

\$~14

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

Date of Decision: 10th April, 2023

+ **CS(COMM) 544/2022 & I.A. 12582/2022**

LEEFORD HEALTHCARE LIMITED Plaintiff

Through: Mr. Neeraj Grover, Ms. Ayushi Chandra, Mr. Kashish Sethi and Ms. Sunidhi Gupta, Advocates.

versus

VOBB HEALTHCARE & ORS. Defendants

Through: *Ex-parte*.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

JUDGMENT

SANJEEV NARULA, J. (Oral):

1. The Plaintiff has filed the instant suit seeking permanent injunction

restraining infringement of registered trademark “ **Dermiford**” and

passing off of “ **Neo Dermiford** Cream” and “ **New Dermiford** Cream”

[collectively, “**DERMIFORD marks**”], unfair competition and other ancillary reliefs of delivery up and damages.

BRIEF FACTS

2. Plaintiff is engaged in the business of development, manufacture and marketing of branded generic pharmaceutical products such as tablets, ointments, liquids etc. since the past 17 years. In 2005, Plaintiff's predecessor – Ms. Neha Gupta coined and adopted trademark "LEEFORD" for their medicinal, pharmaceutical, sanitary and veterinary preparations, dietic substances, plasters and dressing material, disinfectants etc. In the course of business, Plaintiff adopted various sub-marks/brands with the suffix "FORD", several of which are registered in their favour.¹ This 'family of FORD marks' has been continuously and extensively used and promoted by Plaintiff since 2005; they have generated significant revenue ranging up to Rs. 1060.98 crores in the year 2020-21 from sales of products under the said marks.²

3. In 2016, Plaintiff coined and adopted the trademark "DERMIFORD" for medicinal cream, comprising of letters "DERM" from dermatology and the suffix "FORD" from the FORD family of marks, joined with letter "I", thus, making the resultant term inherently distinctive. Plaintiff possesses



registration of "Dermiford" mark w.e.f. 12th February, 2016, of which the prominent feature is the word "DERMIFORD".³ This registration was associated with Plaintiff's wordmark "LEEFORD" bearing trademark applications No. 1681954 and 1770773. Trademark Application No.

¹ Details of registrations are set out in paragraph No. 8 of the plaint.

² Total turnover and advertisement expenses since financial years 2008-09 is mentioned in paragraph No. 9 of the plaint.

³ Under application No. 3184968.

1681954 was registered in the name of Plaintiff's sister concern, who has since surrendered the same.

4. The Plaintiff modified the formulation for its products in October,



2018 and commenced sale of their products under “” mark. Later, in December, 2018, the prefix “NEO” was changed to “NEW”



and the modified packaging bore “” mark.

5. It is contended that owing to long, continuous and extensive use of FORD family of marks, Plaintiff has garnered tremendous goodwill and reputation amongst the consumers and members of trade. The products bearing DERMIFORD marks are exclusively associated with the Plaintiff.

6. In February, 2022, Plaintiff learnt of use of trademark

“” in respect of identical goods *i.e.*, medicinal creams.

Upon further inquiry, Plaintiff discovered that these products were being manufactured by Defendant No. 1 – M/s Vobb Healthcare and marketed by Defendant No. 3 – M/s Concept Biosciences. Defendant No. 1 has also filed



an application for registration of the mark “” on 07th February, 2022,⁴ on a proposed-to-be-used basis, which is currently objected to by the Trademarks Registry. Plaintiff issued a cease and desist notice to Defendants No. 1 and 3 on 04th March, 2022, to which a reply was received from Defendants No. 2 and 4, which are associated companies/sister

concerns of Defendants No. 1 and 3, respectively, wherein they disputed Plaintiff's rights over DERMIFORD marks. Thereafter, on 19th July, 2022, Defendant No. 3 moved an application for registration of the trademark

 under application No. 5536432, on a proposed-to-be-used basis. On 27th July, 2022, representatives of Plaintiff procured samples

of medicinal creams being sold under the impugned  mark.

