

## Khursheed Anwar Mohammad Ali and Others Vs Merit Healthcare Pvt. Ltd.

**Court:** Bombay High Court

**Date of Decision:** Jan. 5, 2015

**Acts Referred:** Civil Procedure Code, 1908 (CPC) - Order 40 Rule 1

**Citation:** (2015) 61 PTC 457

**Hon'ble Judges:** S.C. Gupte, J

**Bench:** Single Bench

**Advocate:** Alankar Kirpekar and Janjire i/b. MAG Legal, for the Appellant; Mahesh Mahadgut, Advocates for the Respondent

### Judgement

S.C. Gupte, J.

The Notice of Motion is taken out by the Plaintiffs in a passing off suit, claiming appointment of Court Receiver for taking

possession and control of the impugned goods and seeking a temporary injunction restraining the Defendant from passing of its goods as those of

the Plaintiffs. By consent of the learned Counsel for the parties, the Motion is taken up for final hearing at the stage of the ad-interim application. In

or about 2000, Plaintiff No. 1 had started the business of export and trading of pharmaceutical and medicinal products. Plaintiff No. 1 is the

Promoter and Managing Director of Plaintiff No. 2. The Plaintiffs inter alia manufacture and market sildenafil citrate tablets used for treating the

male erectile dysfunction. It is the case of the Plaintiffs that in February 2010, the Plaintiffs conceived the idea of the mark ""PUREGREY-100"" for

marketing these tablets and engaged the services of a designer for designing the distinctive carton for their goods. The Plaintiffs rely upon the Deed

of Assignment signed with the designer on 5 August 2010. It is the case of the Plaintiffs that the Plaintiffs have, after getting the carton designed

with the trade mark PUREGREY-100 as an important constituent thereof, started selling their goods, namely, sildenafil citrate tablets, under the

trade mark PUREGREY-100 with the use of the carton specially designed for the same. The Plaintiffs rely upon the particulars of their sales from

June 2011 to July 2014. The aggregates sales are to the tune of Rs. 5.96 crores. It is the case of the Plaintiffs that in October 2014, the Plaintiffs

came to know about the Defendant's goods, namely, sildenafil citrate tables of 100 mg potency under the mark POWERGRA-100 with a similar

carton. On 11 October 2014, the Plaintiffs sent a cease and desist notice to the Defendant, which was replied by the Defendant on 10 November

2014. It is claimed by the Defendant in its reply that the Defendant is an exporter of all these goods and that the trade mark POWERGRA

together with its art work has been provided to the Defendant by its overseas buyers. It is the case of the Defendant that the trade mark together

with the art work has been in existence and use by the overseas buyers prior to December 2010. In these premises, the Plaintiffs have filed the

present suit in November 2014.

2. Learned Counsel for the Plaintiffs submitted that the Plaintiffs conceived and adopted the trade mark PUREGREY-100 in or about February

2010. The Plaintiffs devised the distinctive carton for marketing their goods under the trade mark by entering into an agreement with a designer and

after getting the distinctive carton designed for marketing their goods with the trade mark being displayed in it, have been marketing their goods

since June 2011. It is submitted that by reason of the extensive sales of the Plaintiffs' goods under the trade mark PUREGREY-100 and with the

use of the carton, the said carton together with its colour scheme and trade dress together with the trade mark PUREGREY-100 have come to be

associated exclusively with the Plaintiffs' goods and have acquired an enormous reputation and goodwill. It is submitted that the Defendant has

dishonestly adopted the mark POWERGRA-100 together with the design, colour scheme, layout and get up of the Plaintiffs' carton with an

intention of passing off their pharmaceutical preparations as those of the Plaintiffs. It is submitted that the Plaintiffs' goods are sold in overseas

market where people are not affluent with English language and hence, the chances of the trade mark POWERGRA-100 being confused with the

