



IN THE HIGH COURT OF DELHI AT NEW DELHI

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Judgment delivered on: 12.09.2022

+ **FAO (COMM) 79/2022, CM APPL. 24555/2022 & CM APPL. 30226/2022**

M/S MAAN PHARMACEUTICALS LTD.

..... Appellant

versus

M/S MINDWAVE HEALTHCARE PVT. LTD.

..... Respondent

Advocates who appeared in this case:

For the Appellant : Mr. Saurabh Kirpal, Sr. Adv. with
Mr. Shailen Bhatia, Mr. Arnav Chatterjee
& Ms. Tanima Panigrahi, Advs.

For the Respondent : Mr. Shailen Bhatia, Mr. Arnav Chatterjee
& Mr. Ashok Shukla, Advs.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MR. JUSTICE AMIT MAHAJAN

JUDGMENT

AMIT MAHAJAN, J

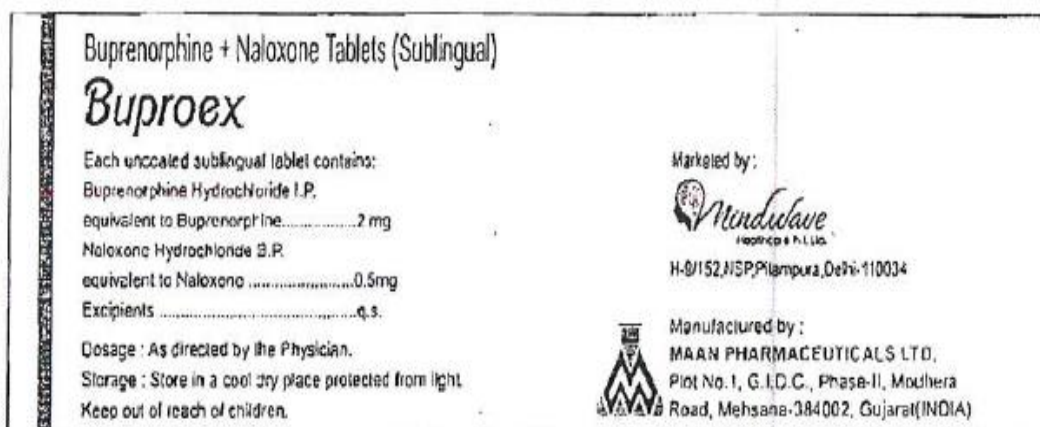
1. The appellant (hereafter 'MAAN') has filed the present appeal impugning an order dated 23.03.2022 (hereafter 'the impugned order') passed by the learned Commercial Court in CS (COMM) 194/21, whereby the application filed by the respondent (hereafter 'MINDWAVE') under Order XXXIX Rules 1 and 2 of the Code of

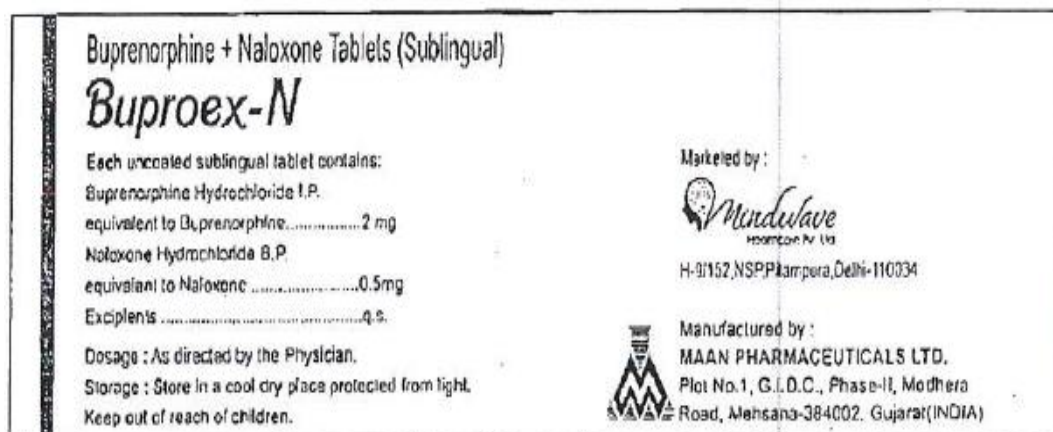


Civil Procedure, 1908 (hereafter ‘**the CPC**’) was allowed and MAAN was restrained from using the trademark ‘BUPROEX’/‘BUPROEX-N’.

