

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 04.12.2018

CORAM

THE HON'BLE MR.JUSTICE M.SUNDAR

C.S.No.782 of 2018
and O.A.Nos.1036 & 1037 of 2016

Sun Pharma Laboratories Limited,
 CD Plot No.3, Door No.8,
 Old Tower Block Street,
 Nandhanam Extension,
 Chennai- 600 035
 rep. By its Authorized Signatory
 Mrs.Radha Kumar

..Plaintiff

Vs.

1. Saviour Drugs Pvt Ltd
 C-6-2, 1-2, Satyam Apartments,
 Sector-5, CBD,
 Navi Mumbai-400615.

2. Horizon Bioceuticals Pvt Ltd,
 Nahan Road, Kala Amb,
 Distt. Sirmour (H.P).

.. Defendants

This Civil Suit is preferred, under Order IV Rule 1 of O.S. Rules and Order VII Rule 1 of Civil Procedure Code, read with Sections 27,28 and 29, 134, 135 of the Trademarks Act, 1999 praying to

a) A permanent injunction restraining the Defendants, their distributors, stockists, servants, agents, retailers, legal representatives or any other person claiming under it from in any manner manufacturing, selling, offering for sale, stocking, advertising directly or indirectly dealing in medicinal and pharmaceutical preparations infringing plaintiff's registered trademark URSOCOL by use of an almost identical trademark URSOCO or any mark similar to Plaintiff's registered trademark URSOCOL;

b) A permanent injunction restraining the Defendants, their

distributors, stockists, servants, agents, retailers, legal representatives or any other person claiming under it from in any manner manufacturing, selling, offering for sale, stocking, advertising directly or indirectly dealing in medicinal and pharmaceutical preparations under the mark URSOCO or any other trademark that is identical and/or deceptively similar as that of the plaintiff's mark URSOCOL so as to pass off the Defendant's medicinal preparations as and for the medicinal preparations of the Plaintiff or in any manner whatsoever;

c) the Defendants be ordered to pay to the Plaintiff a sum of Rs.1,00,000/- as liquidated damages for committing acts of infringement against Plaintiff's registered trademark so as to pass off its products as and for the Plaintiff's products;

d) The Defendants be ordered and decreed to deliver up for destruction to the Plaintiff all the preparations, dies, blocks, labels, packaging either filled or empty, brochures, leaflets, pamphlets, hand bills, hoardings, wall posters, calendars, carry bags, stationery items and such other sales promotional materials bearing and/or containing the impugned trademark URSOCO;

e) A preliminary decree be passed in favour of the Plaintiff directing the Defendants to render accounts of profits made by it by use of the trademarks URSOCO which is identical and/or deceptively similar and a final decree be passed in favour of the plaintiff for the amount of profits found to have been made by the Defendant after the latter has rendered accounts;

f) For costs of the entire proceedings, and;

g) pass such further or other orders as this Hon'ble Court may deem fit and proper in the circumstances of the case and thereby render justice.

For Plaintiff : Ms.R.Prashanthi

For Defendants : Set ex-parte

JUDGMENT

Ms.R.Prashanthi, learned counsel on record for sole plaintiff is before this Commercial Division.

2. There are two defendants in the instant suit. *Ex parte* evidence has been recorded in the instant suit and the suit has been listed before this Commercial Division for oral arguments today. Before hearing oral arguments, it is necessary to ascertain jurisdiction of this Commercial Division qua this suit.

3. Learned counsel for plaintiff points out that this suit is essentially for injunctive reliefs pertaining to a complaint of infringement of registered trademark and passing off qua said registered trademark. Registered trademark in favour of plaintiff is Trade Mark No.1119429 in Class 5 *inter alia* for pharmaceuticals preparations and the same shall hereinafter be referred to as 'suit TM' for the sake of convenience and clarity. Legal Use Certificate for suit TM has been marked as Ex.P2.

