

(2017) 03 BOM CK 0136

BOMBAY HIGH COURT

Case No: 35 of 2017 in Commercial Suit (L) No 32 of 2017

Torrent Pharmaceuticals Ltd.,

APPELLANT

Vs

Wockhardt Ltd.,

RESPONDENT

Date of Decision: March 15, 2017

Hon'ble Judges: G.S. Patel

Bench: SINGLE BENCH

Advocate: V.V. Tulzapurkar, Amit Jamsandekar, Nandan Pendsey, Kirti Balasubramanian, Tanvi Dattani, JD Dwarkadas, Sharan Jagtiani, Nidhi Singh

Judgement

A. Introduction

1. The action is in infringement combined with a cause of action in passing off. The only relief pressed in this Notice of Motion, and quite correctly, is for an interim injunction in passing off: the 1st Defendant's mark is registered in the same class. The matter raises an interesting point about the scope of the common law remedy and whether a restraint order must follow as a matter of course if similarity is shown.

2. There are two issues, perhaps best illustrated thus: the two opposing parties are both registered proprietors of their respective marks. The claimant is the earlier one of the two. The marks may, for the purposes of this statement of the issue, be taken to be sufficiently similar, though not identical, and I will leave aside for the present the parallel argument about adaptation from the names of generics. The opponent has, to the claimant's knowledge, used its own registered mark for nearly a decade before the suit is brought. In that time, the opponent has grown its business quite substantially. There is an earlier notice, but one issued several years earlier. In the intervening period, there is not a single instance of any confusion or of mistaking the opponent's product for that of the claimant. This is, therefore, not a quia timet action. Given that an action in passing off is an action in deceit, that is to say, the

opponent attempts to masquerade his products as those manufactured by or originating from the claimant, can confusion, deception and deceit be simply presumed, and must an injunction in passing off automatically follow? To put it another way, shown similarity, is deception always to be presumed? Do intervening periods of co-existence without any confusion or deception count for nothing? Settled law tells us that actual proof of confusion or deception is not necessary in the grant of an injunction in a passing off action. Does this principle posit, a priori, that the claimant moves with acceptable despatch? Even if there is no "acquiescence" by the claimant in the sense that word is now understood in this branch of the law, is not the claimant's passivity for a long time sufficient to denude its claim for interim relief of the equity that must be shown to obtain a restraint order? Is there not a difference between proof of actual deception and confusion - which is what settled law tells us - and proof (even prima facie) of the likelihood of such deception and confusion? The way it has been placed before me suggests that, shown some similarity, in a passing off action deception and confusion are virtually irrebuttable presumptions. All other factors fall into irrelevance. Not only must actual deception and confusion be assumed, but so must their likelihood.

3. This is the second part of the so-called "classical trinity" in passing off action, viz., the question of misrepresentation. The first part speaks to the plaintiff's goodwill and reputation. The question is always whether high sales or volumes establish the necessary reputation for a passing off action or whether something more must be shown; more precisely, whether it must be shown that there is identification in the public eye, consciousness or awareness of the goods with the plaintiff? After all, passing off is an action in deceit and deception - the defendant stands accused of attempting to "pass off" his products or wares or services as those of the plaintiff. This seems to postulate that the mark sought to be protected must be used on goods "bought by source": a camera or computer, say, by one particular named manufacturer, for instance; or, in other words, goods of a defined brand. Reputation and goodwill, the law seems to suggest, is not a generalized market presence, however strong, for the purposes of passing off. The product must be shown to be linked in the public mind to its maker, and to none other.

4. I begin this, even before turning to the facts, by recalling the Court of Appeals decision in, *Slazenger & Sons v. Feltham & Co*, a (1889) 6 RPC 531 (CA) very old case that has weathered time and changing law. There being "sufficient nearness, sufficient neighbourhood, in the one word to the other", Lindley LJ said:

Well, what is that for? One must exercise one's common sense, and, if you are driven to the conclusion that what is intended to be done is to deceive if possible, I do not think it is stretching the imagination very much to credit the man with occasional success or possible success. Why should we be astute to say that he cannot succeed in doing that which he is straining every nerve to do?

