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

Date of Decision: 10.11.2022

+ **FAO-IPD 48/2021 & CM APPL. 41667/2019**

INDIANA OPHTHALMICS

..... APPELLANT

Through: Mr.Mohan Vidhani, Ms.Elisha
Sinha, Mr.Prakhar Singh, Advts.

versus

SAPIENT LABORATORIES (P) LTD RESPONDENT

Through: Mr.Ashok Mittal, Mr.V.K.Puri,
Mr.Varshesh Khurana, Advts.

CORAM:

HON'BLE MR. JUSTICE NAVIN CHAWLA

NAVIN CHAWLA, J. (Oral)

1. This appeal has been filed by the appellant challenging the order dated 13.08.2019 passed by the learned Additional District Judge- -02, South West District, Dwarka Courts (hereinafter referred to as the 'Trial Court'), in suit filed by the respondent being TM No.8/2019 and the counter claim of the appellant being CC No.21/2019, disposing the application filed by the respondent under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (in short 'CPC') and application filed by the appellant under Order XXXIX Rule 4 of the CPC; and application under XXXIX Rules 1 and 2 of the CPC filed by the appellant in its counter claim, while directing the parties

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FAO-IPD 48/2021

to file an affidavit disclosing the exact stock and valuation of the product packaging with their respective marks **HYLUFRESH** and **HYLOFRESH** within a period of four weeks.

BRIEF FACTS:

2. The respondent had filed the above suit claiming itself to be the registered proprietor of the marks **HYLUFRESH** used for manufacturing and selling of eye drops. The respondent is aggrieved of the adoption of the trade mark **HYLOFRESH** by the appellant herein for the identical product, that is, eye drops.

3. An *ex parte ad interim* order of injunction was passed in favour of the respondent by the learned Trial Court on 28.05.2019. The appellant filed an application under Order XXXIX Rule 4 of the CPC seeking vacation of this order. The appellant also filed a counter claim along with an application Order XXXIX Rule 1 and 2 of the CPC, claiming itself to be the prior user, and praying for an interim injunction against the respondent from using the mark **HYLUFRESH**.

4. The learned Trial Court has disposed of the above applications by way of the impugned order.

SUBMISSIONS OF THE APPELLANT:

5. The appellant has challenged the impugned order to the limited extent that the application of the appellant under Order XXXIX Rules 1 and 2 of the CPC has not been allowed and the respondent has not been restrained from using the mark **HYLUFRESH** for its product that is, eye drops.

6. The learned counsel for the appellant submits that the learned Trial Court, having found the marks of the appellant and the respondent to be deceptively similar to each other and being used for the same pharmaceutical product, that is eye drops, as also that the appellant was the prior user of its mark, applying the test of triple identity, an *ad interim* injunction in favour of the appellant and against the respondent should have been granted.

7. He submits that there are contradictory findings of the learned Trial Court, inasmuch as, while the learned Trial Court accepts the claim of the appellant being the prior user of the mark for purposes of vacating the ad-interim injunction against the appellant, holds that the same shall have to be proved for denying the ad-interim injunction in favour of the appellant and against the respondent. In this regard, he draws my reference to the observations of the learned Trial Court in paragraphs 95 and 96 of the impugned order, reproduced hereinunder:

“95. The suit of the plaintiff is based on a registered trade mark HYLUFRESH and whereas, the counter claim of the defendant/counter claimant is on the basis of an unregistered trade mark. The defendant/counter claimant has sought inter alia relief of passing off against the plaintiff. In passing off, the first and foremost issue that deserves adjudication is the question of prior use and thereafter, reputation and goodwill. I am of the considered view that a prima facie proof of validity of a trade mark is different from prima facie proof of infringement. It is

observed that the defendant/counter claimant not only in its written statement, counter claim has averred but also has placed on record list of documents and documents to substantiate its defence and counter claim of prior use. This court on 28.05.2019 passed an. ex pane ad-interim order against the defendant/counter claimant restraining the defendant from using the trade mark HYLUFRESH (sic). Subsequently, on the appearance of defendant/counter claimant, the defence urged by the defendant/counter claimant of prior usage of the impugned trade mark to that of the plaintiff's trade mark, I deem appropriate to vacate the order dated 28.05.2019, as the defendant cannot be restrained from using the impugned trade mark i.e. HYLOFRESH, being a prior user to that of the plaintiff's trade mark.

96. With regard; to the application moved by the defendant/counter claimant under Order XXXIX Rule 1&2 CPC enjoining the plaintiff from using the trade mark HYLUFRESH, I am not inclined to pass any order granting interim protection, as the defendant/counter claimant has yet to lead evidence to prove its case of prior use and withstand the rigors of trial."

(Emphasis supplied)

8. On a query being put to the learned counsel for the appellant that as the learned Trial Court in the impugned order has also found the marks of the appellant and the respondent being based on the non-proprietary name of the drug- Sodium Hyaluronate, whether the appellant can seek any exclusive right to use part of such non-proprietary name; the learned counsel for the appellant, placing reliance on the judgment of the Supreme Court in **Neon Laboratories Ltd. vs. Medical Technologies Ltd. & Ors.**, (2016) 2 SCC 672, and of this Court

in *The Himalaya Drug Company vs. S.B.L. Limited*, 2012 SCC OnLine Del 5701 and *Alkem Laboratories Ltd. vs. Dr.Reddys Laboratories Ltd. & Ors.*, CS(COMM) 506/2021 , submits that an action of passing off is still maintainable, and an order of injunction shall follow for the prior user of the mark.

