

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON: 04.02.2020

PRONOUNCED ON: 23.02.2021

CORAM:

THE HONOURABLE MR.JUSTICE C.V.KARTHIKEYAN

O.A.Nos. 418 & 419 of 2020

And

A.Nos. 2820 & 2821 of 2020

IN

C.S.No.232 of 2020

O.A.Nos. 418 & 419 of 2020:

M/s. Apex Laboratories Pvt. Ltd.,
29, III Floor, SIDCO Garment Complex
Guindy, Chennai – 600 032.

Rep. by its Authorised Signatory

D.Jude F.L.S. Durai Pandian

... Applicant/Plaintiff

Vs

Macleods Pharmaceuticals Limited

304, Atlanta Arcade, Marol Church Road

Near Leela Hotel, Andheri Kurla Road

Andheri (East), Mumbai 400 059

... Respondent/Defendant

PRAYER IN O.A.No. 418/2020:- This Civil Suit is filed under Order XXXIX Rules 1 & 2 of the Civil Procedure Code read with Order XIV Rule 8 O.S., Rules, praying to grant an ad-interim injunction restraining the respondent, by itself, its partners, men, servants, agents, distributors,

stockiest, representatives or any one claiming through or under them from in any manner passing off and/or enabling others to pass off the respondent's products under the trademark BELATIN as and for the applicants' products by manufacturing, selling, or offering to sell, distributing, displaying, printing, stocking, using, advertising their products with a trademark BELATIN which is deceptively similar to the applicant's BILTEN trademark or in any other manner whatsoever.

PRAYER IN O.A.No. 419/2020:- This Civil Suit is filed under Order XXXIX Rules 1 & 2 of the Civil Procedure Code read with Order XIV Rule 8 O.S., Rules, praying to grant an ad-interim injunction restraining the respondent, by itself, its partners, men, servants, agents, distributors, stockiest, representatives or any one claiming through or under them from in any manner infringing the applicant's registered trademark BILTEN under No. 4246358 in Class 5 by using a deceptively similar trademark BELATIN or any other trademark deceptively similar to the applicant's registered trademark or in any other manner whatsoever.

A.Nos. 2820 & 2819 of 2020:

M/s. Apex Laboratories Pvt. Ltd.,
29, III Floor, SIDCO Garment Complex
Guindy, Chennai – 600 032.

Rep. by its Authorised Signatory
D.Jude F.L.S. Durai Pandian

... Applicant/Plaintiff

Vs

Macleods Pharmaceuticals Limited
 304, Atlanta Aracade, Marol Church Road
 Near Leela Hotel, Andheri Kurla Road
 Andheri (East), Mumbai 400 059

... Respondent/Defendant

PRAYER IN A.No. 2820/2020:- This Application is filed under Order XXXIX Rule 2A of the Civil Procedure Code read with Order XIV Rule 8 O.S., Rules, praying to punish the respondents in accordance with law for the willful disobedience of the exparte interim orders of this Hon'ble Court on 18.09.2020.

PRAYER IN A.No. 2819/2020:- This Application is filed under Order XXXIX Rule 2A of the Civil Procedure Code read with Order XIV Rule 8 O.S., Rules, praying to punish the respondents in accordance with law for the willful disobedience of the exparte interim orders of this Hon'ble Court on 18.09.2020.

For plaintiff : R.Satish Kumar

For Defendant : Mr. P.S.Raman,
 Senior Counsel for
 Mr.Madhan Babu

JUDGEMENT

The plaintiff M/s. Apex Laboratories Pvt. Ltd., a Company incorporated under the Companies Act 1956 has filed the suit under Sections 27, 28, 29, 134 & 135 of the Trade Marks Act 1999 and under Sections 51, 55 & 62 of the Copyrights Act, 1957 against the defendant

Macleods Pharmaceuticals Limited also a Company incorporated under the Companies Act 1956, seeking a Judgment and Decree for permanent injunction restraining the defendant from infringing the registered Trade Mark of the plaintiff BILTEN registered under No. 4246358 in Class 5 by using a deceptively similar Trade Mark BELATIN and for a permanent injunction restraining the defendant from passing off their products as if they are the products of the plaintiff and for consequential reliefs and for costs of the suit.