BRIEF FACTS

2. MINDWAVE filed an application for registration of the trademark ‘BUPROEX-N’ on 12.12.2012, which was published in the Trade Mark Journal on 07.09.2015. The said trademark was subsequently registered on 28.06.2016 under Class 5.
3. It is admitted by the parties that in the month of May 2013, MINDWAVE engaged MAAN for manufacturing the drug with the trademark ‘BUPROEX-N’.
4. The packaging of the drug showing MAAN as the manufacturer and MINDWAVE as the marketer of the said drug is admitted. Images of the same are set out below:-





5. Thereafter, MINDWAVE filed a suit claiming that it is the registered proprietor of the said trademark and it had engaged the services of MAAN only for the purpose of manufacturing the drug in question. MINDWAVE further claimed that the drug was being manufactured by MAAN till the year 2021 and after, it stopped placing manufacturing orders, MAAN's intention turned dishonest and it not only filed an application for rectification of MINDWAVE's registered trademark but also took steps to launch the product under the trademark 'BUPROEX'. MINDWAVE relied upon various emails and the P to P Agreement dated 01.08.2011, in support of its contention that MAAN was only a third party manufacturer, who was paid for its services and the trademark always belonged to MINDWAVE.

6. MAAN contended that it was manufacturing the drug in question as the proprietor of the trademark and MINDWAVE was only selling the said drug. MAAN further claimed that on becoming aware of the registration of the trademark in favour of MINDWAVE, it approached MINDWAVE for the assignment of the trademark, in its favour.



7. MAAN also contended that in the normal course of business, the trademark belongs to the manufacturer unless an agreement executed by the parties states the contrary. It is, thus, contended that the relationship between MAAN and MINDWAVE is that of a principal and dealer.

8. MAAN further relied upon the 3rd PARTY Marketing and Distribution Agreement dated 19.01.2016 to contend that MINDWAVE had assigned the trademark, in its favour. MAAN claimed that the said agreement is signed by one Mr. Praveen Sharma, who is the Director of MINDWAVE.

9. MAAN also filed an application under Order VII Rules 10 & 11 of the CPC seeking return of the plaint. The said application was dismissed by the learned Commercial Court by an order dated 07.12.2021. The said order was challenged in FAO(COMM) 78/2022, which is dismissed by this Court by a separate judgment dated 12.09.2022. The facts and issues are not discussed in the present judgment, as they are not relevant for the purpose of deciding the present case.

10. By way of the impugned order, the learned Commercial Court had dismissed the application filed by MAAN under Order XXXIX Rule 4 of the CPC and allowed MINDWAVE's application under Order XXXIX Rules 1 and 2, of the CPC. The relevant extract of the impugned order is set out below:-



“27. This court has considered the submissions advanced at length and perused the material placed on record. This court would prefer to be brief while deciding the application and leave the disputed questions of facts for trial. At this stage what is to be seen whether plaintiff has disclosed a prima-facie case i.e. the triable issues which requires evidence to resolve the same and whether irreparable loss and injury shall be caused to the plaintiff if interim relief is declined and where does the balance of convenience lies.

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30. Vide a detailed order dated 07.12.2021, application U/o VII Rule 10 & 11 CPC filed by the defendant was dismissed after considering the rival contentions of the parties and few contentions raised herein including the point of LPC raised by the Ld. Counsel for defendant have already been dealt with which need not to be repeated for the sake of brevity.