7. In the above circumstances, Plaintiff has approached this Court

seeking restraint of use of  and  trademarks [collectively, "*impugned marks*"], contending that same are nearly identical/ deceptively similar to Plaintiff's DERMIFORD marks and thus, resulting in public confusion and violation of Plaintiff's statutory and common law rights.

PROCEEDINGS IN THE SUIT

8. On 08th August, 2022, an *ex-parte* ad-interim injunction was granted in Plaintiff's favour as follows:

"22. Having considered the submissions made by the learned counsel for the plaintiff, perused the plaint and the documents filed therewith, I am of the opinion that the plaintiff has been able to make out a good prima facie case in its favour. The plaintiff is not only the registered proprietor of the mark of which DERMIFORD is the predominant part, but also the proprietor of the mark with its prior adoption and use. The balance of convenience is also in favour of the plaintiff and against the defendants.

23. The plaintiff is likely to suffer grave injury in case ad-interim injunction is not granted in favour of the plaintiff. This is more so as the goods in question are

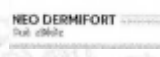
⁴ Under Application No. 5316996 in class 5.

medicinal and the defendants, on its own showing, has only recently entered the market.

24. Accordingly, the defendants, their directors/ proprietors/ partner, their agents/ stockiest(s) / dealers, representatives and/ or others acting for and on their behalf are by way of this ad-interim order restrained from manufacturing, selling, offering for sale any goods under the marks NEO DERMIFORD  /

NEO DERMIFORD/  and/ or any other marks/trade dress as may be identical and/ or deceptively similar and/ or phonetically similar and/or

structurally similar to the plaintiff's registered trademark  amounting to infringement thereof; and also from manufacturing, selling, offering for sale any goods/ services under the impugned marks NEO DERMIFORD/

/NEO DERMIFORD  or any other marks / trade dress which may be identical and/ or deceptively similar to the trade marks

DERMIFORD ,  and of the plaintiff, and from reproducing the said marks in any manner on its packaging(s) or website or advertisement/publicity material amounting to passing off of the defendant's goods and/ or business as those of the plaintiff, till further orders.”

9. Defendants’ right to file written statement(s) has been closed *vide* order dated 22nd March, 2023 as they failed to file the same within the permissible time period prescribed under the Code of Civil Procedure, 1908 as amended by the Commercial Courts Act, 2015 [“CPC”].

ANALYSIS AND FINDINGS

10. Since none has appeared for Defendants despite service, they are proceeded *ex-parte*. As noted above, their right to file a written statement stood closed on 22nd March, 2023. Apropos infringement and passing off of Plaintiff’s DERMIFORD marks, a comparison of the rival marks and product packaging is as follows:

<u>PLAINTIFF'S MARKS</u>	<u>DEFENDANTS' MARKS</u>
 The plaintiff's marks include the 'Leoford' logo in a blue oval, the 'Dermiford' brand name in large blue letters, and two variations of the product name: '[Neo] Dermiford Cream' and '[New] Dermiford Cream'. Below these are images of the product boxes, which are white with green and blue accents, showing the ingredients: Ketoconazole, Neomycin, Idoxylhydroquinoline, Toltrathate & Clotabesol Propionate Cream.	 The defendants' marks include the 'NEO DERMIFORT' logo in blue letters with three horizontal lines to the right, and the 'Dermiford' logo in blue letters with three horizontal lines to the right. Below these are images of the product boxes, which are white with green and blue accents, showing the ingredients: Ketoconazole, Toltrathate, Clotabesol Propionate, Neomycin & Idoxylhydroquinoline Cream.

11. As can be seen from the above, the conflicting marks when contrasted, exhibit negligible differences. The dominant feature of Plaintiff's marks is the word "DERMIFORD", which is used in conjunction with either their house mark "LEEFORD" or the terms "NEO" and "CREAM". This dominant feature has been evidently imitated in the impugned marks, which use "DERMIFORT"/ "DERMIFORD". There is structural and phonetic similarity between the two words, which is likely to deceive the consumers. The packaging also bears overall resemblance and the placement and font size of marks and list of ingredients on the front-facing part of the products is also alike. The difference in the names of manufacturers [Leeford for Plaintiff and Concept Biosciences for Defendants] mentioned on packaging and the products, is likely to skip the eye of an average consumer with imperfect recollection, considering the striking similarities between the rival products. The goods in question are medicinal creams used in respect of skin related ailments. Given the deceptive similarity, if DERMIFORD cream is advised/ prescribed, there is a high probability that the consumers who associate Plaintiff's products with the trademark "DERMIFORD" would mistake Defendants' impugned goods as Plaintiff's product.