2. In the plaint, the plaintiff claimed that they had adopted the Trade Mark BILTEN in or about June 2019 and had applied for registration on 25.07.2019 and was allotted Registration No. 4246358 in Class 5. This was also advertised in the Trade Marks Journal on 09.09.2019. The mark was registered as on 28.01.2020. The plaintiff claimed that they have been using the product BILTEN in the market honestly and continuously. The product contains BILASTINE as its main ingredient and is an Antihistamine and is used for allergic symptoms like rashes, itchy eyes congestion etc. The plaintiff also claimed that they have obtained the drug license for the said product. They launched the products in November 2019. The plaintiff had also given their sales turnover for

every month from November 2019 till July 2020 and claimed that their sales has been on an ascending sales. The plaintiff also claimed that they have been promoting the products in several accepted means and their publications in pharma guides and other modes have generated tremendous amount of goodwill and reputation.

3. The plaintiff further stated that in or about third week of August 2020, they came to know about the defendant's product bearing the Trade Mark BELATIN. It is claimed that the product BELATIN is identical to the plaintiff's product. They are both anti-histamines. The plaintiff further claimed that the Trade Marks are phonetically similar. The plaintiff further claimed that the defendant had used an identical Trade Mark BELATIN with the knowledge about the existence of the plaintiff's Trade Mark BILTEN and with intention to copy the Trade Mark and the Copyright in the artistic work. The plaintiff claimed that the defendant had applied for the Trade Mark BELATIN on 22.06.2019 and the application was kept pending. The application was only filed as proposed to be used. The plaintiff claimed that they are the prior users having entered into the market in November 2019. The plaintiff claimed that the defendant entered into the market only in February 2020. The plaintiff claimed that

they have a registration over the mark BILTEN and therefore stated that the defendant is deliberately passing off their products as if they are the products of the plaintiff. It is under these circumstances that the suit had been filed seeking the reliefs as stated above.

4. Along with the suit, the plaintiff also filed O.A.Nos. 418 & 419 of 2020 seeking an order of interim injunction restraining the defendant from infringing the registered mark of the plaintiff and also from passing off their products as if they are the products of the plaintiff.

5. In the affidavit filed in support of the said applications, the same facts as stated in the plaint had been reiterated. The defendant entered appearance and filed their counter to the two applications.

6. In the counter affidavit, the defendant claimed to have conceived and adopted their Trade Mark BELATIN since one of the main ingredient is BELASTINE. They had applied for registration as early as 21.06.2019. The defendant claimed that the plaintiff had applied for registration only later on 25.07.2019. The defendant also stated that they have coined the

word BELATIN based on the main ingredient, namely, BELASTINE

pharmaceutical preparation. The defendant also claimed to be in the business of Indian Pharma market and also in the International market and claimed to be a well established and reputed manufacturer and marketer of a wide range of pharmaceutical and medicinal preparations for nearly three decades. The defendant further stated that BILASTINE pharmaceutical preparation was a new formulation that was approved by the Drug Controller General of India, in February 2019. Thereafter, several manufacturers in India including the plaintiff and the defendant commenced manufacturing and marketing BILASTINE pharmaceutical preparation. The defendant again claimed that they had adopted the mark BELATIN as a Trade Mark in or about May 2019 and had applied for registration on 21.06.2019. The defendant therefore claimed that the application of the plaintiff for registration of their mark BILTEN in July 2019 had been done only with knowledge of the application made by the defendant for registration of the mark BELATIN. The defendant also claimed that they have promoted the Trade Mark BELATIN all over India and had also given their sales turnover from February 2020 till August 2020. There has been an upward swing in the graph. The defendant had also given their promotional expenses. The defendant claimed that the ingredients in both the pharmaceutical preparations were BILASTINE and

the application seeking registration of the Trade Mark, BELATIN by the defendant was made much prior to the Trade Mark application of the plaintiff and that even though the plaintiff's Trade Mark application was subsequent, the plaintiff had actually stated that they propose to use the said Trade Mark. The defendant had claimed that had the plaintiff caused a search under Rule 24 of the Trade Mark Rules, then it would have been evident that the defendant had already applied for the mark BELATIN. The defendant also claimed that their application for registration was not processed owing to a misplaced objection raised regarding a previous Trade Mark BECLATIN which had already expired on 04.07.1992. It was claimed that the objection was a mistake committed by the examining Officer.