(Emphasis added)

5. To my mind, this seems to imply that the Court must first arrive at some sort of conclusion that what the opponent attempts is deception ("is to deceive if possible"), that is to say, the rival product is calculated to deceive - "that which he is straining every nerve to do". This seems to speak to honesty in adoption in the first instance. But does it not also speak to what happened in the time that followed after the opponent first took up his mark? If the claimant knew of the opponent's adoption, if he allowed it to proceed to registration, and the opponent to grow his business, and if the rival products under the competing marks co-existed for many years, can the opponent still be fairly said to be "straining every nerve" to deceive?

6. On this issue turns this entire matter. The other question where equity and balance of convenience lie. I have heard Mr Tulzapurkar for the Plaintiffs and Mr Dwarkadas for the Defendants at some length, and considered the rival submissions and the material on record. I have not been able to find for the Plaintiffs. I have dismissed the Notice of Motion, only directing the Defendants to maintain accounts.

B. Facts

7. The facts are quickly despatched. In 2014, the Plaintiff ("Torrent"), an established pharmaceutical company, acquired a clutch of branded pharmaceutical formulations from Elder Pharmaceuticals Ltd ("Elder") in India and Nepal. Among these were the brands CHYMORAL and CHYMORAL FORTE. Elder had used these marks on pharmaceuticals that were anti-inflammatory, anti-exudative (for swelling or oedema reduction), mucolytic (breaking down bronchial secretions) and quickened wound healing. The formulation is of the proteolytic enzymes trypsin and chymotrypsin. These are the active ingredients. The drugs are prescribed for inflammation, accidental injuries, sprains, fractures, and in the treatment of upper respiratory tract infections. Elder assigned all its rights in the CHYMORAL marks, with goodwill and benefits, to Torrent under an assignment deed dated 27th June 2014. There is a detailed history set out in the plaint, but it is unnecessary for my purposes. Elder having launched the product in 1988 in India, it took an assignment from Armour Pharmaceutical Company, a US-based corporate, in 1996 to perfect its title in the mark. Armour had rights, domestic registration and usage going back to 1962. This is what Elder, having acquired it from Armour, assigned to Torrent in 2014. Torrent says this is now a well-known mark.

8. I do not think Torrent's reputation admits of any doubt at this stage. Its sales for 2015-2016 are over Rs.95 crores. Aggregate sales from 2014-15 till November 2016 are over Rs.230 crores. There is a certified statement of expenses.⁽²⁾ Sales figures are also provided,⁽³⁾ Invoices are annexed,⁽⁴⁾ as are promotional materials.⁽⁵⁾

(2) Complaint, Exhibit I, p. 89.

(3) Complaint, Exhibit-I-1, p. 90.

(4) Exhibits J-1 to J-6, pp. 91-145.

(5) Exhibits K to K10, pp. 146-170.

9. The 2nd Defendant is a manufacturer for the 1st Defendant, ("Wockhardt") also an established pharmaceutical company. The 1st Defendant's mark is Chymtral Forte - the in Torrent's mark is replaced with a T in the Defendant's mark.

10. In paragraph 29 of the complaint, Torrent says it came upon Wockhardt's mark in June 2016. Paragraphs 29 and 30 of the complaint read thus:

29. In and around June 2016, the Plaintiff through its marketing and distribution team discovered that Defendant No.1 was marketing, offering for sale and selling a product having a deceptively similar trade name to the Plaintiff's marks "CHYMORAL" and "Chymoral Forte", that is the impugned mark "Chymtral Forte".

30. Furthermore, it was also noted that the Defendants' product under the impugned mark "Chymtral Forte" had an identical composition (Trypsin:Chymotrypsin), apparently used and prescribed for identical indications

and being a prescription drug similar to the Plaintiff's product, was also made available through identical trade channels, as the products of the Plaintiff. In view of the aforesaid circumstances, consumer confusion and likelihood of association with the Plaintiff's products is inevitable.

(Emphasis added)

11. It seems to me that these two paragraphs are central to the case in passing off. They tell us several distinct things. One, that Torrent "discovered" Wockhardt mark only in June 2016, i.e., that it did not know of it before. Two, this was also when Torrent found that the composition of the two was the same. Three, that for these reasons, the likelihood of consumers mistaking the Wockhardt's product as one by Torrent is inevitable, i.e., that passing off is both imminent and eminently likely.