12. Plaintiff has been able to establish their continuous commercial use of DERMIFORD marks, since 2016. Plaintiff's registration of the trademark


“Dermiford”, has user claim relating back to 01st February, 2016. *Per*
contra, Defendants' applications for  ” and



“” was filed on a proposed-to-be-used basis, implying that the same had not been put to commercial use as on the date of application. Thus, Plaintiff is evidently the prior user of the DERMIFORD marks.

13. Although there is no written statement, yet the Court has considered it apposite to deal with Defendants’ stand in their reply dated 14th March, 2022 issued in response to Plaintiff’s cease-and-desist notice. The primary defence is that since the wordmark “LEEFORD”, which was associated with trademark application No. 1681954 registered in the name of Plaintiff’s sister concern, has been voluntarily cancelled, no proprietary right can be



claimed in “”. This defence does not bear any merit. Irrespective of association with trademark applications No. 1681954 and 1770773, Plaintiff’s rights flowing from registration of the



“”, are independent and are not invalidated with cancellation of the associated mark “LEEFORD”. Further, Mr. Neeraj Grover, counsel for Plaintiff, has clarified that Plaintiff has not claimed exclusivity over the term “DERM” and Plaintiff’s right is in respect of the coined work “DERMIFORD”, which as discussed above, comprises of the suffix “FORD”, adopted as a part of Plaintiff’s FORD family of marks.

14. Based on the foregoing, and taking into account Plaintiff’s pleadings and documents, the Court is of the opinion that Plaintiff has been able to

demonstrate that Defendants adopted the impugned marks subsequent to them. Their adoption was dishonest, and their use of the impugned marks



constitutes as infringement of Plaintiff's " " mark. The adoption by Defendants of a packaging that is deceptively similar to the Plaintiff's, also depicts their apparent intent of capitalizing on the goodwill of Plaintiff's DERMIFORD marks. Resultantly, Defendants' use of the impugned marks has tarnished the Plaintiff's reputation and goodwill, and thus, Defendants are also guilty of passing off their products as the Plaintiff's.

15. Despite full knowledge, the Defendants have not contested the suit and have not filed their written statement(s). On the basis of documents and pleadings, the Court is satisfied that the Plaintiff is entitled to a judgment in accordance with Order VIII Rule 10 of the Code of Civil Procedure, 1908. Further, in the opinion of the Court, facts narrated in the plaint, which are accompanied with documents, do not require Plaintiff to lead evidence to prove their case.

RELIEF

16. Mr. Grover states that he does not press for prayers mentioned in paragraph No. 46 (c), (e) and (f) of the plaint and requests for decree in terms of reliefs contained in paragraph No. 46 (a), (b), (d) and (h) of the plaint.

17. The suit is decreed in favour of Plaintiff and against Defendants in terms of paragraph No. 46 (a) and (b) of the plaint. As regards, prayer (d), as

the Court has already injuncted the Defendants from using the impugned marks or any other mark deceptively similar mark to Plaintiff's DERMIFORD marks, the said prayer is allowed and Defendants No. 1 and 3 are directed to withdraw their respective trademark applications for



registration of “ ” and “ ” marks. Plaintiff shall further be entitled to costs amounting to Rs. 5 lakhs, recoverable jointly and severally from Defendants No. 1 to 4, which shall cover the court fees as also the counsel's fee. Plaintiff shall file a certificate of counsel's fee, within a period of four weeks from today.

18. Decree sheet be drawn up.

19. Suit and pending application stand disposed of.

SANJEEV NARULA, J

APRIL 10, 2023

d.negi

(Corrected and released on 25th April, 2023)