7. The defendant also questioned the correctness of the averments made in the plaint regarding their sales turn over and all other aspects and denied every averments made in the plaint. The defendant therefore prayed that the interim order already granted should be vacated and the applications should be dismissed.

8. The plaintiff filed a reply affidavit once again reiterating the

facts stated in the plaint. The plaintiff once again stated that the Trade Marks BILTEN and BELATIN are phonetically similar and that the plaintiff was the prior user. The plaintiff claimed that they have entered the market in November 2019. The plaintiff claimed as a prior user, they are entitled to protection. It was again reiterated that O.A.Nos. 418 & 419 of 2020 should be allowed.

9. The plaintiff also filed A.Nos. 2819 & 2820 of 2020 under Order XXXIX Rule 2A of the Civil Procedure Code to punish the defendant for willful disobedience of the ex-parte orders of injunction granted by this Court on 18.09.2020. In the affidavits filed in support of the said applications, it had been stated that the defendant had not restrained themselves from manufacturing, selling the products bearing Trade Mark BELATIN in willful disobedience of the orders of this Court. The plaintiff has also produced bills under which the products of the defendant were produced and also the actual product cartoons under which the defendant sold the products. The plaintiff therefore stated that the defendant had violated the orders for grant of interim injunction and should be punished for the same.

10. The defendant filed their counter to both these applications.

They stated that they had instructed their distributors to discontinue the

supply of BELATIN in their possession to the retail dealers and it was stated that the same was also duly complied with by the distributors. The defendant however claimed that their product BELATIN had a huge and large market demand and presence in comparison to the plaintiffs BILTEN product. It had been stated that the unsold products appear to have been sold in the retail level and that the defendant did not have direct control over such sales. The defendant have stated that since there was no specific order directing the defendant to recall the stock of BELATIN product which had already been supplied and were available in the retail market, they did not recall the said products. The defendant stated that they have not committed any act of willful disobedience of the orders of this Court and sought dismissal of the two applications.

11. Heard Mr. R.Satish Kumar, learned counsel for the plaintiff and Mr. P.S.Raman, learned Senior Counsel for Mr.Madhan Babu, learned counsel for the defendant.

12. Both the plaintiff and the defendant are Companies registered under the Companies Act 1956 and are engaged in the business of

manufacturing and marketing pharmaceutical and allied products. In February 2019, the Drug Controller General of India, the Central Organization, had approved BILASTINE pharmaceutical preparation. It is primarily an antihistamine preparation. Once such an approval was granted by the Drug Controller General of India, several manufacturers commenced manufacturing and marketing BILASTINE pharmaceutical preparation. It is also to be noted that it is common in the pharmaceutical trade that a Trade Mark used in respect of the drugs is based on the ailment, ingredient or on the organ.

13. In this case, both the plaintiff's product BILTEN and the defendant's product BELATIN have as a major component, BELASTINE pharmaceutical preparation. It was only natural that as manufacturers/marketers of drugs with BELASTINE pharmaceutical preparation, both the plaintiff and the defendant had thought it necessary to adopt a Trade Mark relateable to BELASTINE.

14. It is stated by the defendant that they had caused a search in the Trade Mark Register to examine whether their suggested name BELATIN had been registered by any other pharmaceutical company. After search,

they applied for registration of the Trade Mark BELATIN on 21.06.2019. This did not have a smooth passage during the process of registration. An objection had been raised owing to the existence of another mark by name BECLATIN. However, that mark had expired on 04.07.1992 and there was no renewal made for extension. It is the grievance of the defendant that the objection was misplaced.

