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

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Date of Decision: 4th June, 2021

+ W.P.(C) 13710/2018 & CM Appl. 53530/2018

NISHI GUPTA

..... Petitioner

Through: Mr. S. K. Bansal, Mr. Pankaj
Kumar, Mr. Kapil Giri and
Mr. Vinay Shukla, Advocates

versus

M/S CATTLE REMEDIES

..... Respondent

Through: Mr. Ajay Sawhney and
Mr. Rachit Shrivastav,
Advocates.

CORAM:

HON'BLE MR. JUSTICE J.R. MIDHA

J U D G M E N T

1. The petitioner has challenged the order dated 30th November, 2018 passed by the Intellectual Property Appellate Board (IPAB) whereby the petitioner's trade mark UTROTON bearing registration No.1656466 in Class 31 has been removed from the Register of Trademarks.

2. The respondent is the proprietor of the registered trade mark UTEROTONE registered in Class 5 as No.562099 on 18th November, 1991. The respondent conceived and adopted the trade mark UTEROTONE in 1968 and is manufacturing veterinary preparations under a valid licence.

3. The petitioner adopted a deceptively similar trade mark UTROTON and got it registered in Class 31 in 2010 claiming user since 2007. The petitioner is manufacturing animal feed supplements with the aforesaid trade mark.

4. The respondent filed an application for cancellation/removal of the petitioner's trade mark UTROTON before Intellectual Property Appellate Board (IPAB) on the following grounds:-

- (i) The respondent is a renowned and leading veterinary preparation firm carrying on its business for the past 44 years. The respondent started its operations under the trade mark UTEROTONE in 1968 and ranks amongst the top 15 major veterinary entities in India.
- (ii) With state-of-the-art machinery and finest infrastructure, the respondent offers a comprehensive range of solutions for various ailments in animals. A brand leader in reproductive solution, digestive solution, diarrhoeal solution and respiratory solution, the respondent has carved out a special niche for itself in the veterinary industry and has brought out the best products for cattle and poultry health care.
- (iii) The respondent conceived and adopted the trade mark UTEROTONE in respect of its veterinary preparations in 1968. The respondent filed a declaration under the Indian Registration Act, 1908 for the mark UTEROTONE on 9th December, 1968 which was duly registered.
- (iv) The respondent took a license from the drug authorities to manufacture veterinary medicines under the aforesaid trade

mark in 1984. Prior to the said period, there was no statutory requirement for a license.

- (v) The respondent's trade mark UTEROTONE was registered as No. 562099 in Class 5 on 18th November, 1991.
- (vi) The respondent's products are extensively sold and traded within India. The respondent also exports its products to the neighboring countries. The respondent's trade mark has been extensively advertised in the trade journals. The respondent's trade mark has acquired a distinct identity in relation to its veterinary products due to the extensive use.
- (vii) In 1989, the respondent adopted a distinctive red colour plastic can packing for its products with a distinctive artistic label in which the trade mark UTEROTONE is written in a shaded rectangle having two thick parallel lines on the top and below the rectangle. Below the shaded rectangle, the trade mark UTEROTONE is also written in Hindi Language. The label carries a depiction of a device of cow on the top and at the centre of the label. The respondent has a copyright in respect of the said packing and label.
- (viii) That the aforementioned trade mark and the veterinary preparations manufactured thereunder have been used extensively and continuously and have acquired a reputation of being extremely safe and reliable drug by virtue of adherence to strict quality standards maintained by the respondent. Consequently, the veterinary preparation bearing the trade mark UTEROTONE have come to signify the

products originating from the respondent firm exclusively.

- (ix) In the past, there have been several attempts by other unscrupulous traders from infringing the said registered trade mark of the respondent and the respondent has thwarted all such attempts by way of filing legal actions against the said partitas. The mark UTEROTONE of the respondent finds mention in judicial decisions including the cases cited in ***Cattle Remedies v. Licensing Authority***, (2007) 2 AWC 1093; ***Cattle Remedies v. Commissioner of Central Excise***, (2004) 163 ELT 79; C.O. 14/1991 ***Cattle Remedies v. Nath Garg***, High Court of Delhi and S.L.P.13647/2007 (Supreme Court).
- (x) The respondent has conducted sales in respect of its veterinary preparations bearing the trade mark UTEROTONE worth crores of rupees and the readily available sales figures from the year 2006-2007 onwards are mentioned herein below:

Year	Sales (In Rupees)
2006-2007	4,64,42,841.86
2007-2008	5,54,68,623.87
2008-2009	6,93,39,817.49
2009-2010	6,66,07,502.98
2010-2011	9,72,00,028.88
2011-2012	12,91,90,874.12
2012-2013	19,73,93,295.96

- (xi) The respondent has spent a considerable amount of money in advertising and other trade promotional activities. The respondent's veterinary preparations have been distributed nationally through scores of distributors, stockists and C&F agents and are widely relied upon as cost effective and reliable preparations, thereby clearly establishing that the registered trade mark of the respondent has assumed a secondary significance in favour of the respondent in respect of the said veterinary preparations.
- (xii) The respondent's veterinary preparations packed in red colour plastic cans bearing the aforesaid distinctive artistic label containing eye catching get-up, placement, design, etc. has been in use extensively and continuously by the respondent since the year 1989 on a very large scale while the said trade mark UTEROTONE has been in use extensively and continuously since the year 1968. Consequently, the veterinary preparation bearing the trade mark UTEROTONE has come to signify the product originating from the respondent firm exclusively. No person without the permission or consent of the respondent has any right to use or reproduce the said artistic label of the respondent or the said trade mark or any other label/trade mark which is identical and/or deceptively similar to the aforementioned trade mark and/or label of the respondent and the same would amount to the infringement of the Intellectual Property Rights of the respondent.

- (xiii) On account of the superior quality of the said goods and due to the continuous use of the said trade mark UTEROTONE since the year 1968, the said trade mark has acquired a unique reputation and valuable goodwill in the eyes of the medical profession, veterinary industries and general public at large and the said goods are exclusively associated with the respondent. By virtue of the extensive and prior use of the said trade mark UTEROTONE as aforementioned, the respondent has the exclusive right to use or reproduce the said trade mark and the use of the said trade mark or any other deceptively similar trade mark by anyone else without the leave, license or consent of the respondent would constitute a violation of the respondent's legal rights amounting to infringement of the respondent's registered trade mark and/or passing off.
- (xiv) The petitioner has secured a registration of a deceptively similar trade mark UTROTON under No.1656466 dated 21st February, 2008 in Class 31 in respect of similar animal welfare products and more particularly animal feed supplements claiming user since 01st October, 2007 and the said fact came to the knowledge of the respondent for the first time in November, 2012. The respondent approached the Concerned District Magistrate of the City of Meerut for initiating action against the petitioner on account of the manufacture and marketing of a deceptively similar product as that of the respondent and during the proceedings/raid, the petitioner produced its aforementioned impugned registration

and claimed itself to be having similar exclusive statutory proprietary rights as those of the respondent.

- (xv) The petitioner has *mala fidely* dropped the alphabet 'E' from the registered trade mark UTEROTONE of the respondent but such act of the petitioner has made no difference to the close visual, structural and phonetic similarity between the two marks. Not only is the petitioner's trade mark deceptively similar to the registered trade mark UTEROTONE of the respondent, but the petitioner has fraudulently and mischievously manufactured its products in identical cans bearing a deceptively similar artistic label as that of the respondent in as much as each and every leading feature of the respondent's packaging including the red packing cans, depiction of petitioner's impugned trade mark UTROTON in a shaded rectangle having two thick parallel lines on the top and below of the rectangle, inscription of the impugned trade mark UTROTON in Hindi language and depiction of a device of a cow on the top and the centre of the petitioner's impugned label have been similarly reproduced. On a plain visual comparison of the two competing products, it is at once apparent that the petitioner has kept the said distinctive product of the respondent as a model/guide while preparing its own infringing impugned product thereby violating the common law and prior statutory rights of the respondent in its aforementioned registered trade mark UTEROTONE amounting to passing off/infringement of the respondents said

registered trade mark. The petitioner has adopted the said infringing trade mark with a sole intention to infringe and pass off its impugned sub-standard products as and for the well renowned and reputed products of the respondent. Thus, the registration of the impugned mark is continuing in violation of the provisions of Section 11(3) of the Act.

- (xvi) The petitioner has thereafter on 15th February, 2013 filed a fresh application for the registration of its trade mark UTROTON (label) which is near identical to the prior adopted and prior used label of the respondent as aforesaid.
- (xvii) The adoption and use of the aforementioned infringing trade mark UTROTON by the petitioner which is phonetically, visually and structurally similar to the distinctive registered trade mark UTEROTONE of the respondent in respect of allied and cognate goods is bound to lead to confusion and deception amongst the purchasing public and trade. In fact, such infringing use on petitioner's part is an attempt to take an unfair advantage in business and is contrary to honest practices in commercial matters and its further detrimental to the distinctive character of the respondent's registered trade mark UTEROTONE. The petitioner has made deliberate and *mala fide* misrepresentation in the course of trade to prospective customers which is likely to lead to confusion and deception and create an impression that the petitioner's product in fact originates from the house of the respondent and consequently amounts to infringement/passing off.