4. Learned counsel for plaintiff submits that besides injunctive reliefs regarding infringement of suit TM and passing off qua suit TM, incidental and ancillary prayers for damages, delivery of offending material, accounts, costs and usual residuary limb of a prayer have also

been made. In the light of the aforesaid scenario, learned counsel submits that this suit qualifies as a 'Commercial Dispute' within the meaning of sub-clause (xvii) of Section 2(1)(c) of 'The Commercial Courts Act, 2015' ('said Act' for brevity. Sub-clause (xvii) of Section 2(1)(c) of said Act reads as follows:

'(xvii) intellectual property rights relating to registered and unregistered trademarks, copyright, patent, design, domain names, geographical indications and semi-conductor integrated circuits;'

5. In the light of this lis qualifying as a Commercial Dispute under Sub-clause (xvii) of Section 2(1)(c) of said Act, Section 134(1) of Trademarks Act, 1999 ('TM Act' for brevity) operates is learned counsel's say. In the light of Section 134(1) of TM Act operating, this Commercial Division will have jurisdiction to entertain the suit under first proviso to Section 7 of said Act, is learned counsel's further say.

6. In the light of first proviso to Section 7 of said Act coming into pray 'Specified Value' aspect is of no consequence, is also learned counsel's say.

7. In the backdrop of aforesaid submission, plaint was perused and in my considered view there is no difficulty or impediment in accepting this submission.

8. Jurisdiction of this Commercial Division thus determined. In other words, this Commercial Division will exercise jurisdiction over this suit in the light of Section 134(1) of TM Act and first proviso to Section 7 of said Act as this is indisputably a commercial dispute under Section 2(1)(c)(xvii) of said Act.

9. Having determined jurisdiction, it may be necessary to capture the trajectory of this litigation thus far. Both defendants have been duly served with suit summons, but they have not entered appearance. Obviously they have not filed written statements. Therefore, vide proceedings dated 08.11.2018, the defendants were set ex parte. Proceedings of this Commercial Division dated 08.11.2018 reads as follows:

'Ms.Durga V. Bhatt, learned counsel representing the counsel on record for the sole plaintiff is before this Commercial Division.

2. Defendants are set ex-parte. They have not filed written statement.

3. At the request of learned counsel for plaintiff, list this matter before Additional Master II on 16.11.2018 for recording ex-parte evidence.

4. Learned Additional Master II is requested to record ex-parte evidence preferably on the same day and in any event on or before 20.11.2018.

5. Post recording evidence, list this matter under the caption 'FOR ARGUMENTS' before this Commercial Division on 23.11.2018.'

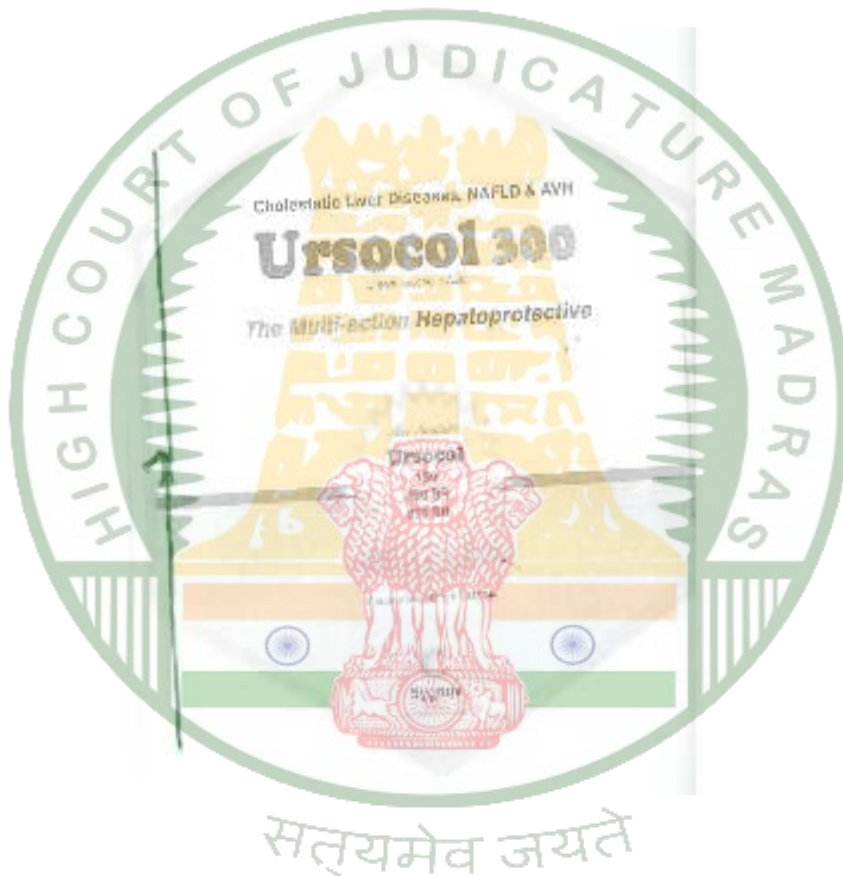
10. Pursuant to aforesaid proceedings of this Commercial Division, suit was placed before learned Additional Master II for recording *ex parte* evidence and learned Additional Master II recorded *ex parte* evidence on 16.11.2018. One Raj Srivastava was examined as PW1 and nine exhibits, namely Exs.P1 to P9 were marked. As mentioned supra, this suit is before this Commercial Division now for oral arguments.