31. In short, case of the plaintiff is that, it is a dealing in the business of marketing pharmaceutical and medicinal preparations. On 17.10.2012, the trademark BUPROEX was coined by the promoters of the company and to that effect, on 17.10.2012 the promoter directors sent an e-mail to its counsel to take search and to ensure that the aforesaid trademark BUPROEX with suffix 'N' is available for adoption. Subsequently on 12.12.2012, plaintiff filed the trademark registration application at the Trademark Registry vide trademark No. 2441575. According to the plaintiff, in May, 2013, he contacted the defendant for third party manufacturing and sent mail for cost for production of this pharmaceutical's preparation under the trademark BUPROEX and BUPROEX- N. The reply by mail dated 07.05. 2013 was received from the defendant that they are working on the costing.

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36. In the present age, the e-mails and the meeting of mind of parties through exchange of correspondence through e-mail are the well recognized modes and the agreement can be formed through such modes. It is also well settled that a person who is a registered trademark proprietor has a preferable rights over the use of the said trade as against the others and mere pendency of rectification proceedings would not disentitle the plaintiff for seeking the relief sought when he is the registered proprietor and the registered trade mark is deemed to be the public user and registration dates back to the dates of application. The relevant questions are that who invented the word/mark and who owns the goodwill in the goods.



37. *In the present case, considering the two sets of evidence, the draft agreement dated 01.08.2011, the mails dated 01.06.2013, 06.05.2013, 21.05.2013, 21.07.2016 on the one hand and agreement dated 19.01.2016 on the other hand, at this stage which evidence is to be accepted or not which evidence is to be rejected appears to be a fact in issue which has to be considered after parties adduce evidence and the evidenciary value of all the documents and whether the alleged agreement dated 19.01.2016 was acted upon or not.*

38. *Having regard to the totality of circumstances, this court finds no satisfactory grounds to vacate the interim order dated 15.07.2021. Application U/o XXXIX Rule 1 & 2 CPC, filed on behalf of the plaintiff, is allowed and application U/s XXXIX Rule 4 CPC, filed on behalf of the defendant, is dismissed. It is ordered that the interim order dated 15.07.2021 shall continue till the disposal of the suit. Nothing stated herein shall tentamount to be an expression on the merits of the case. Both the applications stand disposed of accordingly.”*

11. It is contended by the learned counsel appearing for MAAN that the learned Commercial Court committed an error by ignoring the Agreement dated 19.01.2016, which was signed by both the parties. It is further contended that the alleged P to P Agreement dated 01.08.2011 was merely a draft and had never reached the stage of finality and thus, should not have been relied upon by the learned Commercial Court.

12. The learned counsel appearing for MINDWAVE, on the other hand, supports the impugned order passed by the learned Commercial Court and contends that the agreement between MAAN and MINDWAVE was a typical third party manufacturing contract, wherein MINDWAVE, being the proprietor of the trademark, was getting the product manufactured from MAAN. It is further contended that the alleged Agreement dated 19.01.2016 is, on the face, a forged and



fabricated document since no party would assign a valuable asset without consideration.

13. In the present case, there is no dispute about the registration of the trademark or its validity. It is an admitted case that the mark is registered in favour of MINDWAVE. The issue, therefore, to be decided is whether the learned Commercial Court has rightly exercised its discretionary jurisdiction by allowing the application filed by MINDWAVE under Order XXXIX Rules 1 and 2 of the CPC, on the basis of the pleadings and documents filed by the parties. The issue that had been considered by the learned Commercial Court was whether the plaintiff (MINDWAVE) had assigned the mark in favour of the defendant (MAAN) and therefore, it was not entitled to injunct the defendant from its use.

14. The law in relation to the scope and nature of appeals and the limitations of the powers of an appellate court to substitute its own discretion in an appeal preferred against a discretionary/interlocutory order is well-settled. The Supreme Court in the case of ***Wander Ltd. And Anr. vs Antox India P. Ltd.: 1990 Supp SCC 727***, held as under:

“13. On a consideration of the matter, we are afraid, the appellate bench fell into error on two important propositions. The first is a misdirection in regard to the very scope and nature of the appeals before it and the limitations on the powers of the appellate court to substitute its own discretion in an appeal preferred against a discretionary order. The second pertains to the infirmities in the ratiocination as to the quality of Antox's alleged user of the trademark on which the passing-off action is founded. We shall deal with these two separately.