- (xviii) A bare perusal of the two competing product labels clearly establishes that the ingredients of the two products are largely overlapping besides the same are used for the same purposes and the petitioner has all along been well aware about the prior adopted and prior used product UTEROTONE of the respondent as the respondent is a brand leader in respect of the same. Further despite the fact that the petitioner is manufacturing a similar product as that of the respondent for which it is mandatory to obtain a drug license, the petitioner is fraudulently and wrongly classifying its said products as a feed supplement and thereby violating the provisions of the Drugs Act.
- (xix) The respondent is a person aggrieved by the existence of the entry relating to the trade mark UTROTON under No.1656466 in Class 31 dated 21st February, 2008 in respect of similar veterinary preparations, though classified in a different class, in as much as the respondent is the prior adopter, prior user and prior registered proprietor of the similar trade mark UTEROTONE registered under No.562099 dated 18th November, 1991 in Class 5. The continuing registration of the deceptively similar impugned trade mark UTROTON in the name of the petitioner and more particularly it is used in a deceptively similar manner is bound to interfere with the respondent's exclusive legitimate right to use its prior adopted and prior registered trade mark UTEROTONE.

- (xx) The registration of the impugned deceptively similar trade mark UTROTON of the petitioner under No.1656466 in Class 31 dated 21st February, 2008 by the Registrar of Trade Marks amounts to a clear violation of the provisions of Section 11 of the Trade Marks Act (hereinafter referred to as the Act) in as much as the impugned trade mark UTROTON of the petitioner is deceptively similar to the earlier registered trade mark No.562099 in Class 5 dated 18th November, 1991 in respect of the specification of goods which are deceptively similar/near identical to each other and consequently the said impugned trade mark of the petitioner is liable to be taken off the record.
- (xxi) The registration of the impugned trade mark UTROTON in favour of the petitioner is visually, structurally and phonetically deceptively similar to the prior adopted and prior registered trade mark UTEROTONE of the respondent and resultantly the same is devoid of any distinctive character and is not capable of distinguishing the goods of the respondent's from those of the petitioner's and is therefore hit by the Section 9 of the Act.
- (xxii) The claim of the petitioner to be the proprietor of the said impugned trade mark is false and the registration was obtained by fraud and by making false and misleading statements and representations regarding the alleged proprietorship of the said impugned trade mark. The petitioner is not and cannot claim to be the proprietor thereof of the said impugned trade mark

under Section 18 of the Act and consequently the impugned registered trade mark is liable to be cancelled.

- (xxiii) The use claimed by the petitioner in its impugned registered trade mark UTROTON at the time of filing of the application i.e. 01st October, 2007 is incorrect as the said mark was neither adopted nor used on the said date and neither the petitioner filed any proof of such user before the office of the Registrar of Trade Mark and in the absence of any such corroboration of such user, the instant impugned registered trade mark of the petitioner is liable to be cancelled.
- (xxiv) The impugned trade mark of the petitioner has been registered in bad faith as the same was adopted and registered with the full knowledge and awareness of the prior adoption and existence of the respondent's registered trade mark UTEROTONE which is obvious in view of the aforementioned facts and circumstances as stated by the respondent.
- (xxv) The petitioner has *mala fide*ly and fraudulently obtained registration of the impugned trade mark UTROTON by knowingly making false, misleading and untrue statements of proprietorship and use of the impugned trade mark in relation to veterinary preparations, etc. and has thereby succeeded in legalizing a false and fraudulent claim of proprietorship of the said impugned trade mark.
- (xxvi) The use of the impugned registered trade mark by the petitioner is bound to lead to infringement and cause

embarrassment, loss, inconvenience and hardship to the respondent, its purchasers and intending purchasers. Thus, the registration of the impugned mark is continuing in violation of Section 11(3) of the Act.

- (xxvii) The said impugned trade mark of the petitioner has been registered without sufficient cause by the Registrar of Trade Marks and is an entry which is wrongly remaining on the register by an error/defect and is liable to be expunged under the provisions of Section 57 of the Act.
- (xxviii) The registration of the impugned trade mark was obtained by making untrue statements and/or misrepresentations and/or fraud and the said impugned registration is contrary to law and is liable to be cancelled/revoked.
- (xxix) The entry relating to the said impugned trade mark is causing confusion and/or deception at the date of commencement of these proceeding and therefore is liable to be cancelled and /or removed.
- (xxx) Further no cross notice was ever issued to the owners of the cited mark in the examination report issued to the petitioner and on this account itself, the impugned registration in favour of the petitioner is liable to be expunged.
- (xxxi) That the said impugned registration offends the provisions of Sections 9,11,18(1), 47 and 57 of the Trade Marks Act.

5. The petitioner contested the respondent's petition before IPAB on various grounds *inter-alia* the petitioner is engaged in the business of animal feed supplements since January, 2007; the

petitioner invented and started the use of the trade mark UTROTON for its animal feed supplement in January 2007; the adoption of the trade mark is honest and bona fide; the petitioner made the trade mark and developed a colourful and unique design through a designer for the artistic label; the petitioner also developed a unique design of the bottle which is registered under the Designs Act; the petitioner also developed a unique design of the cap of the bottle whose design registration is pending; the respondent in their application for trade mark registration mentioned '*proposed to be used*'; the red colour bottle is now common in the market; the cases cited are still pending; the petitioner applied for the registration of the trade mark UTROTON in class 31 on 21st February, 2008 and registration was granted on 31st March, 2010; the products sold by the respondent under the impugned trade mark are medicines and the petitioner is selling the feed supplements, both these products are entirely different commodities; the petitioner had no knowledge of the respondent's trade mark when she adopted UTROTON and started the same in January, 2007; the petitioner came to know of the respondent's trade mark only in October, 2012 when a raid was conducted. The petitioner has honestly adopted trade mark UTROTON in January, 2007 which was in continuous use since then and the petitioner has acquired vast goodwill and reputation.

6. The learned IPAB held that the petitioner's trade mark is deceptively similar to the registered trade mark of the respondent; packing material is also similar; colour schemes, get up and layouts are also similar. Findings of the Board are reproduced hereunder:

“24. The Applicant firm being the prior adopter, prior user registered proprietor of the same and therefore the impugned registration in name of the respondent no.1 is violative of the provision of section 11 of the Act and hence the said registration is liable to be revoked.

25. The second argument of the respondent no.1 is that the goods of the Applicant firm fall in class 5 being veterinary preparations while those of the Respondent [no.] 1 fall in class 31 being ‘Animal feed supplements’. The said arguments have no force as the two set of goods are used for near identical purposes having common trading channels and common buyers. In fact out of the 14 ingredients contained in the Applicant’s preparation and 13 ingredients contained in the Respondents No. [1]’s corresponding preparation, 9 of them are identical in both and therefore it stands established on this account also that the difference in the two classifications under the earlier Schedule IV of the Act being class 5 and 35 is only academic in nature having no practical relevance before this Hon’ble Tribunal while adjudicating the deceptive similarity of the aforesaid two competing trademarks. Further as per the latest amendment in the Trade Marks Rules, the product ‘veterinary preparations and Dietary supplements for animals’ now falls under class 5 itself.

26. Third main submission of the respondent no. 1 is that it has developed a unique design of bottle for its products and which is registered under the Designs Act. The said argument is without any force [as] the aforesaid design registration dated 14.09.2012 by the Respondent No.1 of a bottle under the provisions of the Designs Act, 2000 has been obtained by playing a fraud upon the office of the Controller of Designs, in as much as the said design of bottle is clearly prior published by the Applicant at least since the year 1997 when the said design of bottle was published on behalf of the Applicant firm in the trade Journal ‘The Indian Veterinary Journal’ dated July, 1999 and October, 1999 and copies

of which already from record of this Hon'ble Tribunal vide Exhibit- A6 & A7 Pages 52-55 of the Reply filed Index dated 11.06.2014. The design of the respondent no. 1 was also known, prior published and is not design.

27. The fourth argument is that the registered trademark UTEROTONE of the Applicant firm on the date of its registration on 18.11.1991 was stated to be proposed to be used' trademark the said submission of the respondent no 1 is not correct as the respondent no. 1 has not cared to inspect the scanned copy of the Form TM-1 uploaded on the Respondent no.2's website where the claim of use of the said trademark is clearly mentioned as 1968. The respondent no.1 admits that the trademark UTEROTONE of the Applicant Firm has been registered since the year 1991 and the adoption of the impugned trademark UTROTON by Respondent no.1 being 16 years subsequent to the said date of registration in favour of the Applicant firm is in itself sufficient to defeat the claim of the Respondent No. 1.