15. In the meanwhile, the plaintiff had applied for their registration on their mark BILTEN on 25.07.2019.

16. Mr.P.S.Raman, learned Senior Counsel for the defendant pointed out this fact and stated that had the plaintiff caused a search as is provided under Rule 24 of the Trademarks Rules 1999, they would have become aware about the application made by the defendant for the Trade Mark BELATIN.

17. At any rate, the application of the plaintiff had a smoother passage and registration was granted under Registration No. 4246358 under Clause 5 on 28.01.2020 with effect from 25.07.2019.

18. It is the claim of the plaintiff that they launched their product in the market in November 2019. It is the claim of the defendant that they commenced their launch in October 2019 to enter the market in February 2020. Both the plaintiff's product and the defendant's product have shown as upward trend in their respective turn over.

19. Mr.R.Sathish Kumar, learned Counsel for the plaintiff however insisted that the plaintiff should be granted protection in view of the fact that they are the prior users of the mark. The learned Counsel stated that the word 'user' will indicate active commercial exploitation of the product in the market. To that extent, the learned counsel brushed away the contention of the defendant that they had applied for registration earlier by stating that the plaintiff had entered the market by commercially exploiting the product BILTEN in November 2019. This has to contradicted with the fact that the defendant's product entered the market only in February 2020. The above facts throw up for further discussion the following:

- (1)** that the defendant had applied for registration on 21.06.2019;
- (2)** that the plaintiff had applied for registration on 25.07.2019;
- (3)** that both the plaintiff and the defendant had given in their

application forms as propose to use their respective marks;

(4) The defendant launched their product on 31.10.2019;

(5) The plaintiff commenced commercial exploitation in November 2019; and

(6) The defendant commenced commercial exploitation in February 2020.

20. Each one of the above facts will have to be incidentally proved during trial by adducing admissible and relevant oral and documentary evidence in manner known to law. As on date, they remain statements which can be deciphered by the Courts only from the fragments of documents filed by either side.

21. It is also informed that both the drugs are antihistamine drugs having BILASTINE as the main ingredient. A pictorial representation of the plaintiff's product and the defendant's product are shown below:-

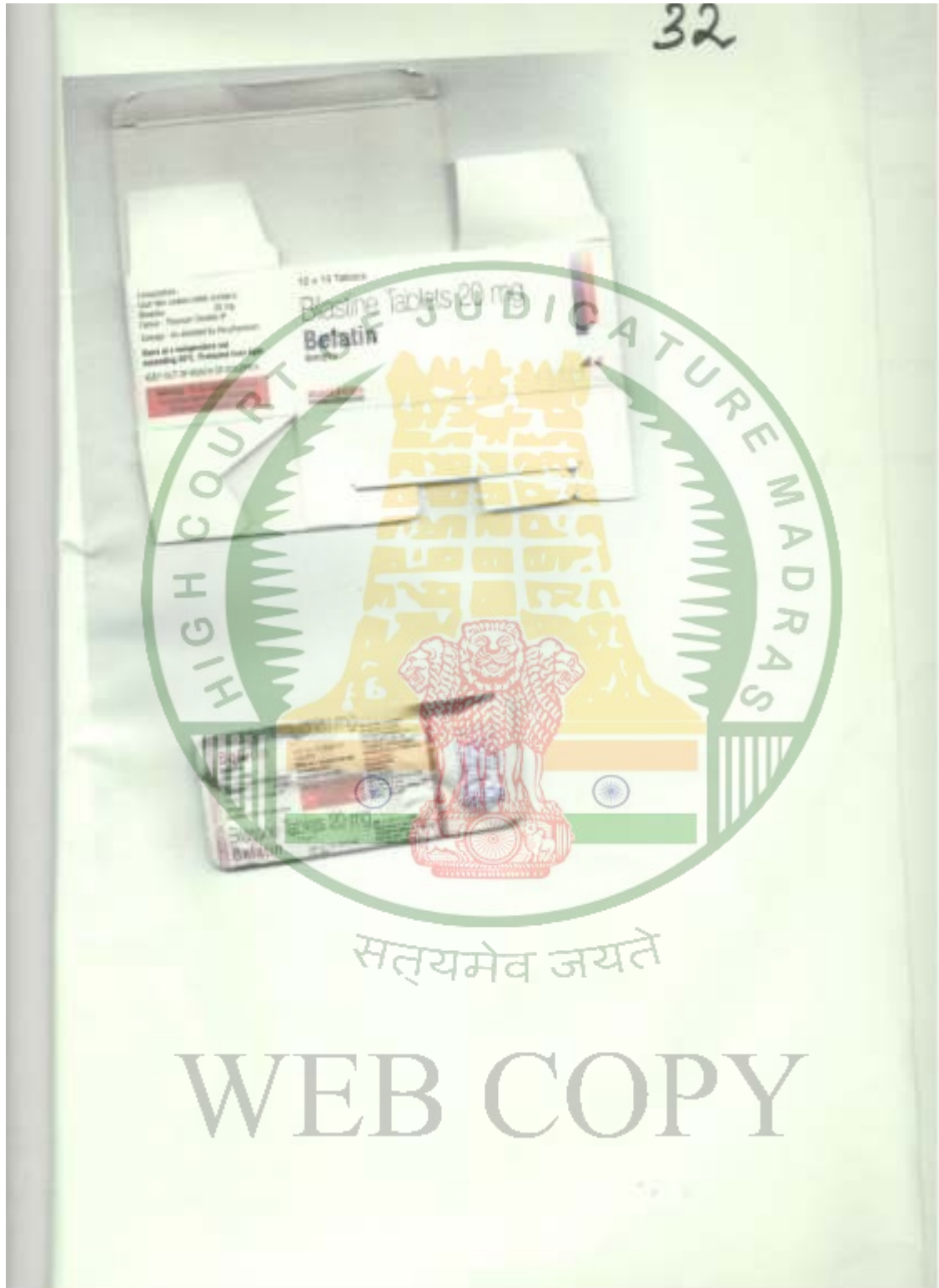
Plaintiff's product:

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WEB COPY

Defendant's Product:



22. The learned counsel for the plaintiff drew the attention of the Court to the similarities in the package and the possibility for confusion.

23. But I would rather view them with different spectacles.

24. A close perusal of both the pictorial representations show that they can be sold only on the prescription of a registered medical practitioner. These words have been given in the red block with the prefix 'warning'. It is thus evident that they are both not 'sold over the counter products'. Anybody who seeks to purchase them must have a prescription issued by a registered medical practitioner. The question then boils to whether there could be confusion in the minds of registered medical practitioners over the identity of the two products. I hope not. I have trust that every registered medical practitioner would prescribe a drug which he or she feels is most efficacious for the treatment of the illness suffered by the patient, who seeks their assistance. Therefore, a different parameter has to be adopted by not just comparing the two products as is compared in cases of products sold off a shelf or by comparing the similarities in names but by examining them through the looking glass of a registered medical practitioner. Under every prescription, a specific medicine is prescribed.

That is dependent on the nature of the illness, on the constitution of the body of the patient and the confidence of the medical practitioner on the medicine which he or she prescribes. Therefore, atleast with respect to these two products, I hold that the normal test of comparison cannot be the norm to be applied. It then boils to the effect of prior application for registration and a launch in the market but later commercial exploitation vis a vis later application for registration, prior registration and prior commercial exploitation. It has to be determined to whom the protection under the Trade Marks Act is to be granted. Determination would require deeper analysis. It would require evidence to be adduced.

25. The plaintiff had also sought a relief to direct the defendant to render accounts of profits made by use of the Trade Mark label BELATIN. I would fall back to that relief, rather than granting or refusing an order of interim injunction restraining the defendant from marketing the product BELATIN a drug like that of the plaintiff's BILTEN used similarly to alleviate the illness of unfortunate people who require antihistamine tablets. The defendant is also a Private Limited Company and it is subject to internal audit and also to audit by Chartered Accountants, who will have to certify their Profit and Loss Account and their Balance Sheet. Naturally

it should be possible to maintain a separate account with respect to the sales turn over of the product BELATIN. Even if it is not possible, a direction is given to the defendant to maintain such accounts.