11. It is submitted by learned counsel for plaintiff that nucleus or central theme of this entire lis suit TM. As mentioned supra, the Legal Use Certificate for this trademark registration in favour of plaintiff has been marked as Ex.P2. A perusal of Ex.P2 reveals that registration is in Class 3, which is a word mark. The word mark is 'URSOCOL'. Goods and Description under Class 5 for which the registration has been granted qua suit TM is as follows:

*'MEDICINAL AND PHARMACEUTICAL PREPARATIONS
CONTAINING URSODEOXY CHOLIC ACID INCLUDED IN CLASS 6.'*

12. A further perusal of Ex.P2 reveals that the date of registration is 17.07.2002, it has been duly renewed on 17.07.2012 and the registration is valid upto 17.07.2022. In other words, registration of trademark (suit TM) is now subsisting.

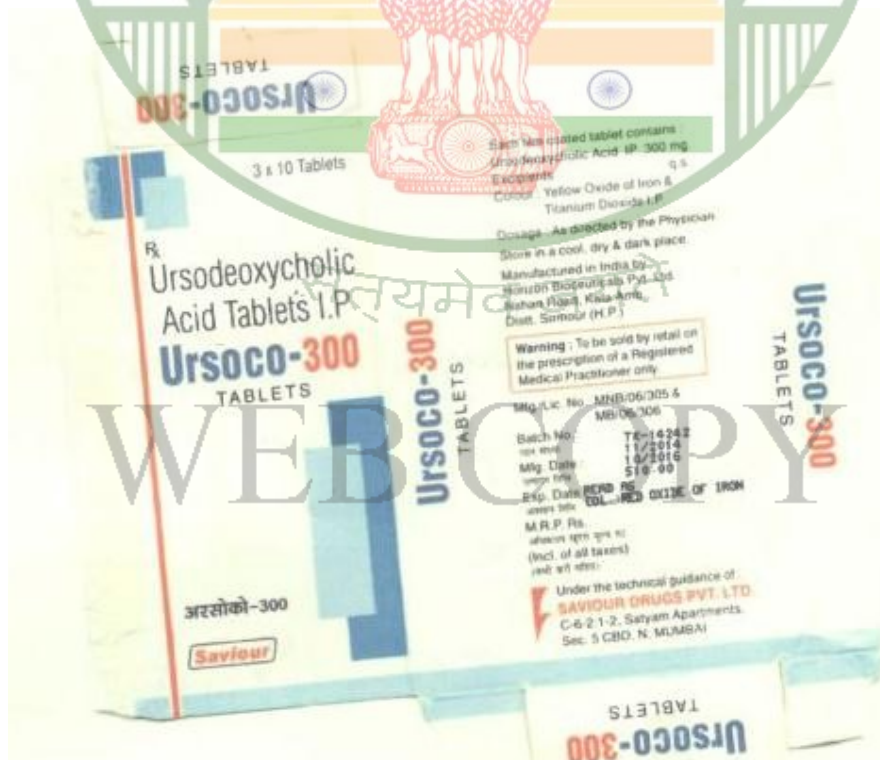
13. Learned counsel for plaintiff, referring to Exs.P7 and P8 submits that brochure for the plaintiff's product is Ex.P7 and the same is as follows:



14. Learned counsel also submits that carton for the plaintiff's product showing depiction of suit TM is Ex.P8 and the same is as follows:



15. Learned counsel drawing my attention to Ex.P9 submits that Ex.P9 is the alleged offending mark, which is being used by the defendant. Ex.P9 is as follows:



16. Learned counsel submits that both the products are the same

i.e, pharmaceutical product and both are preparations used for treatment of cholestatic liver diseases and that the channel of trade is also the same. Learned counsel submits that the plaintiff has assiduously built a good reputation qua suit TM and the financial year wise turnover as articulated in Paragraph 6 of the plaint is as follows:

Year	Amount
2002-03	60.19
2003-04	320.70
2004-05	508.59
2005-06	864.74
2006-07	942.71
2007-08	1169.29
2008-09	1506.55
2009-10	1765.12
2010-11	2286.19
2011-12	645.90
2012-13	259.81
2013-14	323.34
2014-15	368.03

17. It is also brought to the notice of this Commercial Division that plaintiff has spent substantial sums of money towards promotional expenses for familiarization of suit TM and those figures with financial year wise break up has been articulated in Paragraph 7 of the plaint in a tabular form. Such articulation is as follows:

Year	Amount (In Lakhs of Rs.)
01.01.2003 to 31.03.2003	23.94
2003-04	65.99
2004-05	118.14
2005-06	157.84
2006-07	164.21
2007-08	186.99
2008-09	218.38

2009-10	231.16
2010-11	371.18

18. In the light of the aforesaid scenario, it is submitted that a comparison of Exs.P7 and P8 on one side and Ex.P9 on the other would reveal that it is a clear case of infringement and passing off qua suit TM. I compared the suit TM as depicted in Exs.P7 and P8 and the alleged offending of the mark of the defendant in Ex.P9 by applying the litmus test in this regard as laid down by the Hon'ble Supreme Court in the celebrated Parle judgment [**Parle Products (P) Ltd. Vs. J.P. and Co.,**] reported in **(1972) 1 SCC 618**. Relevant Paragraph is Paragraph No.9 and the same reads as follows:

"9. It is, therefore, clear that in order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him. In this case we find that the packets are practically of the same size, the colour scheme of the two wrappers is almost the same; the design on both though not identical bears such a close resemblance that one can easily be mistaken for the other. The essential features of both are that there is a girl with one arm raised and carrying something in the other with a cow or cows near her and hens or chickens in the

foreground. In the background there is a farm house with a fence. The word "Gluko Biscuits" in one and "Glucose Biscuits" on the other occupy a prominent place at the top with a good deal of similarity between the two writings. Anyone in our opinion who has a look at one of the packets today may easily mistake the other if shown on another day as being the same article which he had seen before. If one was not careful enough to note the peculiar features of the wrapper on the plaintiffs' goods, he might easily mistake the defendants' wrapper for the plaintiffs' if shown to him some time after he had seen the plaintiffs'. After all, an ordinary purchaser is not gifted with the powers of observation of a Sherlock Homes. We have therefore no doubt that the defendants' wrapper is deceptively similar to the plaintiffs' which was registered. We do not think it necessary to refer to the decisions referred to at the bar as in our view each case will have to be judged on its own features and it would be of no use to note on how many points there was similarity and in how many others there was absence of it."

19. To be noted, Parle has been affirmatively referred to by the Hon'ble Supreme Court in ***S.M.Dyechen Vs. Cadbury (India)*** reported in **(2000) 5 SCC 573**.

20. To articulate with clarity the kind of litmus test that has been applied, it is necessary to set out that this Commercial Division saw Exs.P7 and P8, took it away from the sweep of it's eyes, little later, saw the defendant's alleged offending mark i.e., Ex.P9 and asked itself the question as to whether a man of average intelligence with imperfect

recollection and ordinary prudence will be lulled into the belief that what he is seeing now (alleged offending mark i.e., Ex.P9) is what he had seen earlier (plaintiff's mark i.e., Exs.P7 and P8). In my considered view, the answer is in the affirmative.

21. I perused the deposition of PW1, One Raj Srivastava, who is described as Authorized Signatory of the plaintiff (to be noted, authorization and Power of Attorney is marked as Ex.P1), his deposition is cogent and convincing.