28. The fifth argument of the respondent No.1 [is] that the Applicant firm is not the proprietor offirst time registered [as]trademark UTEROTONE [as] Registry under No. 372339 in class 5 dated 17.02.1981 in the name of Shri Shreenath Garg, trading as M/s. Bioherbs Pharma. The said submission has no force as the said Shri Shreenath Garg was at one point of time a partner in the Applicant Firm who after the dissolution of the firm and having relinquished all his [r]ights in the trademark/name of the firm fraudulently registered the said identical trademark in his name and which trademark has already been rectified vide the order dated 01.02.2[0]11 of the Hon'ble High Court of Delhi in WP (c) 9639/2005 annexed as Exhibit-A4 Pages – 34-37 of the Reply filed Index dated 11.06.2014. Even otherwise the same is no defense in the present cancellation petition where the Respondent No.1 is admittedly the subsequent adopter, subsequent user and subsequent registered proprietor of the impugned trademark UTROTON which

in the submission of the applicant is deceptively similar mark to that of the Applicant's prior adopted, prior [use] and prior registered trademark UTEROTONE in respect of similar goods.

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30. It is also alleged by respondent no.1 that there are several other persons on the Register of Trademarks having similar trademarks and hence the Applicant firm has no exclusive rights to its registered trademark U[T]EROTONE. The said argument is contrary to law and without any valid [reason]. It is settled law that mere presence of other proprietors on the Register of Trademarks without [there] being any proof of their existence in commerce and volume of business is no ground for refusing to entertain an action for cancellation/rectification of a trademark and the same is a well settled principle of law along with the principle that the Hon'ble Tribunal is concerned with the rights of the parties before it and not on the rights of any other third party not before the Tribunal.

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32. Thus, it is clear that-

- a) That the mark of the respondent no. 1 almost similar.
- b) The packing material is so similar.
- c) The respondent no. 1 is not the proprietor of the mark
- d) The Registration has been granted.
- e) Colour-Scheme, get up and lay out are similar.

In view thereof, the impugned trade mark no 1656466 in class 31 is removed from the Register.....

33. Thus, in order to maintain the purity of the Register. The mark is removed.....”.

(Emphasis supplied)

7. On 16th April, 2019, this Court commenced the hearing of arguments. After some hearing, this Court examined the petitioner's

husband/attorney, Dinesh Kumar Gupta under Section 165 of the Indian Evidence Act to find out why the petitioner adopted the trade mark UTROTON. The petitioner was examined under Section 165 of the Indian Evidence Act on 22nd April, 2019. The petitioner deposed on oath that in the year 2005, she met a person in the train who told her about animal feed supplements and also told her how to manufacture these products whereupon she started manufacturing the tonic in 2006 in the name of UTROTON. She deposed that she was not aware of the respondent's trade mark UTEROTONE at that time.

8. Vide order dated 22nd April, 2019, this Court permitted the respondent to place on record additional affidavit and documents. The respondent filed the affidavit dated 04th May 2019 along with the documents copies of excise paid invoices of the Respondent firm copies of sale bills; Copies of advertisement; Copies of orders issued by Government Undertakings for the supply of UTEROTONE; Copies of advertisements of UTEROTONE in Trade Journals from May 1999 to July 2004. The petitioner filed the affidavit in reply dated 25th May, 2019.

Submissions of the petitioner

9. The petitioner coined and started the use of the trade mark UTROTON in respect of animal feed supplement from January, 2007. The petitioner had no knowledge of the respondent's trade mark UTEROTONE at that time. The petitioner combined the words 'UTRO' from UTEROUS and the word 'TON' was added to the same as the product was meant for tonning the Uterous.

10. The petitioner filed an application for registration of the trade mark UTROTON on 21st February, 2008 and the mark was registered as No.1656466 in Class 31 on 31st March, 2010.

11. The petitioner came to know of the respondent's trade mark in October, 2012 when a raid was conducted by the Magistrate and Licensing Authority of Ayurvedic, Allopathic and Unani at the instance of the respondent.

12. The petitioner honestly and *bona fide* adopted the trade mark UTROTON which is in continuous use since 2007.

13. The petitioner adopted a unique container for its products which was registered under the Designs Act as design No.247914 dated 14th September, 2012. The petitioner is in continuous use of the aforesaid mark since January, 2007 and has built up valuable trade, goodwill and reputation in respect of the said mark.

14. The trade marks of the petitioner and the respondent are different and are used for different products. The slight changes in the trade marks relating to medicinal products make them distinguishable.

15. The respondent's alleged registered trade mark was not cited in the Examination Report issued by the Trademark Registry at the time of the registration of the petitioner's trade mark.

16. Many persons have copied petitioner's registered packing and design.

17. The IPAB took extraneous consideration while deciding the Rectification Application as the design of the container and artistic label was not subject matter of the proceeding. The validity of a

design registration had to be decided by the Controller of Designs under Section 19 of The Design Act, 2000 and IPAB could not assume the power of the Controller of Designs.

18. IPAB failed to appreciate that there was no actual use of the trade mark UTEROTONE by the respondent. The registered trade mark of the respondent is itself liable to be rectified/removed on the ground of non-use.

19. Reliance is placed on *Jabbar Ahmed v Prince Industries & Anr*, 2003 (26) PTC 576 (Del); *F. Hoffmann-la Roche & Co. Ltd. v Geoffrey Manner & Co. Pvt. Ltd*, AIR 1970 SC 2062; *Micronix India v J.R. Kapoor*, 2003 (26) PTC 593 (Del); *SBL Ltd v Himalaya Drug Co.*, 1997 PTC (17) (DB) 540; *Liberty Footwear Company v Force Footwear Company* 2009 (41) PTC 474 (Del.) 474 and *Khushi Ram Behari Lal v New Bharat Rice Mills*, 2011 (46) PTC 493 (Del).

Submissions of the respondent

20. The respondent adopted the distinctive trade mark UTEROTONE for one of its veterinary preparations in 1968 and the trade mark was registered as No.562099 on 18th November, 1991 in Class 5.

21. The respondent had placed on record the following documents before the IPAB in support of its prior adoption and use of trade mark UTEROTONE:-

- (i) Declaration under Indian Registration Act, 1908 for the mark UTEROTONE registered on 07th December, 1968.

- (ii) Advertisements in Trade Journals from the month of April, 1971 and others.
- (iii) Earliest available invoice for the sale of the respondent Firm's product UTEROTONE dated 21st March, 1972 and others.
- (iv) Readily available statutory manufacturing license for the veterinary product UTEROTONE dated 05th March, 1983.
- (v) Copies of the Trade Journals of the year 1999 in proof of the fact that the aforementioned packaging of the Respondent firm was in existence even in the year 1999 too, prior to the year 2012 which the Petitioner claims.
- (vi) Certificate from Chartered Accountant certifying the sales of the Respondent's product UTEROTONE from the year 2006-07 to 2012-13 i.e. till the date of filing the present cancellation petition before the IPAB.
- (vii) Copy of the order dated 17th November, 1982 issued by the Punjab State Co-Op. Milk Producers Federation Ltd. and others.
- (viii) Copy of the order of Suit No.67/2005 of the District Judge, Delhi for infringement/passing off by a third party by use of the trade mark UTROTONEX.

22. Copy of the Order of Suit No. 66 / 2005 filed before District Judge, Delhi for infringement/passing off by use of the trade mark UTROCLEAN by a third party and which suit was decreed in favour of the Respondent.

23. The petitioner claims to be manufacturing and marketing the animal feed supplements under the trade mark UTROTON since January, 2007 but no documents have been filed to show the same before the Court.

24. In 2012, the petitioner copied the respondent's unique design of bottle for packing which was in existence since 1999 and advertised in a Trade Journal.

25. The products of the petitioner and the respondent are similar; are used for similar purposes; contain many common ingredients; and have same trade channels. The invoices filed by the petitioner establish that the petitioner's products are sold by pharmaceutical and medical traders.

26. The petitioner has raised a false claim that she honestly adopted the impugned mark without any knowledge of the respondent's mark. The stark similarity between the two marks clearly shows that the petitioner was well aware of the respondent's mark and adopted the impugned mark to right of the goodwill of the respondent.