12. In paragraphs 31 and 32 of the plaint, Torrent then says:

31. The Plaintiff made further inquiries in the market and a search on the website of the Trade Marks Registry further revealed that Defendant No. 1 had also applied for registration of the impugned mark "CHYMTRAL FORTE", being "CHYMTRAL FORTE" under application number 1792581 on March 5, 2009 on a "proposed to be used basis" in respect of "Medicinal, Pharmaceutical and Veterinary Preparations". In view thereof, it is submitted that the exact date of launch of Defendants' products bearing the impugned mark "CHYMTRAL FORTE" is unclear.

32. Thereafter, it appears that Defendant No. 1 has fraudulently and contrary to the provisions of the Trade Marks Act of 1999 and Rules framed thereunder, obtained registration of the mark "CHYMTRAL FORTE" on February 9, 2011. Printout of the status extract of the register pertaining to the impugned mark "CHYMTRAL FORTE" as appearing on the website of the TMR is annexed hereto and marked as Exhibit M. Given that Defendant No. 1 has no justification for adopting the impugned mark "CHYMTRAL FORTE", and as the same has been wrongfully registered and is wrongfully remaining on the Register, the Plaintiff reserves the right to challenge the aforesaid registration of the impugned mark "CHYMTRAL FORTE" obtained by Defendant No. 1 before the appropriate forum on the grounds available under Section 57 of the Trade Marks Act of 1999, and/or any other grounds available under law.

(Emphasis added)

13. A copy of Wockhardt's application for registration is annexed.[Plaint, Exhibit M, p. 173.] The registration sought is in the same Class 05 as Torrent's mark. We now know that Wockhardt's mark proceeded to registration on 9th February 2011.

14. Mr Tulzapurkar says that on the date of its application, Wockhardt knew of Torrent's mark and use - they could not have been unaware of either. Therefore, Wockhardt's adoption of its rival mark was with full knowledge of Torrent's earlier registration and use. The packaging, too, adopted by Wockhardt is too similar to Torrent's to be accidental

15. The front faces of the two packs are shown next.

IMAGE OMITTED

PLAINTIFF'S PRODUCT CHYMORAL FORTE

IMAGE OMITTED

DEFENDANTS' PRODUCT CHYMORAL FORTE

These are the rear faces of the competing blister packs.

PLAINT, EXHIBIT "P", PAGE 179

IMAGE OMITTED

Rear face of the two packs:

Plaintiff's product on top,

Defendants' product at the bottom

C. Analysis Of The Rival Submissions

(I) Misrepresentation in passing off

16. On this material, Mr Tulzapurkar says the cause of action in passing off is established and he is entitled to an injunction. The word marks are virtually identical; the difference is but a single consonant, with Wockhardt only replacing the