14. The appeals before the Division Bench were against the exercise of discretion by the Single Judge. In such appeals, the appellate



court will not interfere with the exercise of discretion of the court of first instance and substitute its own discretion except where the discretion has been shown to have been exercised arbitrarily, or capriciously or perversely or where the court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. An appeal against exercise of discretion is said to be an appeal on principle. Appellate court will not reassess the material and seek to reach a conclusion different from the one reached by the court below if the one reached by that court was reasonably possible on the material. The appellate court would normally not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion. If the discretion has been exercised by the trial court reasonably and in a judicial manner the fact that the appellate court would have taken a different view may not justify interference with the trial court's exercise of discretion. After referring to these principles Gajendragadkar, J. in Printers (Mysore) Private Ltd. v. Pothan Joseph [(1960) 3 SCR 713 : AIR 1960 SC 1156] : (SCR 721)

“... These principles are well established, but as has been observed by Viscount Simon in Charles Oseinton & Co. v. Jhanaton [1942 AC 130] ‘...the law as to the reversal by a court of appeal of an order made by a judge below in the exercise of his discretion is well established, and any difficulty that arises is due only to the application of well settled principles in an individual case’.”

The appellate judgment does not seem to defer to this principle.”

15. The following emails and documents have also been relied upon by the parties:-

DATE AND TIME	FROM WHOM	TO WHOM	CONTENT OF EMAIL
06.05.2013 (11:52 a.m.)	MINDWAVE	MAAN	Dear Mr. Pushpak, As per the meeting with you on 3 rd May, I request you to mail the exact costing and required documents for buprenorphine third party mfg.



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07.05.2013 (11:09 a.m.)	MAAN	MINDWAVE	Working on the costing. You should have it latest between Wednesday and Thursday. Also list of documents and contract should be ready by weekend.
07.05.2013 (11:43 a.m.)	MINDWAVE	MAAN	Ok.
09.05.2013 (6:43 p.m.)	MINDWAVE	MAAN	Dear Mr. Pushpak, This is just a soft reminder regarding the below mentioned query.
13.05.2013 (3:14 p.m.)	MINDWAVE	MAAN	Dear Pushpak, Reminding you for below mentioned query.
13.05.2013 (4:23 p.m.)	MAAN	MINDWAVE	am in the hospital today. Will send the costing tomo.
13.05.2013 (4:26 p.m.)	MINDWAVE	MAAN	Ok. Hope everything is fine. take care.
21.05.2013 (3:23 p.m.)	MAAN	MINDWAVE	Dear Mr. Praveen, The 0.4 mg strength for 10x10 will cost Rs.200 ex factory (without excise) Regards
21.05.2013 (5:42 p.m.)	MINDWAVE	MAAN	Dear Mr Pushpak, I am ok with the rates. You are requested to mail the requirements to place the P.O.
22.05.2013 (6:11 p.m.)	MINDWAVE	MAAN	Dear Mr Pushpak, MRP for Tab. Buproex 0.4 mg would be Rs. 8/Tab. and batchsize would be two lacs Tab.



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30.05.2013 (5:32 pm)	MAAN	MINDWAVE	Please find the agreement for your perusal. Regards. [ptop.doc 82K]
30.05.2013 (6:15 p.m.)	MAAN	MINDWAVE	[2 attachments Buprenorphine Tablets New.pdf 3456K Buprox Tablets.pdf 1804K]
30.05.2013 (6:25 pm)	MINDWAVE	MAAN	Designs are ok.
01.06.2013 (7:45 p.m.)	MINDWAVE	MAAN	Dear Pushpak, Few changes are required in the agreement draft. 1. Buproex range is brand of Mindwave Healthcare Pvt. Ltd. and Mindwave (Fluvoxamine) range is brand name of Brainwave Healthcare Pvt. Ltd. so two different affidavits are required for these brands. 2. Kindly change MRP of Buproex 0.4 mg to rs 7.50/tab. Rest is ok to me.
01.06.2013 (7:46 p.m.)	MINDWAVE	mrs.kushmonika@gmail.com	[ptop.doc 82K]