27. Reliance is placed on *The Timken Company v. Timken Services Pvt. Ltd.*, 2013 (55) PTC 568 (Del), *Suzuki Motor v. Suzuki (India) Ltd.*, MANU/DE/2288/2019, *Aditya Birla Nuvo Ltd. V. R.S. Sales Corporation.*, 2018 (75) PTC 263 (Del), *State of U.P. v. Ram Nath*, (1972) 1 SCC 130, *Corn Products Refining Co. v. Shangrila Food Products Ltd.*, AIR 1960 SC 142, *National Bell Co. & Gupta Industrial Corporation v Metal Goods Mfg. Co. (P) Ltd.*, (1970) 3 SCC 665, *Ishi Khosla v. Anil Aggarwal*, 2007 (34)

PTC (370) (Del), *Pankaj Goel v. Dabur India Ltd.*, 2008 (38) PTC 49 (Del), *Win-Medicare Pvt. Ltd. v. Galpha Laboratories Ltd.*, 2016 (65) PTC 506 (Del), *Suresh Kumar Jain v. Union of India*, (2012) 49 PTC 287 (Del), *The Tata Iron & Steel Co. Ltd. v Mahavir Steels*, 47 (1992) DLT 412, *Laxmikant V. Patel v. Chetanbhat Shah*, (2002) 3 SCC 65 and *Cattle Remedies v. Licensing Authority/ Director of Ayurvedic & Unani Services*, MANU/UP/0264/2007.

Relevant provisions of Trade Marks Act

Section 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.*

Explanation : For the purposes of this section, the nature of goods services in relation to which the trade mark is used or proposed to be used shall not be a ground for refusal of registration.

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Section 11 – Relative grounds for refusal of registration

(1) Save as provided in Section 12, a trade mark shall not be registered if, because of—

- (a) its identity with an earlier trade mark and similarity of goods or services covered by the trade mark; or*
- (b) its similarity to an earlier trade mark and the identity or similarity of the goods or services covered by the trade mark,*

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

(2) A trade mark which—

- (a) is identical with or similar to an earlier trade mark; and*
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered in the name of a different proprietor,*

shall not be registered if or to the extent the earlier trade mark is a well-known trade mark in India and the use of the

later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.

(3) A trade mark shall not be registered if, or to the extent that, its use in India is liable to be prevented—

(a) by virtue of any law in particular the law of passing off protecting an unregistered trade mark used in the course of trade; or

(b) by virtue of law of copyright.

(4) Nothing in this section shall prevent the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration, and in such case the Registrar may register the mark under special circumstances under Section 12.

Explanation : For the purposes of this section, earlier trade mark means—

(a) a registered trade mark or an application under Section 18 bearing an earlier date of filing or an international registration referred to in Section 36-E or convention application referred to in Section 154 which has a date of application earlier than that of the trade mark in question, taking account, where appropriate, of the priorities claimed in respect of the trade marks;

(b) a trade mark which, on the date of the application for registration of the trade mark in question, or where appropriate, of the priority claimed in respect of the application, was entitled to protection as a well-known trade mark.

(5) A trade mark shall not be refused registration on the grounds specified in sub-sections (2) and (3), unless objection on any one or more of those grounds is raised in opposition proceedings by the proprietor of the earlier trade mark.

(6) The Registrar shall, while determining whether a trade mark is a well-known trade mark, take into account any fact which he considers relevant for determining a trade mark as a well-known trade mark including—

(i) the knowledge or recognition of that trade mark in the relevant section of the public including knowledge

in India obtained as a result of promotion of the trade mark;

(ii) the duration, extent and geographical area of any use of that trade mark;

(iii) the duration, extent and geographical area of any promotion of the trade mark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trade mark applies;

(iv) the duration and geographical area of any registration of or any application for registration of that trade mark under this Act to the extent they reflect the use or recognition of the trade mark;

(v) the record of successful enforcement of the rights in that trade mark, in particular, the extent to which the trade mark has been recognised as a well-known trade mark by any court or Registrar under that record.

(7) The Registrar shall, while determining as to whether a trade mark is known or recognised in a relevant section of the public for the purposes of sub-section (6), take into account—

(i) the number of actual or potential consumers of the goods or services;

(ii) the number of persons involved in the channels of distribution of the goods or services;

(iii) the business circles dealing with the goods or services,

to which that trade mark applies.

(8) Where a trade mark has been determined to be well-known in at least one relevant section of the public in India by any court or Registrar, the Registrar shall consider that trade mark as a well-known trade mark for registration under this Act.

(9) The Registrar shall not require as a condition, for determining whether a trade mark is a well-known trade mark, any of the following, namely:—

(i) that the trade mark has been used in India;

(ii) that the trade mark has been registered;

(iii) that the application for registration of the trade mark has been filed in India;

- (iv) that the trade mark—
 (a) is well-known in; or
 (b) has been registered in; or
 (c) in respect of which an application for registration has been filed in, any jurisdiction other than India; or
(v) that the trade mark is well-known to the public at large in India.

(10) While considering an application for registration of a trade mark and opposition filed in respect thereof, the Registrar shall—

- (i) protect a well-known trade mark against the identical or similar trade marks;
(ii) take into consideration the bad faith involved either of the applicant or the opponent affecting the right relating to the trade mark.

(11) Where a trade mark has been registered in good faith disclosing the material informations to the Registrar or where right to a trade mark has been acquired through use in good faith before the commencement of this Act, then, nothing in this Act shall prejudice the validity of the registration of that trade mark or right to use that trade mark on the ground that such trade mark is identical with or similar to a well-known trade mark.

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Section 18 – Application for registration

(1) Any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it, shall apply in writing to the Registrar in the prescribed manner for the registration of his trade mark.

(2) A single application may be made for registration of a trade mark for different classes of goods and services and fee payable therefor shall be in respect of each such class of goods or services.

(3) Every application under sub-section (1) shall be filed in the office of the Trade Marks Registry within whose territorial limits the principal place of business in India of the applicant

or in the case of joint applicants the principal place of business in India of the applicant whose name is first mentioned in the application as having a place of business in India, is situate:

Provided that where the applicant or any of the joint applicants does not carry on business in India, the application shall be filed in the office of the Trade Marks Registry within whose territorial limits the place mentioned in the address for service in India as disclosed in the application, is situate.

(4) Subject to the provisions of this Act, the Registrar may refuse the application or may accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may think fit.

(5) In the case of a refusal or conditional acceptance of an application, the Registrar shall record in writing the grounds for such refusal or conditional acceptance and the materials used by him in arriving at his decision.

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Section 28 – Rights conferred by registration

(1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has

otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.

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Section 31 – Registration to be prima facie evidence of validity

(1) In all legal proceedings relating to a trade mark registered under this Act (including applications under Section 57), the original registration of the trade mark and of all subsequent assignments and transmissions of the trade mark shall be prima facie evidence of the validity thereof.

(2) In all legal proceedings, as aforesaid a registered trade mark shall not be held to be invalid on the ground that it was not a registrable trade mark under Section 9 except upon evidence of distinctiveness and that such evidence was not submitted to the Registrar before registration, if it is proved that the trade mark had been so used by the registered proprietor or his predecessor in title as to have become distinctive at the date of registration.

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Section 47 – Removal from register and imposition of limitations on ground of non-use

(1) A registered trade mark may be taken off the register in respect of the goods or services in respect of which it is registered on application made in the prescribed manner to the Registrar or the Appellate Board by any person aggrieved on the ground either—

(a) that the trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods or services by him or, in a case to which the provisions of Section 46 apply, by the company concerned or the registered user, as the case may be, and that there has, in fact, been no bona fide use of the trade mark in relation to those goods or services by any

proprietor thereof for the time being up to a date three months before the date of the application; or

(b) that up to a date three months before the date of the application, a continuous period of five years from the date on which the trade mark is actually entered in the register or longer had elapsed during which the trade mark was registered and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof for the time being:

Provided that except where the applicant has been permitted under Section 12 to register an identical or nearly resembling trade mark in respect of the goods or services in question, or where the tribunal is of opinion that he might properly be permitted so to register such a trade mark, the tribunal may refuse an application under clause (a) or clause (b) in relation to any goods or services, if it is shown that there has been, before the relevant date or during the relevant period, as the case may be, bona fide use of the trade mark by any proprietor thereof for the time being in relation to—

(i) goods or services of the same description; or

(ii) goods or services associated with those goods or services of that description being goods or services, as the case may be, in respect of which the trade mark is registered.

(2) Where in relation to any goods or services in respect of which a trade mark is registered—

(a) the circumstances referred to in clause (b) of subsection (1) are shown to exist so far as regards non-use of the trade mark in relation to goods to be sold, or otherwise traded in a particular place in India (otherwise than for export from India), or in relation to goods to be exported to a particular market outside India; or in relation to services for use or available for acceptance in a particular place in India or for use in a particular market outside India; and

(b) a person has been permitted under Section 12 to register an identical or nearly resembling trade mark in respect of those goods, under a registration extending

to use in relation to goods to be so sold, or otherwise traded in, or in relation to goods to be so exported, or in relation to services for use or available for acceptance in that place or for use in that country, or the tribunal is of opinion that he might properly be permitted so to register such a trade mark, on application by that person in the prescribed manner to the Appellate Board or to the Registrar, the tribunal may impose on the registration of the first-mentioned trade mark such limitations as it thinks proper for securing that that registration shall cease to extend to such use.