in Torrent's mark with a T. The packs are so identical that there can be no conceivable bona fide explanation for Wockhardt having adopted the one it did. The defences, he submits, are all untenable: that Chymo is publici juris; that Torrent has never objected to Wockhardt's use of the rival mark; that Wockhardt has used the mark since 2009 (the only invoices annexed to the Affidavit in Reply,⁽⁷⁾ Mr Tulzapurkar says, are after 2012); and there is some sort of "industry practise" to use or adapt the names of generics while coining pharmaceutical marks (viz., to take Chymo from Chymotrypsin). One must see the mark as a whole, he says, and, in any case, there is no evidence of any such practise. If Wockhardt adopted its mark with knowledge of Torrent's mark, its use is not in ignorance of the prior registration by Torrent, and Wockhardt can claim no equity. When Wockhardt took a search in the register, it looked only for the search strings CHYM and CHYMO. The search report is not of 2009 but of 2016.⁽⁸⁾ Torrent's registration is shown in the search results.⁽⁹⁾ There is no reason Wockhardt could not have found this earlier. The relevant date is 2009, Wockhardt's date of adoption. The only relevant entries in the search report are those of 2009; later entries are inconsequential. To show other marks on the register is not enough, Mr Tulzapurkar submits; the defence must show use for a series of marks., *Corn Products Refining Co v. Shangrila Products Ltd*, AIR 1960 SC 142. There is nothing to show the other marks were used, let alone used extensively. The use by others - the why-pick-on-me defence when a defendant is one of a crowd of offenders - affords no answer at all. In *TV Venugopal v. Ushodaya Enterprises Ltd & Anr*, the Supreme Court specifically rejected this defence, (2011) 4 SCC 85, paragraph 86. In short, a plaintiff's knowledge of, and inaction against, other defendants are irrelevant; and so is a plaintiff's knowledge of a defendant's presence in the market. The mere possibility or likelihood of deception is sufficient, *Medley Laboratories (P) Ltd, Mumbai v. Alkem Laboratories Ltd*, 2002 (3) MH LJ 546, paragraphs 9, 28 and 29. Mr Tulzapurkar also draws attention to my decision in *Neon Laboratories Ltd v. Themis Medicare Ltd & Anr*, 2014 (60) PTC 621 (Bom), paragraph 8 for the same proposition. When it comes to pharmaceuticals, the Cadila principle of a higher degree of caution comes into play, *Cadila Health Care Ltd v. Cadila Pharmaceuticals Ltd*, (2001) 5 SCC 73, paragraph 32: "Public interest would support lesser degree of proof showing confusing similarity in the case of trade mark in respect of medicinal products as against other non-medicinal products. Drugs are poisons, not sweets. Confusion between medicinal products may, therefore, be life threatening, not merely inconvenient." The commonplace consumer, he of the fabled "average intelligence and imperfect recollection", on seeing Wockhardt's drug, would be cast into a "state of wonderment", *Hiralal Prabhudas v. Ganesh Trading Co*, AIR 1984 Bom 218 (DB, per Lentin J), paragraphs 5, 10 and 12. Mr Tulzapurkar urges me to follow my previous decision in *Emcure Pharmaceuticals Ltd v. Corona Remedies Pvt Ltd*, (2015) 1 Bom CR 197, paragraphs 10-12, 16, 18 and 23. in support of his submission that there cannot be said to be acquiescence, and the delay, if there be any, is inconsequential. In this branch of the law, there can only ever be one "mark, one source and one proprietor". Power

Control Appliances v. Sumeet Machines (P) Ltd, (1994) 2 SCC 448, paragraph 41 at p. 466: "41. It is a settled principle of law relating to trade mark that there can be only one mark, one source and one proprietor. It cannot have two origins. Where, therefore, the first defendant-respondent has proclaimed himself as a rival of the plaintiffs and as joint owner it is impermissible in law. Even then, the joint proprietors must use the trade mark jointly for the benefit of all. It cannot be used in rivalry and in competition with each other." There is nothing to show Torrent had actual knowledge, Mr. Tulzapurkar says, and it is for Wockhardt to show Torrent had knowledge, not for Torrent to show it did not.

(7) Notice of Motion paper book, pp. 105-127.

(8) Notice of Motion paper book, p. 66-83

(9) Notice of Motion paper book, pp. 68, 73.

17. Mr Dwarkadas refutes each these submissions. The entire action, he says, is misconceived. To begin with, the suit could not have been a combined action in infringement and passing off. There is no cause of action in infringement at all, Wockhardt being, admittedly, a registered proprietor as on the date of the suit, and in the same class (Class 05) as Torrent. There is even today no application for registration. The suit is speculative.

18. Torrent's case on passing off is, Mr. Dwarkadas says, a gross over-simplification. The reliance on TV Venugopal is misplaced; correctly read, that decision is against Torrent and does not support his case. Mr Dwarkadas invites me to read with him the following passages from TV Venugopal:

52. Mr Sundaram also placed reliance on Reckitt & Colman Products Ltd. v. Borden Inc. [(1990) 1 WLR 491 : (1990) 1 All ER 873 (HL)] where the Court has dealt with the general law applicable to passing-off actions. In that case the

Court observed thus: (WLR p. 510)

"The basic underlying principle of such an action was stated in 1842 by Lord Langdale, M.R. in *Perry v. Truefitt* [(1842) 6 Beav 66 : 49 ER 749], ER p. 752 : Beav p. 73 to be: "...A man is not to sell his own goods under the pretence that they are the goods of another man..." Accordingly, a misrepresentation achieving such a result is actionable because it constitutes an invasion of proprietary rights vested in the plaintiff. However, it is a prerequisite of any successful passing-off action that the plaintiff's goods have acquired a reputation in the market and are known by some distinguishing feature. It is also a prerequisite that the misrepresentation has deceived or is likely to deceive and that the plaintiff is likely to suffer damage by such deception. Mere confusion which does not lead to a sale is not sufficient. Thus, if a customer asks for a tin of black shoe polish without specifying any brand and is offered the product of A which he mistakenly believes to be that of B, he may be confused as to what he has got but he has not been deceived into getting it. Misrepresentation has played no part in his purchase."