SUBMISSIONS OF THE RESPONDENT:

9. On the other hand, the learned counsel for the respondent submits that the respondent is the registered proprietor of the mark **HYLUFRESH**. Such registration has been granted under application no.3303107 on 07.03.2018, with effect from 05.07.2016. The respondent has been using the said mark since 01.04.2016. He challenges the claim of the appellant of the use of its mark **HYLOFRESH** since 17.12.2015 as claimed.

ANALYSIS AND FINDINGS:

10. I have considered the submissions made by the learned counsels for the parties.

11. At the outset, it is important to note that the following findings of the learned Trial Court are not challenged by the appellant:-

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“72. I would like to delve into the origin of the prefix of the plaintiff's trade mark and the impugned trade mark for better understanding and clarity. Sodium hyaluronate is the sodium salt of hyaluronic acid, a glycosaminoglycan found in various connective tissue of humans. It is not out of place to mention herein that the human eyes have a transparent membrane

*enclosing the vitreous humour of the eye, which is known as hyaloid membrane.*¹⁸

73. *Hyaluronic acid has hyaluronate as its base and is also called hyaluronan. Hyaluronic acid is an anionic, non-sulfated glycosaminoglycan distributed widely throughout connective epithelial and neural tissues. Hyaluronic acid is a main component of the extra-cellular matrix, and has a key role in tissue regeneration, inflammation response, and angiogenesis, which are phases of skin wound repair.*¹⁹ *Thus, the first part of both the trade marks in question is traced to 'hyaluronate' or 'hyaluronic acid'."*

12. In ***Sun Pharmaceutical Laboratories Ltd. v. Hetero Healthcare Ltd. & Anr.***, 2022 SCC OnLine Del 2580, a Division Bench of this Court has recently held that the mark adopted therein being derived from the International Non-proprietary Names, *prima facie*, is not entitled to a protection by way of an injunction.

13. In ***Neon Laboratories Ltd. (supra)***, the Supreme Court held that the claim of exclusivity of user should normally partake of a new creation, or if it is an existing word, it should not bear descriptive characteristics so far as the product is concerned; at the same time, an action of passing off would still lie. It was held that the fact that the other party commences user of the trade mark almost simultaneously with or even shortly after the party who complains of such user and is also the

registered proprietor of the said mark, would be an important consideration, and such party may not be enjoined.

14. In *Himalaya Drug Company (supra)*, this Court reiterated that the mere fact that the word is derived from the name of the salt does not mean that it loses protection for all times to come. Whether a mark is a 'generic word' or is '*publici juris*' is a question of fact and if the word has attained distinctiveness as a mark of a particular party, the distinctiveness is entitled to recognition. The above judgment was followed in *Alkem Laboratories Ltd. (supra)*.

15. In the present case, not only the marks of the parties are derived from an active ingredient- Sodium Hyaluronate, but also, the user claimed by the parties is not for a long period prior to the filing of the suit. The appellant claims the user since November, 2015, while the suit was filed by the respondent in 2018. On the other hand, the respondent claims the user since April, 2016, though he has filed invoices on record since March, 2018. Whether the appellant has acquired any goodwill or reputation in its mark, inspite of the same being based on the active ingredient, shall have to be determined on evidence led by the parties. The respondent is also the registered proprietor of the mark with a user claim of 05.07.2016, while the appellant does not hold any registration for its mark. Therefore, what appellant claims is an order of restraint against the registered

proprietor of the mark. For the same, the appellant shall also have to show goodwill and reputation in his mark.

16. In these peculiar facts, in my opinion, the learned Trial Court was correct in its approach to leave it for the parties to lead evidence in support of their claim of user.

17. I find that there is also no contradiction in the findings of the learned Trial Court, as claimed by the learned counsel for the appellant in this regard, inasmuch as the learned Trial Court, while rejecting the claim of the respondent for an injunction, held that the appellant has at least *prima facie* been able to show its user of the mark since 2015, that is, prior to the respondent. This finding was necessary for declining the interim injunction to the respondent. While, for refusing an injunction in favour of the appellant herein, the learned Trial Court states that this user, though *prima facie* evident, would need to be proved by way of evidence. The claim of prior user would also have to be tested against the registered proprietor of the mark. No fault can be found with the above approach of the learned Trial Court.

18. In *Wander Ltd. and Another v. Antox India P. Ltd.*, 1990 (Supp) SCC 727, the Supreme Court observed that in an appeal arising out of exercise of discretionary jurisdiction, the appellate court would not interfere with exercise of jurisdiction of the court of the first instance and substitute its own discretion, except where the discretion has been shown to be exercised arbitrarily or capriciously or perversely or where the

court has ignored certain principles of law regulating the grant or refusal of interlocutory injunctions. The appellate court will not re-assess the material and seek to reach to a conclusion different from the one reached by the court below, if the one reached by that court was reasonably possible on the material. If the discretion has been exercised by the learned Trial Court reasonably and in judicial manner, the fact that the appellate court would have taken a different view may not be justified in interfering with the decision of the Trial Court.

19. Applying the above test to the facts of the present case, I find no merit in the present appeal. The same is dismissed.

20. The application is disposed of as infructuous.

21. There shall be no order as to costs.

NOVEMBER 10, 2022
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NAVIN CHAWLA, J