(3) An applicant shall not be entitled to rely for the purpose of clause (b) of sub-section (1) or for the purposes of sub-section (2) on any non-use of a trade mark which is shown to have been due to special circumstances in the trade, which includes restrictions on the use of the trade mark in India imposed by any law or regulation and not to any intention to abandon or not to use the trade mark in relation to the goods or services to which the application relates.

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Section 57 – Power to cancel or vary registration and to rectify the register

(1) On application made in the prescribed manner to the Appellate Board or to the Registrar by any person aggrieved, the tribunal may make such order as it may think fit for cancelling or varying the registration of a trade mark on the ground of any contravention, or failure to observe a condition entered on the register in relation thereto.

(2) Any person aggrieved by the absence or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to the Appellate Board or to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as it may think fit.

(3) *The tribunal may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the register.*

(4) *The tribunal, of its own motion, may, after giving notice in the prescribed manner to the parties concerned and after giving them an opportunity of being heard, make any order referred to in sub-section (1) or sub-section (2).*

(5) *Any order of the Appellate Board rectifying the register shall direct that notice of the rectification shall be served upon the Registrar in the prescribed manner who shall upon receipt of such notice rectify the register accordingly.*

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Section 148 – Documents open to public inspection

(1) *Save as otherwise provided in sub-section (4) of Section 49, —*

(a) *the register and any document upon which any entry in the register is based;*

(b) *every notice of opposition to the registration of a trade mark application for rectification before the Registrar, counter statement thereto, and any affidavit or document filed by the parties in any proceedings before the Registrar;*

(c) *all regulations deposited under Section 63 or Section 74, and all applications under Section 66 or Section 77 for varying such regulations;*

(d) *the indexes mentioned in Section 147; and*

(e) *such other documents as the Central Government may, by notification in the Official Gazette, specify, shall, subject to such conditions as may be prescribed, be open to public inspection at the Trade Marks Registry:*

Provided that when such register is maintained wholly or partly on computer, the inspection of such register under this section shall be made by inspecting the computer printout of the relevant entry in the register so maintained on computer.

(2) *Any person may, on an application to the Registrar and on payment of such fees as may be prescribed, obtain a certified*

copy of any entry in the register or any document referred to in sub-section (1).

Law relating to False Claims raised before the Court

28. The greatest challenge before the judiciary today is frivolous litigation. The judicial system in the country is choked with false claims and such litigants are consuming Courts' time for a wrong cause. False claims are a huge strain on the judicial system. Perjury has become a way of life in the Courts. False pleas are often taken and forged documents are filed indiscriminately in the Courts. The reluctance of the Courts to order prosecution encourage the litigants to make false averments in pleadings before the Court. Section 209 of the Indian Penal Code, which provides an effective mechanism to curb the menace of frivolous litigation, has been seldom invoked.

29. In ***Subrata Roy Sahara v. Union of India***, (2014) 8 SCC 470, J.S. Khehar, J. observed that the Indian judicial system is grossly afflicted with frivolous litigation and ways and means need to be evolved to deter litigants from their compulsive obsession towards senseless and ill-considered claims. Relevant portion of the said judgment are as under:

“191. The Indian judicial system is grossly afflicted, with frivolous litigation. Ways and means need to be evolved to deter litigants from their compulsive obsession, towards senseless and ill-considered claims. One needs to keep in mind that in the process of litigation, there is an innocent sufferer on the other side, of every irresponsible and senseless claim. He suffers long-drawn anxious periods of nervousness and restlessness, whilst the litigation is pending,

without any fault on his part. He pays for the litigation, from out of his savings (or out of his borrowings) worrying that the other side may trick him into defeat for no fault of his. He spends invaluable time briefing counsel and preparing them for his claim. Time which he should have spent at work, or with his family, is lost, for no fault of his. Should a litigant not be compensated for, what he has lost, for no fault?...

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194. Does the litigant concerned realise that the litigant on the other side has had to defend himself, from court to court, and has had to incur expenses towards such defence? And there are some litigants who continue to pursue senseless and ill-considered claims to somehow or the other defeat the process of law. ...”

(Emphasis supplied)

30. In ***Dalip Singh v. State of U.P.***, (2010) 2 SCC 114, the Supreme Court observed as under:

“2. In the last 40 years, a new creed of litigants has cropped up. Those who belong to this creed do not have any respect for truth. They shamelessly resort to falsehood and unethical means for achieving their goals. In order to meet the challenge posed by this new creed of litigants, the courts have, from time to time, evolved new rules and it is now well established that a litigant, who attempts to pollute the stream of justice or who touches the pure fountain of justice with tainted hands, is not entitled to any relief, interim or final.”

31. The above observations were made by the Supreme Court in the context of land ceiling proceedings. However, they apply with equal force to all kinds of litigation. Unscrupulous litigants agitating

baseless claims or urging hopeless defences are the bane of the justice delivery system in the country.

32. One such area of law where there is a noticeable trend in recent years of litigants, particularly Defendants, urging falsehoods is trade mark infringement proceedings. Well-known national and global brands are copied with impunity, usually with minor alterations and sometimes without any alteration. When brand owners sue for infringement, these infringers plead without hesitation that they were not aware about the Plaintiff's brand and the similarities are merely accidental. Averments in the plaint are met with bare and unsubstantiated denials in the written statement. Fictitious and fabricated reasons are put forth in the written statement to explain the adoption of an identical or closely similar trade mark.

33. As a result, an unscrupulous Defendant is able to stall speedy disposal of the dispute and the Court has to spend time examining the veracity of such claims which really are in the nature of afterthoughts. Such false pleadings have a very strong and debilitating effect on the strength of IP enforcement and adjudication system in India. In the long run, they tend to shake the confidence that brand owners in the justice delivery system.

Section 209 of Indian Penal Code

34. Section 209 of the Indian Penal Code makes dishonestly making a false claim in a Court as an offence punishable with imprisonment upto two years and fine. Section 209 of Indian Penal Code reads as under:

“Section 209 - Dishonestly making false claim in Court – Whoever fraudulently or dishonestly, or with intent to injure or annoy any person, makes in a Court of Justice any claim which he knows to be false, shall be punished with imprisonment of either description for a term which may extend to two years, and shall also be liable to fine.”

35. The offence under Section 209 of Indian Penal Code is a non-cognizable, non-compoundable offence which is triable by a Magistrate of the First Class. The power to initiate proceedings under this Section lies with the Courts. A complaint has to be made in writing to the Magistrate by the Court before which offence under the provision is committed, or some other Court to which such Court is subordinate. Reference be made to Section 195 read with Section 340 of the Code of Criminal Procedure, 1973.

36. Section 209 in the Indian Penal Code was enacted to dissuade litigants from making false pleadings before Court by making the same a punishable offence. The circumstances under which Section 209 of Indian Penal Code came into existence, were examined and explained in detail by this Court in ***H.S. Bedi v. National Highway Authority of India***, 2016 (155) DRJ 259. In short, the clause was proposed by the Indian Law Commission in their Report dated October 14, 1837 submitted to the Governor-General of India. The Court recorded:

“15.18. The Law Commission considered punishing false claims as indispensably necessary to the expeditious and satisfactory administration of justice. The Law Commission, in this report, observed that the litigants come before the Court,

tell premeditated and circumstantial lies before the Court for the purpose of preventing or postponing the settlement of just demand, and that by so doing, they incur no punishment whatever. Public opinion is vitiated by this vicious state of the things. Men who, in any other circumstances, would shrink from falsehood, have no scruple about setting up false pleas against just demands. There is one place, and only one, where deliberate untruths, told with the intent to injure, are not considered as discreditable and that place is Court of Justice. Thus, the authority of the Courts operate to lower the standard of morality, and to diminish the esteem in which veracity is held and the very place which ought to be kept sacred from misrepresentations such as would elsewhere be venial, becomes the only place where it is considered as idle scrupulosity to shrink from deliberate falsehood.”

37. Section 209 was enacted to preserve the sanctity of the Court of Justice and to safeguard the due administration of law by deterring the deliberate making of false claims. Its purpose is to deter the abuse of Court process by litigants who make false claims fraudulently, dishonestly or with intent to injure or annoy. However, there is a general reluctance on part of the Courts to take recourse to this provision, notwithstanding the unpleasant reality that the unchecked and rampant making of false claims in pleadings by litigants has wreaked havoc with the justice delivery system in India. Unscrupulous litigants enjoy a free run at making false and outlandish claims and do so with impunity.

Section 209 – Ingredients

38. The essential ingredients of an offence under Section 209 are as under:

- (i) The accused made a claim;
- (ii) Such claim was made in a Court of Justice;
- (iii) The claim was false, either wholly or in part;
- (iv) The accused knew that the claim was false; and
- (v) The claim was made fraudulently, dishonestly, or with intent to injure or to annoy any person.