Plaintiffs' trade mark PUREGREY-100 are very high. It is submitted that the confusion is likely to be compounded by a similar looking carton and

packaging displaying the entire trade dress together with the colour scheme and distinctive elements of the design essentially similar to the ones

used by the Plaintiffs. Learned Counsel relied upon the judgments in the cases of Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd., AIR

2001 SC 1952 : (2001) 4 JT 243 : (2001) 3 SCALE 98 : (2001) 3 SCALE 392 : (2001) 5 SCC 73 : (2001) 2 SCR 743 : (2001) 1 UJ 669 :

(2001) AIRSCW 4805 : (2001) AIRSCW 1411 : (2001) 3 Supreme 1 : (2001) 8 Supreme 279 and Neon Laboratories Ltd. v. Themis

Medicare Ltd. Notice of Motion (L) 827/2014 in Suit (L) No. 336/2014 decided 16.9.2014.

3. On the other hand, learned Counsel for the Defendant submits that the Plaintiffs themselves have violated and copied their mark PUREGREY-

100 from an existing mark POWERGRA, which is registered as of 15 May 2002 in Clause 5 in relation to medicinal and pharmaceutical

preparations and of which M/s. Umedica Laboratories Ltd. are the registered proprietors in India. It is submitted that the Plaintiffs' conduct being

thus tainted and they themselves being infringers of a registered trade mark, no protection ought to be afforded to the Plaintiffs. Secondly, it is

submitted that the Plaintiffs are not the owners of copyright in the art work of their carton and packaging. It is submitted that the art work depicts a

male and female; the models used in the art work have not assigned any right to the picture depicted on the label to the Plaintiffs. It is submitted

that despite the Defendant's calling upon the Plaintiffs to produce proof of any assignment from the models, the Plaintiffs have omitted to produce

any such assignment. Thirdly, it is submitted that the Defendant is only a manufacturer, who has been producing the goods and using the mark

POWERGRA-100 together with the design of the label at the instance of its overseas buyer. It is submitted that the trade mark POWERGRA-

100 together the particular design of the carton or label has been in use by this overseas buyer since 2008. Relying on the proprietorship of the

overseas buyer of the trade mark and the packaging used in connection with it, it is submitted that firstly, the present suit is bad for non-joinder of

the overseas buyer as a necessary party and secondly, there has been an honest and concurrent user of the trade mark by the overseas buyer.

Learned Counsel relied upon the judgments of our Court in the cases of Ipca Laboratories Ltd. Vs. Savita Pharmaceuticals Pvt. Ltd., (2002) 6

BomCR 696 : (2002) 4 MhLj 407 , Ayushakti Ayurved Pvt. Ltd., Dr. Pankaj Naram and Dr. (Mrs.) Smita Naram Vs. Hindustan Lever Limited,

(2003) 3 ALLMR 421 : (2003) 5 BomCR 523 : (2003) 4 MhLj 915 : (2004) 28 PTC 59 and a judgment of the Supreme Court in the case of

Milmet Oftho Industries and Others Vs. Allergan Inc., (2004) 121 CompCas 486 : (2004) 170 ELT 260 : (2004) 28 PTC 585 : (2004) 5

SCALE 772 : (2004) 12 SCC 624 : (2004) 2 SCR 586 Supp : Milmet Oftho Industries and Others Vs. Allergan Inc., (2004) 121 CompCas 486

: (2004) 170 ELT 260 : (2004) 28 PTC 585 : (2004) 5 SCALE 772 : (2004) 12 SCC 624 : (2004) 2 SCR 586 Supp in support of these

submissions.

