending words were a portmanteau expression, derived from the quality of the product, in combination with part or fragment of another term. The interim injunction claim of the plaintiff was denied. The Division Bench held, after a lengthy discussion of relevant case law, as follows:

“94. TEMOZOLOMIDE is a generic word. TEM/TEMO, as we have already seen, is publici juris for TEMOZOLOMIDE. TEM/TEMO is not generic for the trademarks 'TEMODAL' and 'TEMODAR' of the appellants, but for TEMOZOLOMIDE. The use of TEM/TEMO in TEMODAL/TEMODAR is descriptive of 'TEMOZOLOMIDE'. The use of the marks TEMOKEM and TEMOGET by the respondents, therefore, possibly cannot lead to the inference that TEMOKEM and TEMOGET have been sourced from the manufacturers of TEMODAL and TEMODAR i.e. from the appellants. Such a conclusion is also contra-indicated by the vast difference in price of the products of the appellants and the respondents.”

38. Later, in the same judgment, the court held that:

“107. These may be some of the grounds for the appellants to fail in their action against the respondents, but these are not the only grounds why the Court would deny interim relief of injunction in cases like these. For the appellants to succeed, they must also establish that the respondents have no right to use the generic name/abbreviation of the compound 'TEMOZOLOMIDE' in their drugs, and that the appellants have an exclusive right in this regard.

This, unfortunately for the appellants, they have failed to show. In our view, for the appellants to fail it is enough that the appellants' trademark have been coined by combining the publici juris abbreviation TEM/TEMO for TEMOZOLOMIDE with the suffix 'DAL' in one case and 'DAR' in the other case, the marks of the appellants are descriptive, and the marks of the respondents do not bear phonetic or visual similarity which could be said to be deceptive or confusing for the purchasers of the drugs in question.

108. The registration of the appellants marks is in respect of TEMODAL and TEMODAR. By virtue of Section 17 of the Act, it is the said marks and not parts of the said marks, which stand protected. Consequently, TEM/TEMO cannot be claimed to enjoy protection by virtue of Section 17 of the Act. Section 17 of the Act confers on the proprietor the exclusive right to the use of the trademark as a whole. It provides: "Notwithstanding anything contained in Sub-section (1) when a trademark contains any matter which is common to the trade or is otherwise of a non-distinctive character, the registration thereof shall not confer any exclusive right in the matter forming only a part of the whole of the trademark so registered" (See Section 17(2) (b))."

39. It is useful also to notice, at this stage *McCarthy in Trademarks and Unfair Competition*, where the author states that:

"Clearly, one seller cannot appropriate a previously used generic name of a thing and claim exclusive rights in it as a 'trademark' for that thing. Similarly, if one seller develops trademark rights in a term which a majority of the relevant public then appropriates as the name of a product, the mark is a victim of 'genericide' and trademark rights may cease.

An abbreviation of a generic name which still conveys to the buyer the original generic connotation of the abbreviated name is still generic."

40. Kerly's *Law of Trademarks and Trade Names* states that:

"18-145: Where the claimant's name is descriptive of its business (or is geographically descriptive) (Ref Bristol-Myers v. Bristol Pharmaceutical [1968] R.P.C. 259, see para 18-092, and

compare the “geographical” cases, Ch.11) the mere fact that the defendant adopts a name containing the same descriptive words will not establish any sort of case of passing off; a trader cannot monopolize a mere description. (Equity Access v. Westpac (1989) 16 I.P.R. 431) The claimant must (as in any other passing off case) establish that the use by the defendants of their trading style is calculated to lead to the belief that their business is the business of the claimant. (Office Cleaning v. Westminster (1946) 63 R.P.C. 39 at 42, HL) To do so, it must, in the ordinary way, establish its reputation: that is, that a substantial number of persons associate the words concerned with its business and its along; as in any ordinary passing off action. But the claimant need not establish that the words concerned have ceased to be descriptive or have acquired a secondary meaning if it can prove its case without. The special character of such cases lies in this: that where a business adopts a name containing words in common use, some risk of confusion may be inevitable, and that risk must be run unless the first such business is allowed an unfair monopoly in those words In such cases the court will accordingly accept comparatively small differences as sufficient to distinguish, unless the facts nevertheless show serious passing off.”