Meaning of “Claim”

39. The “*Claim*” has been interpreted by this Court in ***H.S. Bedi’s case*** as an assertion as to existence or non-existence of a set of facts on which a party to a case seeks an outcome based on the substantive law and its application to the facts as asserted. A claim would include statements made by Plaintiff in a plaint as well as statements and denials made by Defendant in a written statement.

40. The term “*claim*” for the purposes of Section 209 would also include the defence adopted by a defendant in the suit. The reason for criminalising false claims and defences is that the plaintiff as well as the defendant can abuse the process of law by deliberate falsehoods, thereby perverting the course of Justice and undermining the authority of law.

Meaning of “Making a Claim which he knows to be false”

41. In ***H.S. Bedi’s case***, this Court referred extensively to the judgment of Singapore Supreme Court in ***Bachoo Mohan Singh v. Public Prosecutor***, (2010) SGCA 25 which analyzed in detail Section 209 of the Singapore Penal Code which is *pari materia* with

Section 209 of IPC. One of the questions which the Singapore Supreme Court discussed extensively was the meaning of the term “*knows to be false*”.

42. False claims delay justice and compromise the sanctity of a Court of Justice as an incorruptible administrator of truth and a bastion of rectitude. Filing of false claims in Courts aims at striking a blow at the rule of law and no Court can ignore such conduct which has the tendency to shake public confidence in the judicial institutions because the very structure of an ordered life is put at stake. It would be a great public disaster if the fountain of justice is allowed to be poisoned by anyone resorting to filing of false claims.

43. The disastrous result of leniency or indulgence in invoking Section 209 is that it sends out wrong signals. It creates almost a licence for litigants and their lawyers to indulge in such serious malpractices because of the strong belief that no action will result.

44. Unless lawlessness which is all pervasive in the society is not put an end with an iron hand, the very existence of a civilized society is at peril if the people of this nature are not shown their place. Further if the litigants making false claims are allowed to go scot free, every law breaker would violate the law with immunity. Hence, deterrent action is required to uphold the majesty of law. The Court would be failing in its duties, if false claims are not dealt with in a manner proper and effective for maintenance of majesty of Courts as otherwise the Courts would lose its efficacy to the litigant public.

45. Order VIII Rule 3A of the Code of Civil Procedure, 1908 as amended by the Commercial Courts Act, 2015 sets out the same

standard to which the Defendant's pleadings should adhere to in commercial disputes, which would include trade mark infringement proceedings as well. Bare denials of averments made in the plaint are not permitted, and the Defendant is required to provide reasons for such denial. The relevant portion of Rule 3A is reproduced as under:

“Rule 3A - Denial by the defendant in suits before Commercial Division of the High Court or the Commercial Court. –

(1) Denial shall be in the manner provided in sub-rules (2), (3), (4) and (5) of this Rule.

(2) The defendant in the written statement shall state which of the allegations in the particulars of plaint, which allegations he is unable to admit or deny, but which he requires the plaintiff to prove, and which allegations he admits.

(3) Where the defendant denies an allegation of fact in a plaint, he must state his reasons for doing so and if he intends to put forward a different version of events from that given by the plaintiff, he must state his own version.

(4) If the defendant disputes the jurisdiction of the Court he must state the reasons for doing so, and if he is able, give his own statement as to which Court ought to have jurisdiction.

(5) If the defendant disputes the plaintiff's valuation of the suit, he must state his reasons for doing so, and if he is able, give his own statement of the value of the suit.”

Rule 5 of Order VIII declares that every fact in the plaint, if not denied in the manner prescribed in Rule 3A, shall be taken to be admitted by the Defendant.

Applicability of Section 209 IPC to Trade Mark Matters and Constructive Notice of Trade Mark Registration

46. The registration confers exclusive rights on the registered proprietor over the trade mark under Section 28 to exclusively use

the trade mark. There is a complete bar as a matter of law to seek registration of the mark which is identical or deceptively similar to a prior registered trade mark.

47. The Trade Mark Register is a public document and is also easily accessible from the internet. Information about trade marks and brands, their usage and availability in the markets is widely available and easily availed from the internet. The registered trade mark is a constructive notice of the trade mark to all concerned.

48. Since the registration is open to a public inspection and is subject to public search, it becomes the bounden duty of the party relying upon no knowledge of the mark, to ascertain there exists a prior registered trade mark on the register. When such a plea of no knowledge of the mark is relied upon in a legal proceeding, the mere oral plea is of no substance.

49. It is settled law that the ignorance of the law is no excuse, so once there is bar in law to register an identical mark or similar mark in ordinary course, the second applicant is deemed to be aware or have constructive notice of the prior entries which are easily available online as per the computerized database for the said entries.

50. Although the practice of making false and unsubstantiated defences in trade mark infringement proceedings has become rampant in recent years, there is unfortunately a dearth of cases which deal with applicability of Section 209 to such proceedings.

51. In *Suzuki Motors v. Suzuki India Ltd.*, 2019 (79) PTC 227 (Del), the defendant copied the well-known Japanese automobile

brand *SUZUKI*. The defendant pleaded that it was not aware about the Plaintiff's name and trade mark *SUZUKI* at the time of adoption of the mark in 1982. This Court found the claim to be a false, in view of the extensive evidence filed by Plaintiff establishing promotion and use of the trade mark *SUZUKI* in India prior to adoption by the Defendant. This Court took the *prima facie* view that the defendant's false claims warrant prosecution under Section 209, IPC. However, this Court granted the Defendant three weeks' time to introspect and file an unconditional apology.

52. In *Mars Incorporated v. A.K. Gera*, 2002 (24) PTC 388 (Del), this Court observed that a registered trade mark constitutes constructive notice to the defendants and the defendants are deemed to have knowledge of the registered trade mark. Relevant portion of the judgment is as under:

"13. Since the plaintiff is a registered owner of the trademark not only in India but in various other countries which are being a matter of public record, constitute constructive notice to the defendants of the plaintiff's statutory rights and the defendants are deemed to have knowledge of such rights vested in the plaintiff."

53. In *Suzuki Motors* (supra), this Court again held that trade mark registrations being matters of public record, the defendant is deemed to have the constructive notice of the same. A registered trade mark is a constructive notice to the defendant observed:

"52. The defendant is deemed to have notice of plaintiff's statutory and exclusive right to use the trade mark Suzuki. Since the trade mark Suzuki is a

well recognized mark and registered in India since 1972, the trade mark registrations being matters of public record, the defendant is deemed to have constructive notice of the plaintiffs statutory and exclusive right to use the trade mark Suzuki.”

54. In **Bal Pharma v. Centaur Labs**, 2002 (24) PTC 226 (Bom), the Division Bench of Bombay High Court emphasized the necessity for Defendants to undertake search of Trade Marks Register before adopting a trade mark. The relevant portion of the judgment is reproduced as under:

“8. Then we turn to the question of delay and acquiescence. Mr. Tulzapurkar, learned Counsel appearing for the Respondent cites the judgment of the Supreme Court in Power Control Appliances and Others v. Sumeet Machines Pvt. Ltd., 1994 (2) SCC 448 wherein the Supreme Court approvingly referred to the judgment of the Appeal Court in England in Electrolux LD v. Electrix and quoted a passage therefrom in paragraph 34 of its judgment. Our attention was also drawn to the judgment in Electrolux itself. Reference to the judgment in Electrolux shows that there is no hard and fast rule that delay per se would defeat an application for interlocutory injunction. The judgment indicates that in a situation where the defendant to an action has been using the mark, even if concurrently, without making himself aware of the fact as to whether the same mark is the subject-matter of the registration and belongs to another person, the first person cannot be heard to complain for he has been using it negligently inasmuch as he has not taken the elementary precaution of making himself aware by looking at the public record of Registrar as to whether the mark in question is the property of another. If, however, he had taken search and,

knowing full well that the mark was the property of another person, continues to use the mark, then he runs the risk of a registered proprietor challenging his action for infringement and merely because it is done at a subsequent stage, he cannot be heard to complain on the ground of delay. Further discussion in the judgment shows that in order to deny an interlocutory injunction, the delay must be such as to have induced the defendant or at least to have lulled him into a false sense of security to continue to use the trade mark in the belief that he was the monarch of all he surveyed. In our judgment, such are not the circumstances here. We are not satisfied from the record that a search was taken of the registry by the Appellant to assure itself that there was no other person who owned the mark “MICRODINE”. Assuming that the search was taken, and the Appellant has done it consciously, then the Appellant has to thank itself for having gambled by investing large amounts in a risky venture. Either way, we do not think that the defence can succeed, at this stage, at least.”