22. In the light of the narrative supra, I now proceed to the prayer paragraph in the plaint. Prayer paragraph in the plaint is Paragraph No.21 and the same reads as follows:

'21.The Plaintiff, therefore, prays that this Hon'ble Court may be pleased to grant a judgment and decree on the following terms:-

a) A permanent injunction restraining the Defendants, their distributors, stockists, servants, agents, retailers, legal representatives or any other person claiming under it from in any manner manufacturing, selling, offering for sale, stocking, advertising directly or indirectly dealing in medicinal and pharmaceutical preparations infringing plaintiff's registered trademark URSOCOL by use of an almost identical trademark URSOCO or any mark similar to Plaintiff's registered trademark URSOCOL;

b) A permanent injunction restraining the Defendants, their distributors, stockists, servants, agents, retailers, legal

representatives or any other person claiming under it from in any manner manufacturing, selling, offering for sale, stocking, advertising directly or indirectly dealing in medicinal and pharmaceutical preparations under the mark URSOCO or any other trademark that is identical and/or deceptively similar as that of the plaintiff's mark URSOCOL so as to pass off the Defendant's medicinal preparations as and for the medicinal preparations of the Plaintiff or in any manner whatsoever;

c) the Defendants be ordered to pay to the Plaintiff a sum of Rs.1,00,000/- as liquidated damages for committing acts of infringement against Plaintiff's registered trademark so as to pass off its products as and for the Plaintiff's products;

d) The Defendants be ordered and decreed to deliver up for destruction to the Plaintiff all the preparations, dies, blocks, labels, packaging either filled or empty, brochures, leaflets, pamphlets, hand bills, hoardings, wall posters, calendars, carry bags, stationery items and such other sales promotional materials bearing and/or containing the impugned trademark URSOCO;

e) A preliminary decree be passed in favour of the Plaintiff directing the Defendants to render accounts of profits made by it by use of the trademarks URSOCO which is identical and/or deceptively similar and a final decree be passed in favour of the plaintiff for the amount of profits found to have been made by the Defendant after the latter has rendered accounts;

f) For costs of the entire proceedings, and;

g) pass such further or other orders as this Hon'ble Court may deem fit and proper in the circumstances of the case and thereby render justice. Prayer paragraph contains 7 limbs of prayer. In other words, there are 7 sub-paragraphs i.e., (a) to (g). '

23. A perusal of prayer paragraph reveals that there are seven limbs of prayer contained in seven sub-paragraphs of prayer paragraph 21 i.e, sub-paragraphs (a) to (g).

24. Owing to all that have been set out supra, plaintiff has proved its case with regard to sub-paragraphs (a) and (b) and plaintiff is entitled to a decree i.e., injunctive reliefs as sought for in sub-paragraphs (a) and (b) supra. It follows as a necessary sequitur that plaintiff is entitled to prayer limbs contained in sub-paragraphs (d) and (e) of prayer paragraph as they have proved their case qua sub-paragraphs (a) and (b). With regard to sub-paragraph (c), which is for damages, no evidence has been let-in and therefore plaintiff has not proved its case qua sub-paragraph (c). In this view of the matter, prayer qua sub-paragraph (c) of the prayer paragraph alone is rejected.

25. Before I deal with costs aspect of the matter contained in sub-paragraph (f), learned counsel Ms.R.Prashanthi, requests that compensatory cost under Section 35-A of amended 'The Code of Civil Procedure, 1908' ('CPC' for brevity) as amended by 'The Commercial Courts Act, 2015'('said Act' for brevity) may please be imposed under sub-clause (g), which is a residuary limb of prayer in the light of the trajectory of the suit and the conduct of the defendant. In the light of the trajectory of the suit, which has been set out and in the light of the conduct of the defendant in not entering appearance in spite of being served with suit summons leaving the plaintiff to carry this suit through for a period of three years in this Court to its logical end, certainly entitles

the plaintiff to costs as well as compensatory costs. Therefore, the prayer as contained in sub-paragraph (f) is acceded to. With regard to compensatory costs, in the light of the trajectory and conduct of the defendant, it would be appropriate to award compensatory costs of Rs.3,00,000/- (Rupees three lakhs only). For the purpose of completion of facts, an enumeration of all nine exhibits marked before learned Additional Master II needs to be set out and the same is as follows:

S.No.	Exhibits	Description
1.	Ex.P1	The copy of the Power of Attorney executed in my favour for deposing. (Marked after comparing and verifying with the original).
2.	Ex.P2	The copy of legal use certificate for trademark registration of the mark URSOCOL under No.1119429 in class-5 (Marked after comparing and verifying with the original).
3.	Ex.P3	The copy of the Product Permissions granted by FDA for manufacture of tablets under the mark (Marked after comparing and verifying with the original).
4.	Ex.P4	The copy of the Chartered Accountant certificate of plaintiff's annual sales figures for the mark URSOCOL. (Marked after comparing and verifying with the original).
5.	Ex.P5	The copy of the Chartered Accountant certificate of plaintiff's annual promotional expenses for the mark URSOCOL. (Marked after comparing and verifying with the original).
6.	Ex.P6	The invoices for sale of plaintiff's URSOCOL tablets. (Marked after comparing and verifying with the original).
7.	Ex.P7	The copy of the product brochure for plaintiff's medicine under the mark URSOCOL.(Marked after comparing and verifying with the original).

S.No.	Exhibits	Description
8.	Ex.P8	The copy of the plaintiff's URSOCOL carton. (Marked after comparing and verifying with the original).
9.	Ex.P9	The copy of the defendant's URSOCO carton. (Marked after comparing and verifying with the original).

26. It is to be noted that though prayer contained in Sub-paragraph (c) of prayer paragraph is rejected, for the purpose of completion of facts, it is to be noted that learned counsel for plaintiff very fairly submits that liquidated damages has been claimed and it is a typographical error.

27. According to learned counsel it should read as 'damages' and not as 'liquidated damages'. In any event, as would be evident from the narrative supra that prayer limb has been rejected and therefore, it is not necessary to delve into the same any further.

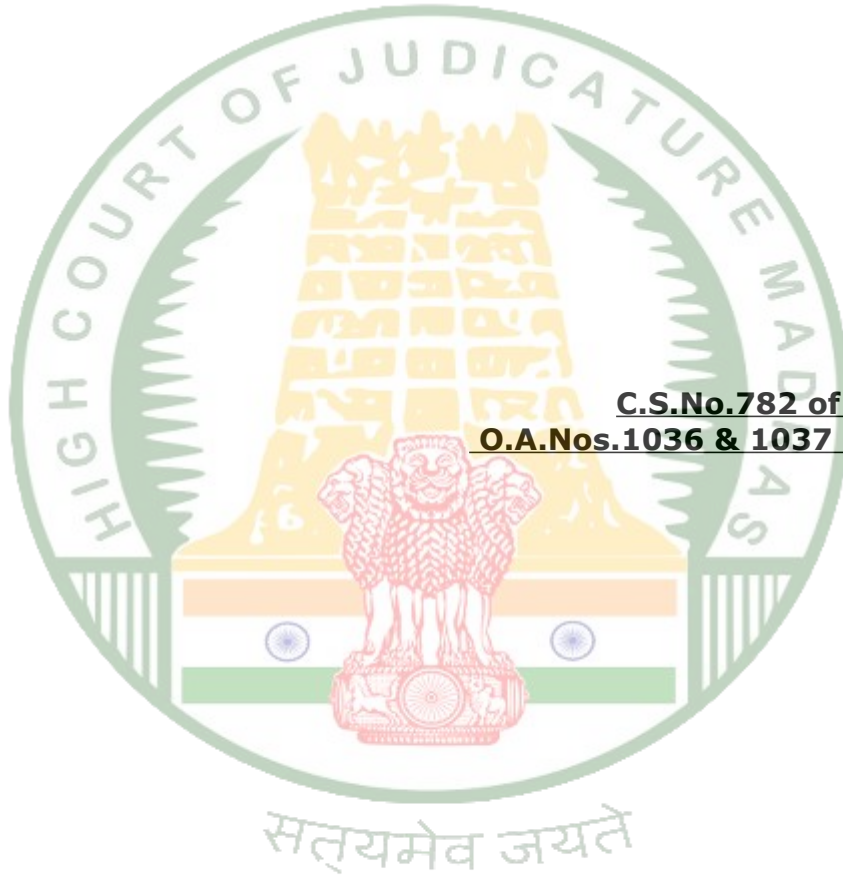
Suit decreed with costs and compensatory on above terms. Consequently, all connected miscellaneous petitions are closed.

04.12.2018

gpa

M.SUNDAR.J.

gpa



**C.S.No.782 of 2018 &
O.A.Nos.1036 & 1037 of 2016**

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