4. A mere look at the two labels, the one used by the Plaintiffs with their trade mark PUREGREY-100 and the Defendant's carton with the mark

Powergra-100, makes it clear that the entire trade dress of the Plaintiffs' carton together with all its distinctive features and colour scheme is

substantially copied in the Defendant's carton. Apart from the marks PUREGREY-100 and Powergra-100 being similar in phonetic as well as

visual details, both cartons are essentially of black colour with front and back panels with the letters displaying the respective trade marks being

represented in golden colour against black background. Both cartons feature faces of a woman and a man and also feature exactly similar pictures

of a space rocket shown flying in an upward direction. The design and the colour of the space rockets are exactly similar. All four side panels of

the carton are of black colour with the words PUREGREY-100 and Powergra-100, respectively, written in golden colours on small panels.

Whereas one long side panel is used in each of the two cartons to provide information of the product. Having regard to these essential elements of

the Plaintiffs' carton being copied in the Defendant's carton, there is a clear likelihood of confusion being caused in the minds of the buyers of the

product. Prima facie, it appears that the Defendant has adopted a deceptively similar carton as that of the Plaintiffs to pass off goods.

5. The Supreme Court in the Case of Cadila Health Care Ltd. (supra) considered the test to be applied in a passing off action whilst assessing the

similarity between the competing marks and the likelihood of deception and confusion caused thereby in the following words.

24.....As far as this Court is concerned, the decisions in the last four decades have clearly laid down that what has to be seen in the case of a

passing off action is the similarity between the competing marks and to determine whether there is likelihood of deception or causing confusion.

This is evident from the decisions of this Court in the cases of National Sewing Thread Co. Ltd. case, Corn Products Refining Co. case,

Amritdhara Pharmacy case, Durga Dutt Sharma case, Hoffmann-La Roche and Co. Ltd. case. Having come to the conclusion, in our opinion

incorrectly, that the difference in essential features is relevant, this Court in Dyechem's case sought to examine the difference in the two marks

PIKNIK"" and ""PICNIC"". It applied three tests, they being (1) is there any special aspect of the common feature which has been copied? (2)

mode in which the parts are put together differently i.e. whether dissimilarity of the part or parts is enough to make the whole thing dissimilar and

(3) whether, when there are common elements, should one not pay more regard to the parts which are not common, while at the same time not

disregarding the common parts?. In examining the marks, keeping the aforesaid three tests in mind, It came to the conclusion, seeing the manner in

which the two words were written and the peculiarity of the script and concluded (at SCC p. 597, para 39) that ""the above three dissimilarities

have to be given more importance than the phonetic similarity or the similarity in the use of the word PICNIC for PIKNIK.

6. Applying the tests formulated by the Supreme Court in Cadila Health Care (supra) to the facts of our case, it is palpably clear that there is a

deceptive similarity between the two cartons and there is a clear likelihood of the Defendant's goods being confused with those of the Plaintiffs.

There is no adequate explanation on the part of the Defendant in adopting the particular trade dress including the colour scheme and distinctive

features of the Plaintiffs' carton in its own carton. The explanation that the Defendant's carton including the trade mark POWERGRA-100 has

been commissioned by the overseas buyer of the Defendant, who holds proprietorship in the trade mark POWERGRA as well the design of the

carton, is a mere say so on the part of the Defendant. There is no material produced before this Court to substantiate this allegation. Thus, on the

basis of the material placed before the Court, the irresistible conclusion is that prima facie the Defendant's adoption of the trade dress of its carton

with the words "'POWERGRA-100'" displayed in it is not honest.

7. It is further submitted by the learned Counsel for the Defendant that the Plaintiffs themselves have adopted the mark PUREGREY-100 from a

trade mark which is already on the Register of Trade marks, namely, POWERGRA. It is submitted by the Defendant that the Plaintiffs themselves

being infringers of a registered trade mark, cannot claim any right or initiate any action against the Defendant. There is no quarrel with the

proposition laid down in the judgment of our Court in the case of Ipca Laboratories Ltd. (supra). In a given case, where the Plaintiffs own conduct

is tainted and he himself is prima facie an infringer of a trade mark or an imitator of another person's design, the Court would not normally at the