53. He also relied on the judgment of this Court in *Ruston & Hornsby Ltd. v. Zamindara Engg. Co.* [(1969) 2 SCC 727] wherein the Court observed as under: (SCC p. 729, para 3)

"3. The distinction between an infringement action and a passing-off action is important. Apart from the question as to the nature of trade mark the issue in an infringement action is quite different from the issue in a passing-off action. In a passing-off action the issue is as follows:

"Is the defendant selling goods so marked as to be designed or calculated to lead purchasers to believe that they are the plaintiff's goods?"

But in an infringement action the issue is as follows:

"Is the defendant using a mark which is the same as or which is a colourable imitation of the plaintiff's registered trade mark?" "

55. Mr Sundaram also placed reliance on a judgment of this Court in *Satyam Infoway Ltd. v. Sifynet Solutions (P) Ltd.* [(2004) 6 SCC 145] The relevant passage is reproduced as under: (SCC p. 150, para 13)

"13. The next question is, would the principles of trade mark law and in particular those relating to passing off apply? An action for passing off, as the phrase "passing off" itself suggests, is to restrain the defendant from passing off its goods or services to the public as that of the plaintiff's. It is an action not only to preserve the reputation of the plaintiff but also to safeguard the public. The defendant must have sold its goods or offered its services in a manner which has deceived or would be likely to deceive the public into thinking that the defendant's goods or services are the plaintiff's. The action is normally available to the owner of a distinctive trade mark and the person who, if the word or name is an invented one, invents and uses it. If two trade rivals claim to have individually invented the same mark, then the trader who is able to establish prior user will succeed. The question is, as has been aptly put, who gets these first? It is not essential for the plaintiff to prove long user to establish reputation in a passing-off action. It would depend upon the volume of sales and extent of advertisement."

81. From the above discussions, the following two situations arise:

(i) Where the name of the plaintiff is such as to give him exclusivity over the name, which would ipso facto extend to barring any other person from using the same viz. Benz, Mahindra, Caterpillar, Reliance, Sahara, Diesel, etc.

(ii) The plaintiff's adopted name would be protected if it has acquired a strong enough association with the plaintiff and the defendant has adopted such a name in common field of activity i.e. the purchaser's test as to whether in the facts of the case, the manner of sale, surrounding circumstances, etc. would lead to an inference that the source of the product is the plaintiff.

(Emphasis added)

19. Mr Dwarkadas submits, and I do not believe there is the slightest room for cavil, that one cannot, from similarity, assume deceit. There must be some material to show actionable misrepresentation by a defendant in attempting to parade his goods as those of the plaintiff. Where a defendant is able to show that, even assuming there is similarity (which Wockhardt does not concede), there is nothing at all to show that it at any time attempted to dupe, deceive or delude anyone into believing CHYMTRAL FORTE was a Torrent product. A co-existence of the two products side-by-side in the market for a length of time, and material to show that the plaintiff knew of the defendant's product and did nothing to stop the defendant, are enough to unseat an action in passing off, and might even constitute acquiescence in the sense of tacit encouragement or, at any rate, non-discouragement. That is a separate question not to be confused with the cause of action in deceit: there must be some material to evince misrepresentation. These, along with proving reputation, are the first two of the three crucial struts in a passing off case.