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28.06.2013 (9:32 a.m.)	MINDWAVE	Deepak Kumar <deepmace@gmail.com>	---Forwarded message--- From: Pushpak Ranka <pushpak@maanpharmaindia.com> Date: Thu, 30 May, 2013, 5:33 pm Subject: agreement To: Mindwave Healthcare <mindwavehealthcare@gmail.com>
21.07.2016 (6:15 p.m.)	MAAN	MINDWAVE	Praveenji Kindly find encl documents as discussed with Pushpak. --- Hemendra Patel Maan Pharmaceuticals Ltd. [3 attachments AFFIDAVIT-ASSIGNOR.doc 40K ASSIGNMENT DEED.doc 64K RECEIPT OF CONSIDERATION.docx 15K]
30.08.2016 (4:25 p.m.)	MAAN PHARMA (Pushpak Ranka)	MINDWAVE (Parveen Sharma)	----- [buproex update.doc 84K]
30.08.2016 (5:47 p.m.)	MINDWAVE (Parveen Sharma)	VIMAL MEHTA	Forwarded above email ----- - [buproex update.doc 84K]
07.09.2016 (1:15 p.m.)	MAAN	MINDWAVE (Parveen Sharma)	[4 attachments ASSIGNMENT DEED.doc 64K AFFIDAVIT-ASSIGNEE.doc 37K AFFIDAVIT-ASSIGNOR.doc 39K RECEIPT OF CONSIDERATION.docx 15K]



07.09.2016 (4:53 p.m.)	MINDWAVE (Parveen Sharma)	Ravinder AC (Brainwave)	---Forwarded message--- From Pushpak (MAAN) Subject: FW: ASSIGNMENT OF TRADEMARK To Parveen Sharma (MINDWAVE) [4 attachments ASSIGNMENT DEED.doc 64K AFFIDAVIT-ASSIGNEE.doc 37K AFFIDAVIT-ASSIGNOR.doc 39K RECEIPT OF CONSIDERATION.docx 15K]
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16. A perusal of the emails exchanged between the parties, *prima facie*, shows that MINDWAVE had approached MAAN for the purpose of third-party manufacturing. In the year 2013, MINDWAVE had further followed up with MAAN regarding the costing of the product. From the pleadings, it thus, appears that MAAN had thereafter, carried out the manufacturing till the year 2016 and further, certain e-mails had been exchanged between the parties, wherein some draft agreements were exchanged. However, admittedly, the said draft agreements were not agreed between the parties and were therefore, not signed.

17. The P to P Agreement exchanged between the parties in the year 2013, categorically, mentions that MINDWAVE is the registered brand owning company for the product 'BUPROEX'. Even though MAAN



has disputed the execution of the said agreement, the fact is that MAAN was manufacturing the product with the trademark 'BUPROEX' as a manufacturer. The factum of an agreement between the parties is not only seen from the signed agreements but also from the conduct of the parties. When the exchange of emails is accepted and the contents of the draft agreement were acted upon, it *prima facie*, points to the validity of the P to P Agreement. Some proposed assignment deeds were also exchanged between the parties proposing the assignment of the trademark in favour of MAAN, however, admittedly, the same was not acted upon.

18. The reliance placed by MAAN on the alleged Agreement dated 19.01.2016, is also misplaced, for several reasons.

19. The reliance placed by MAAN on the Agreement dated 19.01.2016, which allegedly grants MINDWAVE an exclusive right to market the product with the mark 'BUPROEX' and stipulates that MAAN is the owner of the mark 'BUPROEX', is misplaced. It is an admitted fact that the assignment deeds were sent by MAAN vide emails dated 21.07.2016 and 07.09.2016. Had the Agreement dated 19.01.2016 been executed, there was, in fact, no requirement for signing of the assignment deeds, as sent by MAAN in its emails dated 21.07.2016 and 07.09.2016. Therefore, the Agreement dated 19.01.2016, *prima facie*, does not inspire confidence. MAAN admittedly continued to manufacture the drug in question up to the year 2021 as a manufacturer on the earlier terms and conditions.