pre-trial stage, afford him a protection on the mere assertion and averments in the plaint, but then we are concerned here not with a case of

infringement of the Plaintiffs' trade mark but with passing off the Defendant's goods as those of the Plaintiffs on the basis of an entire trade dress

including the colour scheme and distinctive features of carton used by the Plaintiffs together with their trade mark being copied. It is nobody's case

that the Plaintiffs have copied their trade dress including the colour scheme and distinctive features as aforesaid from any other proprietor. Besides,

it is the Plaintiffs' case that even before adopting the trade mark "PUREGREY-100" the Plaintiffs did cause a search to be taken in the registry,

but no similar mark was found. This is certainly believable since, as explained by the Plaintiffs in their rejoinder, a search taken on the website of

the Registry for registered trade marks similar to the mark "'PUREGREY'" does not yield "'POWERGRA'" as a conflicting trade mark and vice-

versa. The Plaintiffs have annexed a print out of the trade mark search taken for the word "'PUREGREY'" in this behalf. No doubt, this is a search

report obtained for the purposes of the present suit and not before adopting the trade mark "PUREGREY. Yet it does lend support to the

Plaintiffs' case of honest adoption of their trade mark PUREGREY-100. The Plaintiffs' adoption of the trade mark PUREGREY-100 together

with their endeavour to have their distinctive carton designed from an artist, as disclosed on record, does suggest that the Plaintiffs have honestly

adopted the particular trade dress with the trade mark PUREGREY-100 as part of it. The reliance of the learned Counsel for the Defendant on the

judgment of our Court in the case of Ayushakti Ayurved Pvt. Ltd. (supra) does not help the Defendant. In Ayushakti Ayurved Pvt. Ltd., the Court

was concerned with a plaintiff who had adopted the mark "Ayushakti" when the mark "Ayush" was already on the register. The argument before

the Court was that even in the absence of any direct evidence, the fact of the Plaintiffs having copied its mark from "Ayush" was proved according

to the doctrine of res ipsa loquitur. Unlike in the case of Ayushakti Ayurved Pvt. Ltd., in the present case, it cannot be held that the Plaintiffs have

copied the trade dress together with the colour scheme and other design features thereof from anyone. The judgment has, thus, no application to

the facts of our case.

8. The Defendant's contention that the overseas buyer of the Defendant, who is claimed to be the proprietor of the trade mark POWERGRA or

having rights in the trade dress adopted by the Defendant, not having been impleaded as a party to the present suit, the suit is not maintainable or

that by reason of the honest and concurrent user of such third party, the relief ought to be denied to the Plaintiffs, also has no substance. The

Defendant has not produced any material in support of his submission that a third party is the proprietor of the trade mark POWERGRA or

POWERGRA-100 or has any right to the trade dress of the carton used by the Defendant including its art work. In the absence of any material, it

is difficult to see how the third party is a necessary party, in whose absence the present relief cannot be granted to the Plaintiffs. In the absence of

material, the case of honest and concurrent user is also not prima facie believable. Accordingly, the Plaintiffs have made out a clear case for grant

of interim reliefs claimed in the Notice of Motion.

Accordingly, the following order is passed:

(i) Pending the hearing and final disposal of the suit, Court Receiver, High Court, Bombay is appointed as receiver under Order XL Rule 1 of the

Code of Civil Procedure to take possession, custody and control of the cartons and other material in possession of the Defendant displaying the

trade dress and art work contained in Exhibit G to the plaint or deceptively similar to the Plaintiffs" carton described in Exhibit-A to the plaint. The

Receiver may use such police force, as may be necessary, for complying with this order;

(ii) Pending the hearing and final disposal of the suit, the Defendant itself, its agents and employees are restrained from in any manner using the

carton annexed as Exhibit-G to the plaint or any other label or carton which is deceptively similar to the Plaintiffs" carton and art work shown in

Exhibit-A to the plaint in connection with its goods.