20. There is a clear distinction, after all, between confusion and deception, and a passing off action is one in deceit or deception, not in confusion sole. In *Parker Knoll v. Knoll International Ltd*, [1962] RPC 265. Lord Denning explained the words "to

deceive" and the phrase "to cause confusion":

"Secondly, "to deceive" is one thing. To "cause confusion" is another. The difference in this: When you deceive a man, you tell him a lie. You make a false representation to him and thereby cause him to believe a thing to be true which is false. You may not do it knowingly, or intentionally, but still you do it, and so you deceive him. But you may cause confusion without telling him a lie at all, and without making any false representation to him. You may indeed tell him the truth, the whole truth and nothing but the truth, but still you may cause confusion in his mind, not by any fault of yours, but because he has not the knowledge or ability to distinguish it from the other pieces of truth known to him or because he may not even take the trouble to do so."

21. Mr Dwarkadas says both products take part of their name from the active pharmaceutical ingredient, or API, Chymotrypsin. Wockhardt took the T from the other API, Trypsin. It is unclear how, according to him, Torrent can claim exclusivity in this prefix. The classic tests from Satyam Infoway Ltd and Ruston & Hornsby Ltd (both cited in TV Venugopal, and quoted earlier) must surely apply. "Torrent's claim in passing off is to restrain Wockhardt from deceiving the consumer into believing that Wockhardt's goods are those made by Torrent," says Mr Dwarkadas. "Can it truly be said that Wockhardt is selling CHYMTRAL in a manner calculated to lead purchasers to believe it is Torrent product? If this cannot be said, regard being had to all the circumstances, no injunction can or ought to be granted." This is a compelling submission.

22. Wockhardt launched CHYMTRAL FORTE in 2009. Its sales of this product rose from about Rs.27 lakhs in that year to Rs.3.82 crores in 2016. This is borne out by a chartered accountant certified statement annexed to the Affidavit in Reply.⁽¹⁸⁾ I believe I must accept this, and I do not propose to make too much of Mr Tulzapurkar's submission that the only invoices annexed are from 2012 onwards, not 2009. A party annexes some material at the interim stage to meet a prima facie case. What is that for? Surely not to bring today the entirety of its evidence, but only to set forth that there is enough of a time period when the two products ran side by side in the market. Even 2012 must suffice for my purposes today; we are in 2017, and five years is not an insignificant period for this consideration. There is no law that requires the material to be of very great longevity, and this is also not a case where there is no material at all of use since Wockhardt's claimed date of adoption,

2009. Wockhardt's application was advertised in the Trade Marks Journal No 1441 on 1st June 2010 - seven years ago.⁽¹⁹⁾ Registration followed on 9th February 2011.⁽²⁰⁾ None objected to Wockhardt's application.

(18) Notice of Motion paper book, Exhibit "J", p. 128.

(19) Notice of Motion paper book, Exhibit D", pp. 93-95, at p. 95.

(20) Notice of Motion paper book, Exhibit E", pp. 96-97.

23. As to the similarity in get up, in paragraph 28(g) at pages 49- 51 of the Affidavit in Reply, Wockhardt points out that Cadila Pharmaceuticals Ltd and Intas Pharmaceuticals Ltd use the marks Chymothal Forte and Chymotas Forte in identical red-pink blister packs. Photographs of these are also annexed.²¹

24. Then in paragraph 13 of the Affidavit in Reply, Wockhardt says it faced an oral demand in June 2016 to withdraw its product from the market. It filed and served caveats in the High Courts in Mumbai, Ahmedabad, Delhi, Kolkata, Chennai and Bangalore in July 2016. Those caveats under Section 148-A of the Code of Civil Procedure, 1908 have a limited life; they expired in October 2016. Torrent did not bring suit till 30th January 2017. The response in the Affidavit in Rejoinder 22 is to say that these averments are "false and misleading to the extent they do not pertain to matters of record". I do not know what that is supposed to mean, if anything. Torrent itself claims in the plaint, as we have seen, that it learned of the Wockhardt product in June 2016. There is no denial that it was served with caveats immediately thereafter. It chose not to move for the next six months. No reasons are given. This may not defeat the action at the final stage but it is surely not to be ignored at this prima facie stage in the Notice of Motion.