41. In *McCain International v. Country Fair* [1981] R.P.C. 69, the Court held that:

“if the plaintiffs introduce a novel product with novel words, but they take the risk of choosing descriptive words, then they run the risk that the defendants cannot be prevented from using those same descriptive words so long as they make it clear that their brands of the product are not the same as the brand of the plaintiffs”

42. The judgment in *Cadila Healthcare Ltd v Gujarat Co-operative Milk Marketing Federation* 2009 (41) PTC 336 (Del) dealt with a claim for injunction to protect the mark “Sugar free” a combination of two words, which according to its owner was distinctive of its products. The Division Bench negated the plea and refused injunction, stating that:

“If a person employing a word or term of well-known signification and in ordinary use....is yet able to acquire the right to appropriate a word of term ordinary use in the English language to describe his goods, and to shut others out from the use of this descriptive term, he would really acquire a right much more valuable than either a patent or a trade mark for he and his successors in business would gain the exclusive right, not for a limited time as in the case of patent, but for all time coming, to use the word as applicable to goods which others may be desirous of manufacturing and are entitled to manufacture and sell as much as he is. That being so, it appears to me that the utmost difficulty should be put in the way of any one who seeks to adopt and use exclusively as his own a merely descriptive term.¶ In the case of Cellular Clothing, 1899 A.C. 326, it was held as follows:

“A totally different principle must apply in the case of goods which are sold under a merely descriptive name. If a person employing a word or term of well-known signification and in ordinary use, though he is not able to obtain a Patent for his manufacture, and although he has not got the protection of a registered Trade Mark for the goods he is proposing to sell, is yet able to acquire the right to appropriate a word or term in ordinary use in the English language to describe his goods, and to shut others out from the use of the descriptive term, he would really acquire a right much more valuable than either a Patent or a Trade Mark. For he and his successors in business would gain the exclusive right, not for a limited time as in the case of a Patent, but for all time coming, to use the words as applicable to goods which others may be desirous of manufacturing, and are entitled to manufacture and sell as much as he is.

We are unable to hold that the appellant's trademark 'Sugar Free' is a coined word; at best it is a combination of two popular English words. The mere fact that the appellant's product cannot be directly consumed or eaten and merely is an additive does not detract from the descriptive nature of the trade mark. Once a common phrase in the English language which directly describes the product is adopted by a business enterprise, such adoption naturally entails the risk that others in the field would also be

entitled to use such phrases provided no attempt is made to ride on the band wagon of the appellant's indubitably market leading product 'Sugar Free'. In this connection, merely because the attributes of 'sugar free' can be described by other phrases cannot detract from the common usage of the phrase 'Sugar Free' as denoting products which do not contain sugar and any trader which adopts such mark in the market place, does so with the clear knowledge of the possibility of other traders also using the said mark. That is precisely the reason for the denial of protection to such marks by refusing registration as envisaged by Sections 9, 30 and 35 of the Act. The said Sections read as follows: -

"9. Absolute grounds for refusal of registration.--(1) The trade marks--

(a) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person;

(b) which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service;

(c) which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade, shall not be registered:

Provided that a trade mark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trade mark.

(2) A mark shall not be registered as a trade mark if--

(a) it is of such nature as to deceive the public or cause confusion;

(b) it contains or comprises of any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India;

(c) it comprises or contains scandalous or obscene matter;

(d) its use is prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950 (12 of 1950).

(3) A mark shall not be registered as a trade mark if it consists exclusively of--

(a) the shape of goods which results from the nature of the goods themselves; or

- (b) the shape of goods which is necessary to obtain a technical result; or*
- (c) the shape which gives substantial value to the goods.*

30. Limits on effect of registered trade mark.--(1) Nothing in Section 29 shall be construed as preventing the use of a registered trade mark by any person for the purposes of identifying goods or services as those of the proprietor provided the use--

- (a) is in accordance with honest practices in industrial or commercial matters, and*
- (b) is not such as to take unfair advantage of or be detrimental to the distinctive character or repute of the trade mark.*

(2) A registered trade mark is not infringed where--

- (a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services;*
- (b) a trade mark is registered subject to any conditions or limitations, the use of the trade mark in any manner in relation to goods to be sold or otherwise traded in, in any place, or in relation to goods to be exported to any market or in relation to services for use or available or acceptance in any place or country outside India or in any other circumstances, to which, having regard to those conditions or limitations, the registration does not extend;*
- (c) the use by a person of a trade mark--*
 - (i) in relation to goods connected in the course of trade with the proprietor or a registered user of the trade mark if, as to those goods or a bulk or which they form part, the registered proprietor or the registered user conforming to the permitted use has applied the trade mark and has not subsequently removed or obliterated it, or has at any time expressly or impliedly consented to the use of the trade mark; or*
 - (ii) in relation to services to which the proprietor of such mark or of a registered user conforming to the permitted use has applied the mark, where the purpose and effect of the use of the mark is to indicate, in accordance with the fact, that those services have been performed by the proprietor or a registered user of the mark;*
- (d) the use of a trade mark by a person in relation to goods adapted to form part of, or to be accessory to, other goods or services in relation to which the trade mark has been used without infringement*

of the right given by registration under this Act or might for the time being be so used, if the use of the trade mark is reasonably necessary in order to indicate that the goods or services are so adapted, and neither the purpose nor the effect of the use of the trade mark is to indicate, otherwise than in accordance with the fact, a connection in the course of trade between any person and the goods or services, as the case may be;

(e) the use of a registered trade mark, being one of two or more trade marks registered under this Act which are identical or nearly resemble each other, in exercise of the right to the use of that trade mark given by registration under this Act.