20. The Agreement dated 19.01.2016 also does not inspire confidence for the reason that no party would assign a valuable right in



favour of another person, without any consideration. It also does not mention or record as to how one Shri Praveen Sharma was authorised to execute the said agreement. It is pointed out that Shri Praveen Sharma was only holding 33% shares in MINDWAVE and could not have signed the said agreement on behalf of the company.

21. In ***Poysha Power Generation Pvt. Ltd. v. Doctor Morepen Limited & Anr.***: 2006 SCC OnLine Del 1665, the plaintiff had claimed assignment of a mark in its favour by the defendant, however, the defendant had objected to the same by stating that a mark which was bought by them for ₹8.95 crores could not have been assigned for only ₹20 Lakhs. After considering the rival submissions, a Single Bench of this Court had held as under:-

“38. Since the details of the transaction entered into between The Boots Company plc and Knoll AG in 1985 are not before me, it would be inappropriate to comment on it. Moreover, there is nothing to indicate, one way or another, why the trademark BURNOL was assigned for as little as US \$ 100/-. Quite clearly, there must be some other consideration about which there is nothing on record. The fact, however, remains that in December, 2001 Reckitt Piramal Ltd. assigned the trademark to Dr. Morepen for Rs. 8.95 crores. It is unthinkable that, all things being equal, Dr. Morepen should assign that trademark barely 2 1/2 years later to Poysha for a paltry amount of Rs. 20 lakhs. There is nothing on record that has been shown by Poysha to suggest that the value of the trademark has crashed to such an extent. The value of the trademark may not have been increased to Rs. 12 crores as contended by learned counsel for Dr. Morepen, but in the absence of any material to show that the value had crashed, it must be assumed that the value of the trademark BURNOL remained more or less steady between December, 2001 and April, 2004. If that assumption is correct (and there is nothing to contradict that assumption) it does not stand to reason why Dr. Morepen should assign the trademark to Poysha for only Rs. 20 lakhs.”



22. It is an admitted fact that the trademark 'BUPROEX' is registered in favour of MINDWAVE, and no reason have been given by MAAN as to why a proprietor of a trademark would allow another party to appropriate the trademark without any consideration.

23. The defence that the mark 'BUPROEX' belongs to MAAN and not MINDWAVE, therefore, *prima facie*, appears to be not genuine.

24. The learned Commercial Court rightly held that the veracity of the document would be seen only after the evidence is led. However, for the purpose of deciding an application under Order XXXIX Rules 1 and 2 of the CPC, documents relied upon by MAAN are not of such nature, which inspire confidence and can be relied upon at this stage.

25. Various emails and documents filed by MINDWAVE along with the suit, which were not denied, at least *prima facie*, show that MAAN was manufacturing the drug on instructions from MINDWAVE and was therefore, a third party manufacturer or a contract manufacturer on the terms and conditions agreed between MAAN and MINDWAVE.

26. As discussed above, the emails and correspondence between the parties, is a well-recognized mode to reach the conclusion that the parties had agreed to act in a certain manner, in accordance with the said agreement and MINDWAVE is a registered proprietor of the trademark 'BUPROEX' and has been continuously using the said trademark for several years.

27. In view of the above, we find no infirmity with the reasoning given by the learned Commercial Court. Thus, the present appeal is,



accordingly, dismissed. All the pending applications are also disposed of.

28. This Court has expressed a *prima facie* opinion and it is clarified that nothing stated in this order shall be construed as an expression of opinion on the merits of the case. All rights and contentions of the parties are reserved.

AMIT MAHAJAN, J

VIBHU BAKHRU, J

SEPTEMBER 12, 2022

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