26. It must also be pointed out that the object of the Commercial Courts Act 2015 as amended is to bring about a quick resolution of the issues raised in the suit and not to meander around Interlocutory Applications. The plaintiff and the defendant would be well advised to join in battle in the field of witness examination and opt to give a quietus to the issues raised in the lis.

27. In view of the above reasons, the interim injunction granted in O.A.Nos. 418 & 419 of 2020 are vacated and these applications are dismissed. No costs.

28. A direction is issued to the defendant to produce accounts of the sales turnover of the product BELATIN from February 2020 till this date and file the same within a period of two weeks into Court and thereafter continue to file their accounts once every quarter before the Court in the succeeding month.

29. Both the parties may await further orders to be passed on appreciation of evidence let by them.

30. With respect to A.Nos. 2819 & 2820 of 2020 which applications have been filed by the plaintiff to punish the defendant for alleged disobedience of the orders of this Court, I go with the counter filed by the defendant wherein they have stated that they had immediately given instructions to all the distributors to stop distribution but could not prevent the retail traders from selling the products which they had already received from distributors.

31. In view of that observation, both the applications are closed. No costs.

सत्यमेव जयते

23.02.2021

Index: Yes/No

Web: Yes/No

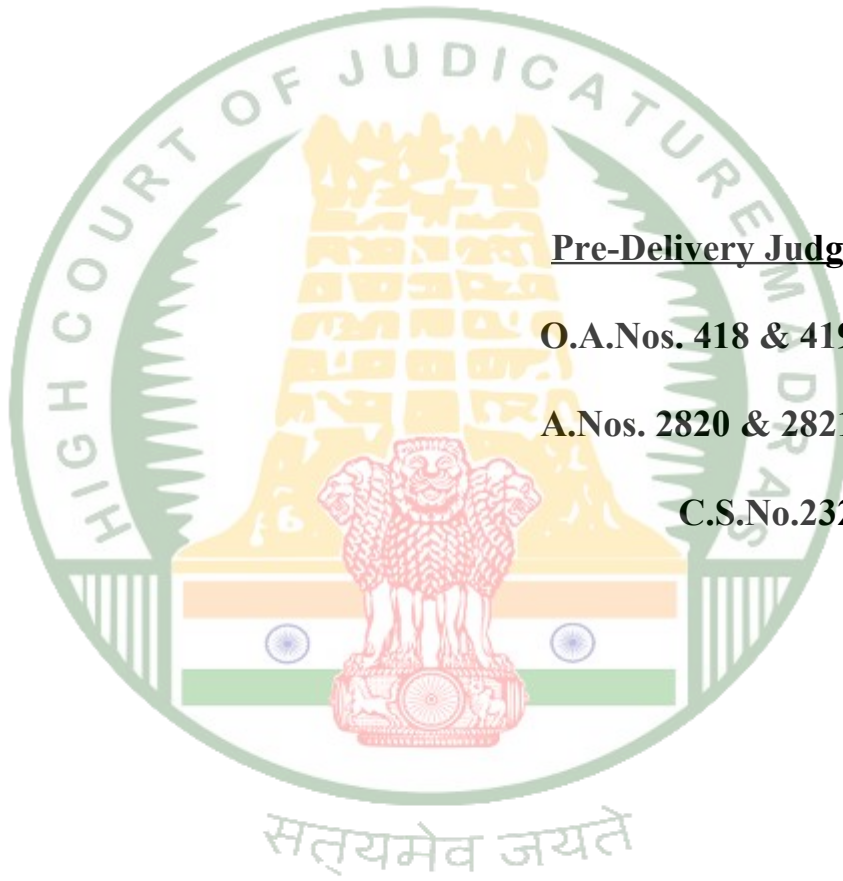
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Speaking/Non Speaking Order

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C.V.KARTHIKEYAN, J.

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Pre-Delivery Judgement in

O.A.Nos. 418 & 419 of 2020

And

A.Nos. 2820 & 2821 of 2020

IN

C.S.No.232 of 2020

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