(3) Where the goods bearing a registered trade mark are lawfully acquired by a person, the sale of the goods in the market or otherwise dealing in those goods by that person or by a person claiming under or through him is not infringement of a trade by reason only of--

(a) the registered trade mark having been assigned by the registered proprietor to some other person, after the acquisition of those goods; or

(b) the goods having been put on the market under the registered trade mark by the proprietor or with his consent.

(4) Sub-section (3) shall not apply where there exists a legitimate reason for the proprietor to oppose further dealings in the goods in particular, where the condition of the goods, has been changed or impaired after they have been put on the market.

35. Saving for use of name, address or description of goods or services.--Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any bona fide use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any bona fide description of the character or quality of his goods or services.¶ (emphasis supplied) Thus, it is clear that the mark or indication which serves to designate the quality of the goods of the appellant, which indeed the phrase 'Sugar Free' does, would be an absolute ground for refusal of registration of a mark unless it has acquired a distinctive character. The expression can at best be said distinctive qua the artificial sweetener of the appellant and mere starting of the marketing of the drink 'sugar free D'lite' cannot give the appellant

the right to claim distinctiveness in the expression 'Sugar Free' in relation to all the food products."

43. The test of finding a mark generic is if on the day when the mark was adopted whether it was general or if there were other users at that time. Hindustan was formed in the year 1959 and since 1986 it started making "Disposable" syringes. The registration of its marks is only in respect of two devices- i.e DISPOVAN and DISPOCAN. Hindustan also applied for registering the marks DISPOSAFE, DISPOCAN, DISPOFLEX, DISPOFLON, DISPON, DISPOWAY, DISPONEO and several other words. In all, trademark registrations were sought for 31 marks. However, it abandoned the advertisements or withdrew them in regard to 19 marks. The records of the examination report in application number 2586568 does not evidence the fact that the cited marks DISPOSYN, DISPO SUCTION SET, DISPO VN, DISPO -CAP, DISPO-ONE and DISPON are used.

44. The relief claimed in Hindustan's suit for injunction is extracted below:

(a) Pass and pronounce a decree of permanent/perpetual injunction against infringement of Plaintiff's registered trade marks DISPOCANN/  and  by restraining the Defendants, their promoters, directors, assigns, sister concern, affiliates, relatives, successors-in-interest, licensees, franchisees, partners, representatives, servants, distributors, employees, agents etc. or anyone associated with them from using the mark DISPOCAN and other DISPO formative marks identical with or deceptively similar to the Plaintiff's registered trade marks DISPOCANN/  and ..



singularly or in conjunction with any other word or monogram/logo as a trade mark, service mark, house mark, trade name, trading style, corporate name, website, domain name, e-mail address, other webpages or otherwise in any manner whatsoever so as to infringe the Plaintiff's aforesaid registered trade marks;

45. It is evident that the injunction sought was to restrain DH from using the *trademark in the form of the device*, rather than the use of the word mark *per se*. Moreover, significantly, despite mention of the defendant/DH's mark, DISPOSABLE, no injunction to restrain its use was sought. Instead, the injunction sought was to restrain the use of DISPO and "other DISPO formative marks". Hindustan does not – *and cannot*- claim that it is registered proprietor of any mark named "DISPO".

46. As noticed earlier, "Dispovan" or "Dispocann" "Disposafe" or other "Dispo" derived marks are *per se* portmanteau words, i.e. words formed out of fragments or parts of two separate words. The first of these, i.e. Dispo, clearly refers to a quality of the products, i.e. that they are "disposable". In that, they are clearly descriptive. There is *prima facie* nothing in the materials on record, disclosing that the word "DISPO" has acquired such a secondary association with Hindustan's products as to entitle it to claim other entities from using it, in combinations other than "DISPOCANN" and "DISPOVAN". Also, there is no *per se* word mark protection. Allowing the injunction as framed in the impugned order to stand would mean that the relief not claimed by Hindustan would be granted. During the proceedings, DH had urged- before the learned single judge, that it would not use the marks "DISPOCANN" and "DISPOVAN"

47. This court is of the opinion that in view of the above discussion, the

impugned order cannot be sustained. At the same time it is clarified that DH should not use the marks “DISPOCANN” and “DISPOVAN”; it shall give an affidavit undertaking in this regard, to the learned single judge, within 2 weeks. Subject to fulfillment of this condition, the impugned order is hereby vacated. The appeals are partly allowed in the above terms. No costs.

S. RAVINDRA BHAT
(JUDGE)

PRATEEK JALAN
(JUDGE)

MAY 3, 2019

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