

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

FAO-2641 of 2022 (O&M)
Date of Order:09 .11.2022
Reserved on:29.08.2022

Gadin Pharmaceutical Pvt. Ltd. and another

.Appellants

Versus

Ankur Garg

..Respondent

CORAM: HON'BLE MR. JUSTICE ANIL KSHETARPAL

Present: Mr. Vishal Aggarwal, Advocate,
for the appellants.

Mr. R.K.Kaidan, Advocate,
for the respondent.

ANIL KSHETARPAL, J

1. The present appeal has been filed while assailing the correctness of the order dated 23.05.2022 passed in an application under Order 39 Rule 1 & 2 CPC, restraining the defendants from marketing, selling, stocking or providing wholesale services for pharmaceuticals, veterinary and sanitary preparations, medical supplies and other goods under Clause-35 by using trademark 'GADIN' or GADIN BIOTECH' or any other similar mark like GADIN BIOTECH or GADIN, GADIN Pharmaceutical and other brands, designation or expression.

2. Brief facts are required to be noticed.

3. The plaintiff, claiming to be a prior user of the trademark 'GADIN' since 30.11.2016, has prayed for an injunction. It has come on record that the defendants-company was incorporated on 14.03.2017. The defendants claim to be using the trademark 'GADIN' since 14.03.2017 in a

bonafide and innocent manner. They filed the applications for registration of the trademark "GADIN Pharmaceuticals in Clause 5 and 35, on 16.07.2018 and 07.05.2018, respectively. The appellant claiming to be the registered proprietor of trademark "GADIN Pharmaceuticals", prays for setting aside the order of injunction.

4. The trial Court, on appreciation of material produced, has found that the plaintiff has successfully established a *prima facie* case in his favour. Moreover, he shall suffer irreparable loss and injury if the injunction is not granted and the balance of convenience lies in his favour as well, therefore, he is entitled to the relief of injunction.

5. This Bench has heard the learned counsels representing the parties at length and with their able assistance perused the paper book along with the documents produced by the learned counsels representing the parties.

6. The learned counsel representing the appellants contends that the plaintiff has filed the suit after a delay of five years. While highlighting that the suit was filed on 04.03.2021, he submits that the court should not grant an injunction which would have drastic impact on the appellants' business. While drawing the attention of the court to page 34 of the application for registration of trademark dated 02.08.2017, filed by the plaintiff (Respondent), he submits that the plaintiff's application is subsequent to the defendants' application. He further submits that the defendants are preparing different products as compared to the products prepared by the plaintiff, therefore, the plaintiff is not likely to suffer any irreparable loss. He further submits that the plaintiff has not come to the court with clean hands. The learned counsel relies upon the judgment

passed by the Supreme Court in *M/s Nandhini Deluxe Vs. M/s Karnataka Co-operative Milk Producers Federation Ltd, 2018 AIR (SC) 3516.*

7. Per contra, the learned counsel representing the plaintiff (respondent herein) submits that the plaintiff is proved to be the prior user of the trademark "GADIN" and the cause of action in favour of the plaintiff would accrue only when he came to know of the fact that the defendants are also using a deceptively similar trademark. He submits that the plaintiff derived knowledge of misuse of his trademark on 17.02.2021 from the defendants' notice and the suit was filed on 04.03.2021, hence, there is no delay in filing the suit. He further submits that the plaintiff is preparing pharmaceuticals, veterinary, sanitary preparation, medical supplies and other similar goods under Clause-35 by using the trademark 'GADIN' or 'GADIN Biotech'. While referring to the first user test laid down in *Neon Laboratories Limited vs. Medical Technologies Limited and others (2016) 2 SCC 672*, he contends that there is no scope for interference in the orders passed by the District Judge. He further relies upon the judgment passed in *S. Syed Mohideen vs. P.Sulochana Bai, (2016) 2 SCC 683.*

8. This court has considered the arguments of the learned counsels representing the parties while analyzing the judgments relied upon by them.

9. It may be noted here that no material has been produced to prove the turnover of defendants' business. Moreover, no evidence has been produced which proves that they shall suffer irreparable loss and injury. It is also prima facie established that the plaintiff is the first user of the trademark "GADIN" and "GADIN Pharmaceuticals". It is well settled that a suit complaining passing off is maintainable against a registered proprietor/owner of a registered trademark. The prior user has a superior

right over the rights of a proprietor of a registered trademark. Reliance in this regard can be placed on Neon Laboratories Limited (supra) and N.R.Dongre and others vs. Whirlpool Corporation and another 1996 (5) SCC 7414 and Milmet Oftho Industries and others vs. Allergan Inc.(2004) 12 SCC 624. These judgments passed by the Supreme Court, elaborately, interpret Section 34 of the Trademarks Act, 1999. Even in S. Syed Mohideen(supra), the court has concluded that collective reading of the provisions especially Section 27, 28, 29 and 34 of the Trademarks Act, 1999 would show that the rights conferred by the registration of a trademark are subject to the rights of the prior user of the trademark/tradename. It has further been held that from reading of Section 27 (2) of the Trademarks Act, 1999, it is evident that the right of action and remedies against any person for passing off the goods/services of another person thereof are not affected by the provisions of the aforesaid Act.

10. Under the common law, a prior user has the right to protect the goodwill of his business against misrepresentation caused by another in the course of trade and to prevent the resultant damage caused on account of such misrepresentation. Injunction against passing off is granted to protect the goodwill of business and to prevent deceit on the part of a party, who wants to pass off his goods representing them to be of another person.

11. This court has carefully read the judgment passed in M/s Nandhini Deluxe (supra). It is evident that the aforesaid judgment is not based on a case where the plaintiff complains of passing off. In that case, the Deputy Registrar rejected the objections however, the Intellectual Property Appellate Board allowed the appeals. The High Court did not interfere. It was also found that the Karnataka Cooperative Milk Producer's

Federation Ltd. (KMF) was producing and selling milk and milk products under the brand name “Nandini”(NANDINI), whereas, the appellant had adopted the mark “Nandhini”, for its restaurants. In that situation, the Supreme Court held that the appellant, before the Supreme Court, was entitled to seek registration of the mark 'Nandhini' in respect of goods in which he was dealing. Hence, the aforesaid judgment is not applicable in the present case.

12. It may be noted here that there is no material produced on the file to, prima facie, show that the plaintiff was in knowledge of the trademark 'GADIN' by the defendant prior to the date of receipt of notice sent by defendants. The plaintiff filed the suit within a period less than one month from the date of receipt of notice. Hence, it will not be appropriate to dismiss the application on the ground of delay.

13. With regard to the argument that the plaintiff and defendants are manufacturing different products, it may be noted that the plaintiff is into the field of producing medicines, food for infant consumption, nutritional and dietary supplements for humans, pharmaceuticals preparations, medical and veterinary preparations, whereas, the defendants are in the business of producing pharmaceutical and other health care products. Hence, broadly, both the plaintiff and the defendants are in the business of producing health care and pharmaceutical products.

14. Moreover, the scope of interference, in miscellaneous appeal, is restricted. In the absence of any perversity or material error, the Appellate Court is not expected to interfere.

15. Finding no merit, the appeal is dismissed.

16. All the pending miscellaneous applications, if any, are also disposed of.

09th November, 2022
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(ANIL KSHETARPAL)
JUDGE

Whether speaking/reasoned :YES/NO
Whether reportable :YES/NO