55. The Courts have taken judicial notice of the fact that in the present age of internet, the information about brands and their presence in the market is easily available at the click of a button. In **Lupin Ltd. v. Johnson & Johnson**, 2015 (61) PTC 1 (Bom.)(FB) the Full Bench of Bombay High Court noted the following observations of the learned Single Judge in his order of reference as under:

“6. The learned Single Judge (B.R. Gavai, J.) in the order of reference has in paragraphs 15 and 16 of the judgment dated 13th August, 2012 in Notice of Motion (L) No. 2178 of 2012 observed thus:

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“16. The effect on the Indian economy of the liberalization, privatization and globalisation cannot be totally ignored. At the same time, it also cannot be ignored that due to technological advancement, the information and knowledge worldwide is available at the flick of a second. Knowledge and awareness of the goods of the foreign traders and trademarks would be available in India immediately after the launching thereof and vice versa by use of internet. It is common knowledge that the medical practitioners and experts surf on internet to find out the latest drugs available. The possibility cannot be ruled out of a local manufacturer coming to know about the product launched overseas and by imitating it immediately getting it registered in his favour....”

Exemplary/Punitive Damages awarded by Courts in cases of Dishonest Adoption of Trade Marks

56. In *Whatman International Ltd. v. P. Mehta*, 2019 (78) PTC 51 (Del), the plaintiff filed a suit for infringement of trade mark and passing off against Defendants for using the Plaintiff's registered trade mark *WHATMAN* in relation to filter paper, as well as colour combination of white background and blue script of the trade dress. The Plaintiff complained that the Defendants had a long history of infringing the Plaintiff's trade mark and were committing infringement in spite of giving undertaking. Criminal proceedings were also pending against some of the Defendants on account of such unauthorized use of the trade mark. After perusing the pleadings on record and the submissions made by the Defendants, the Court came to the conclusion that the Defendants had not

seriously contested the Plaintiff's rights in the trade mark *WHATMAN* or in the white and blue colour combination of the trade dress. The Defendants had also offered to pay token compensation. However, the Defendants had made a number of false pleadings such as “ ...*The Defendant No. 2 has never manufactured or sold filter paper under the trade mark WHATMAN...*”; “...*The defendant No. 5 has never manufactured or sold filter paper under the trade mark WHATMAN...*”. The Defendants also made false statements with respect to having no connection with each other's business. These statements were found to be false based on the material placed on record as well as testimony given during Defendants' cross-examination. Further, during pendency of the proceedings and in spite of injunction order, some of the Defendants were found to be selling the goods under the infringing marks subject matter of the suit. Noting the same, the Court recorded as under:

“64. The Defendants are clearly not coming clean with the Court. They are not only making false statements in their pleadings, but are also misleading the Court by trying to create a farcical cloak of independent businesses. The illegality of selling WHATMAN counterfeit paper and lookalike filter paper has continued since the time when the first FIR was registered in 1993.

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68.. A perusal of the above pleadings and facts shows that the Defendants do not have slightest hesitation in making false statements before the Court. Their conduct has been completely dishonest. They are thus liable to be punished for contempt and for disobedience of the orders of this Court.

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71. Even in 2018, Defendant No. 3, Mr. Mohit Mehta and Defendant No. 7, M/s. Shri Maruti Chem Enterprise Ltd. had WHATMAN filter paper when the police searched the premises. There is no doubt whatsoever that throughout the period despite giving undertakings, and despite the interim injunction, the Defendants have jointly carried out business of counterfeit Whatman filter paper and lookalike filter paper. They are guilty of infringement and passing off. They are also liable for making false statements before Court, which results in impediment of the administration of justice. The violation of the orders of the Court and non-adherence to repeated undertakings given constitutes willful disobedience. First, the Defendants ought not to have manufactured/sold counterfeit WHATMAN filter paper. They also were clearly in the know when they started using similar get-up, colour combination and layout/arrangement for filter paper under their own marks, which were identical/similar to the WHATMAN filter paper. These are deliberate and conscious acts of the Defendants to pass off and earn monetary gain. The initial FIR in 1993 ought to have been sufficient to dissuade the Defendant Nos. 1 to 5 and 7 from using the WHATMAN mark and/or selling filter paper in an identical colour combination or get up. The said FIR obviously did not have its effect despite the complaint being closed after undertakings given by Mr. Bharat Patel, Mr. Jatin Parekh and Mrs. Jagruti P. Mehta. Mr. Paresh Mehta, through his wife and son started a new firm by the name M/s. Shri Maruti Chem Enterprise Pvt. Ltd. for doing business of identical/pass off filter papers. In 2018, when the FIR was registered, Mr. Mohit Mehta was even arrested. The modus operandi is clearly to hoodwink the authorities and over reach the Court process. Any

compassion shown to such persons would clearly send the wrong message.”

(Emphasis supplied)

In **Whatman's case**, this Court followed the standard for awarding punitive damages prescribed by Division Bench in **Hindustan Unilever Ltd. v. Reckitt Benckiser India Ltd.**, ILR 2014 (57) PTC 495 (Del.) (DB) which holds that punitive damages can be awarded after calculation of compensatory damages and if the Court is satisfied that such compensatory damages are inadequate, and not otherwise. In view of the dishonest and brazen conduct on part of the Defendants, the Court awarded damages 1 Crore against the Defendant Nos. 1, 3 & 7 and Rs.25 Lakhs each against Defendant Nos. 2, 4, 5 and Rs.10 lakh against Defendant No. 8 apart from costs of Rs.14.55 Lakhs.

57. In **Cartier International AG v. Gaurav Bhatia.**, 2016 (65) PTC 168 (Del), this Court imposed punitive damages of Rs. One Crore on the Defendants for trade mark infringement and passing off. The Plaintiffs were part of the renowned Richemont group of companies and the registered proprietors of a number of famous trade marks in relation to luxury watches such as **CARTIER**, **PANERAI**, **VECHERON CONSTANTIN** etc. and had invested considerable sums in the promotion thereof in India. The Defendants operated a website www.digaaz.com through which they offered for sale counterfeit watches bearing the trade marks of the Plaintiffs. The Plaintiffs had received a large number of complaints and requests for replacement from aggrieved customers who had

purchased such watches from the Defendants' website. The Defendants continued to continue their infringing business activities in spite of a legal notice being served upon them by the Plaintiff. The Plaintiff then filed the present suit wherein the Defendants did not appear and were thus proceeded ex-parte. The Court took note of the fact that the Defendants had earned massive profits from their illegal activities and had also purchased immovable properties in Chandigarh. These properties had been sealed by the police after the Defendants had been arrested by the cyber cell branch of the Chandigarh police. Taking all these factors into account, the Court ordered punitive damages of Rs. One Crore against the Defendants.

58. In *Motorola Inc. v. Motorola Auto India Pvt. Ltd.*, 2015 (64) PTC 600 (Del), this Court granted punitive damages of Rs. 10 lakhs against the Defendants who were using the Plaintiff's registered trade mark *MOTOROLA* as part of their trade name. Besides being enjoined, the Defendants were also mandated to take appropriate steps before the Registrar of Companies, Registrar of Trade Marks and Internet Network Information Centre to effect the change of name. The Court gave a finding that the use of the trade mark *MOTOROLA* by the Defendants as part of their trading name was dishonest and fraudulent.

59. In *M/s Inter Ikea Systems BV v. Sham Murari*, 2018 (76) PTC 121 (Del) related to copying of globally well-known *IKEA* brand. This Court pointed out that the manner in which misleading statements were made and a false affidavit was filed before Trade Mark Registry by the Defendants calls for an award of exemplary

costs as the case was not a case for award of punitive damages. Therefore, the Court passed a decree for damages of Rs. 15 Lakhs and imposed costs of Rs. 10 Lakhs upon the Defendants out of which Rs. 5 Lakhs were to be deposited in favour of the Controller General of Patents, Designs and trade marks towards legal aid. The Court gave a finding that the Defendants' explanation that the word *IKEA* is derived from the word '*Idea*' was not acceptable and further reinforced that the adoption of *IKEA* by Defendants was itself dishonest.

60. In *Disney Enterprises, Inc. v. Rajesh Bharti*, 2013 (54) PTC 372 (Del), this Court observed that punitive damages have the effect of deterring not only the Defendant from repeating the offence, but also deterring others from committing the same, preserving peace, inducing private law enforcement; compensating victims for otherwise non-compensable loss and payment of the Plaintiff's counsel fees, imposed punitive damages to the tune of Rs. Three lakhs and compensatory damages to the tune Rs. Two lakhs on the Defendants for infringing Plaintiff's trade mark *DISNEY*. The Court gave a finding that the adoption of the trade mark *DISNEY* by the Defendants was with a *mala fide* intent.

Findings

61. The respondent is the proprietor of the trade mark *UTEROTONE* registered in Class 5 as No.562099 on 18th November, 1991. The respondent adopted this trade mark for its veterinary preparations in the year 1968. The respondent has filed the relevant documents. This Court is satisfied that the respondent

adopted the trade mark UTEROTONE in 1968 and is in continuous use since then.

62. The petitioner's trade mark UTROTON is deceptively similar to the registered trade mark UTEROTONE of the respondent. The petitioner has *mala fidely* dropped the alphabet 'E' from the registered trade mark UTEROTONE of the respondent but such act of the petitioner has made no difference to the visual, structural and phonetic similarity between the two marks.

63. The adoption of the trade mark UTROTON by the petitioner is dishonest and fraudulent which is clear from the fact that the respondent has adopted identical cans for packing and a deceptively similar artistic label as that of the respondent in as much as each and every leading feature of the respondent's packaging including the red packing cans, depiction of petitioner's impugned trade mark UTROTON in a shaded rectangle having two thick parallel lines on the top and below of the rectangle, inscription of the impugned trade mark UTROTON in Hindi language and depiction of a device of a cow on the top and the centre of the petitioner's impugned label have been similarly reproduced. On a plain visual comparison of the two competing products, it is apparent that the petitioner has kept the said distinctive product of the respondent as a model/guide while preparing its own infringing impugned product thereby violating the common law and prior statutory rights of the respondent in its aforementioned registered trade mark UTEROTONE amounting to infringement of the respondents said registered trade mark. The petitioner has used the words '*Uterine Tonic*' below the mark

UTROTON whereas the respondent is using the words ‘*Ecbolic & Uterine Tonic*’ below its mark. The photographs of the packing colour and designs of both the parties are reproduced hereunder :

PETITIONER	RESPONDENT
	
	

64. The petitioner’s claim that she was not aware of the respondent’s trade mark in 2007 when she adopted the impugned trade mark is not believable and *prima facie* appears to be false. It is not disputed that the respondent’s products were always available in

the same market in which the petitioner was selling/marketing goods.

65. The petitioner's explanation of adopting the word UTROTON appears to be farce and unacceptable on the face of it. This Court is satisfied that the petitioner has adopted the impugned mark only to trade on the respondent's reputation and goodwill.

66. The trade mark registrations are a matter of public record. The defendant is deemed to have constructive notice of the respondent's registered trade mark UTEROTONE and the exclusive rights of respondent to use the trade mark UTEROTONE.

67. It is natural for the parties who have copied trade mark to try and explain its conduct and to look out for means to explain derivation of words so adopted. If the trade mark having element of prior continuance and use, has been copied, no amount of explanation, even if it is plausible, is capable of defending infringement of trade mark of such prior user.

68. The use of the trade mark UTROTON by the petitioner is not *bona fide* and is a colourable imitation of the respondent's trade mark. Since the adoption of the mark UTROTON was dishonest, the alleged use of the same from 2007 onwards will be of no consequence.

69. The respondent has been using the mark UTEROTONE for a long span of time. The name has acquired distinctiveness and a secondary meaning in the business or trade circles. Any attempt by another person to use the name in business and trade circles is likely to create an impression of a connection with the respondent.

70. The adoption and use of the aforementioned infringing trade mark UTROTON by the petitioner which is phonetically, visually and structurally similar to the distinctive registered trade mark UTEROTONE of the respondent is bound to lead to confusion and deception amongst the purchasing public and trade.

71. The adoption of the trade mark UTROTON by the petitioner is likely to create an impression that the petitioner's product in fact originates from the house of the respondent and consequently amounts to infringement.

72. The petitioner's trade mark is deceptively similar to the registered trade mark of the respondent. Two set of goods are used for near identical purposes having common trading channels and common buyers. Out of the 14 ingredients contained in the respondent's preparation and 13 ingredients contained in the petitioner's corresponding preparation, 9 of them are identical in both. Further as per the latest amendment in the Trade Marks Rules, the product 'veterinary preparations and dietary supplements for animals' now falls under Class 5 itself.

73. The respondent is the prior adopter, prior user and prior registered proprietor of the trade mark UTEROTONE registered under No. 562099 dated 18th November, 1991 in Class 5. The registration of the deceptively similar impugned trade mark UTROTON in the name of the petitioner and more particularly if used in a deceptively similar manner is bound to interfere with the respondent's exclusive legitimate right to use its prior adopted and prior registered trade mark UTEROTONE.

74. The registration of the impugned deceptively similar trade mark UTROTON of the petitioner under No.1656466 in Class 31 dated 21st February, 2008 by the Registrar of Trade Marks amounts to a clear violation of the provisions of Section 11 of the Trade Marks Act in as much as the impugned trade mark UTROTON of the petitioner is deceptively similar to the earlier registered trade mark No.562099 in Class 5 dated 18th November, 1991 in respect of the specification of goods which are deceptively similar/near identical to each other and consequently, the said impugned trade mark of the petitioner has been rightly taken off the record by IPAB.

75. The registration of the impugned trade mark UTROTON in favour of the petitioner is visually, structurally and phonetically deceptively similar to the prior adopted and prior registered trade mark UTEROTONE of the respondent and resultantly the same is devoid of any distinctive character and is not capable of distinguishing the goods of the respondent's from those of the petitioner's and is therefore hit by the Section 9 of the Act.

76. The petitioner adopted the trade mark UTROTON with dishonest and *mala fide* intention of encashing upon the goodwill and reputation attached to the respondent's mark UTEROTONE and to mislead the public.

77. The petitioner's illegal adoption of the mark UTROTON leads to undesirable and highly prejudicial consequences which whittle down the reputation and goodwill attached to the respondent's trade mark. The use of the UTROTON name by the petitioner would tarnish the reputation and goodwill of the respondent and would also

dilute the distinctiveness of respondent's mark and the exclusivity attached to it.

78. The petitioner has raised a false claim that she honestly adopted the impugned mark without any knowledge of the respondent's mark. This plea is absolutely false because the petitioner adopted and copied a deceptively similar packing and label which would not have been possible unless she was fully aware of the respondent's trade mark, packing and label. The petitioner's claim that adoption of trade mark is honest and bona fide, is hereby rejected as a false claim.

79. The petitioner's objection that IPAB could not look into the validity of the design of the container and the artistic label is misconceived. The petitioner has adopted deceptively similar packing and label which is a relevant fact to determine that the petitioner's plea of having *bona fide* adopted the trade mark, is false.

80. The petitioner claims that she was not aware of the respondent's trade mark UTEROTONE at the time of adopting the same, meaning thereby, that if she would have known the respondent's trade mark at that time, she would not have adopted the same.

81. A fair and honest trader will not give a misleading name to its product to the continuing detriment of the respondent who has built up their goodwill in the business after years of hard work. It is this intangible right to property which the law seeks to protect.

82. The petitioner, who has knowingly and deliberately violated the rights of the respondent, cannot complain and hide behind the defence of delay and *laches*. The delay and *laches* by itself would not bestow fraud with character of legality. Reference be made to *Timken Company (supra)*, *Hindustan Pencils Private Limited v. India Stationary Products Co.*, AIR 1990 Del 19, *Kirloskar Diesel Recon Pvt. Ltd. v. Kirloskar Proprietary Limited*, AIR 1996 Bom 149; *Revlon Inc. v. Sarita Manufacturing Co.*, 1997 (17) PTC 394; *Aktiebolaget Volvo of Sweden v. Volvo Steels Ltd. of Gujarat (India)*, 1998 (18) PTC 47 (Bom.); *Ansul Industries v. Shiva Tobacco Company*, 2007 (34) PTC 392; and *Hamdard National Foundation v. Abdul Jalil*, 2008 (38) PTC 109 (Del.).

83. Once there is a dishonest intention to adopt the mark, a mere delay in bringing action cannot be defeated because in case of continuing violation, fresh period of limitation begins to run every moment of time during which the breach continues.

84. Once the Court comes to the conclusion that it is a fit case of infringement of trade mark then the delay is immaterial on account of statutory rights granted under Section 28 of the Trade Marks Act.

85. The petitioner adopted the trade mark UTROTON which is deceptively similar to respondent's registered trade mark UTEROTONE with the dishonest intention of encashing upon the goodwill and reputation of the respondent.

86. This Court agrees with the findings of the Intellectual Property Appellate Board (IPAB). The impugned order of the IPAB is upheld.

87. There is no merit whatsoever in this writ petition which is hereby dismissed with actual cost incurred by the respondent on this litigation. The respondent shall file the actual cost incurred on an affidavit and the cost be paid by the petitioner to the respondent within two weeks thereafter. Pending application is disposed of.

88. This Court is of the *prima facie* view that the petitioner has raised false claims before this Court and therefore, a show cause notice is hereby issued to the petitioner to show cause as to why a complaint be not made against her under Section 340 CrPC for raising false claims under Section 209 IPC. Reply to the show cause notice be filed by the petitioner within four weeks.

89. List for considering the reply of the petitioner to the show cause notice on 30th July, 2021. The petitioner shall remain present in Court on the next date of hearing.

JUNE 4, 2021
dk/ak/ds

J.R. MIDHA, J.