25. In any case, it is difficult to accept Torrent's case of knowledge only since June 2016. As we have seen there is an advertisement in the Trade Marks Journal of 2010 and Wockhardt's mark proceeded to registration without opposition. This is specifically pleaded in paragraphs 17 and 18 of the Affidavit in 21 Notice of Motion

paper book, Exhibit "H", p. 101 for CHYMOTHAL FORTE by Cadila, and p. 102 for CHYMOTAS FORTE by Intas.⁽²²⁾ Notice of Motion paper book, paragraph 16 p. 137. Reply.⁽²³⁾ The answer in the Rejoinder is a bare denial.²⁴ That will not do. Even if Torrent took an assignment later, its predecessor-in-title must be deemed to have known of Wockhardt's application, its advertisement and later registration.

26. Wockhardt has used its mark and put out its product since 2009 or, at the very latest, since 2011-2012. It sought registration in 2009. Its application was advertised in 2010. It obtained registration sans objection in 2011. Neither Torrent nor its predecessor-in-title objected. In June 2016, Torrent asked Wockhardt to cease and desist, and did so, it seems, orally. Whether or not that is true will await trial. But to Wockhardt's statement that it filed and served caveats in half a dozen High Courts there is no denial. Torrent waited till January 2017 to bring suit. All this time, the two products co-existed. Nor were the only ones. The material on record about the competing products from Cadila and Intas is compelling. Wockhardt's sales have steadily grown. Torrent could not have been unaware of any of this, given the identical formulations. Torrent and its predecessors-in-title sat by or lay be and allowed Wockhardt's sales to increase. This is surely enough to deny the Plaintiff any relief.²⁵ 23 Notice of Motion paper book, pp. 39-40. 24 Notice of Motion paper book, paragraphs 20 and 21, p. 139. 25 See Unichem Laboratories Ltd v. Eris Life Sciences Pvt Ltd, Notice of Motion (L) No. 1852 of 2014 decided on 7th October 2014 for a substantially similar result.

27. I think I must accept Mr Dwarkadas's submission that confusion may be assumed, but not deceit or deception. I recently had another pharmaceutical marks infringement and passing off case, one I decided on 24th October 2016: Sun Pharma Laboratories Ltd v. The Madras Pharmaceuticals & Anr., 2016 (68) PTC 543 (Bom). There, too, I declined the relief in passing off, though on slightly different considerations. I did say that because an injunction in infringement was inevitable, it did not follow that an injunction in passing off ought also to be granted. The remedies are different, and the statute, while providing for infringement actions, saves the separate common law remedy. I found nothing to suggest misrepresentation, and found that the three probanda set out by Oliver LJ in Reckitt & Colman Products Ltd v. Borden Inc, [1990] 1 All ER 873. - (1) reputation; (2) misrepresentation by the defendant; and (3) damage - were not all established. It is never enough to prove only some of these. A plaintiff must show false representation (albeit unintentional) to the public that leads it to believe that the goods or services of the defendant are those of the plaintiff. Fraud is not a necessary element, Laxmikant V Patel v. Chetanbhai Shah & Anr, (2002) 3 SCC 65. The similarity tests that we use in infringement have a role to play; but they are not always and necessarily determinative.

(II) Establishing reputation and goodwill in passing off

28. Mr Dwarkadas turns to *Hodgkinson & Corby Ltd & Anr v. Wards Mobility Services Ltd*, [1994] 1 WLR 1564, Chancery Division, with great effect on the question of what the "Classical Trinity" in passing off asks of us. I propose to quote extensively from Jacob J's decision simply because it seems to me he said the very many things about passing off that ought to be said in this case too. I note only that this decision was rendered after trial, not at an interim stage, and was a passing off action in relation to a design.

I turn to consider the law and begin by identifying what is not the law. There is no tort of copying. There is no tort of taking a man's market or customers. Neither the market nor the customers are the plaintiff's to own. There is no tort of making use of another's goodwill as such. There is no tort of competition. I say this because at times the plaintiffs seemed close to relying on such torts. For instance, Mr. Morcom reminded me of the old adage, "Anything worth copying is worth protecting."

At the heart of passing off lies deception or its likelihood, deception of the ultimate consumer in particular. Over the years passing off has developed from the classic case of the defendant selling his goods as and for those of the plaintiff to cover other kinds of deception, e.g. that the defendant's goods are the same as those of the plaintiff when they are not, e.g. *Combe International Ltd. v. Scholl (U.K.) Ltd.* [1980] R.P.C. 1; or that the defendant's goods are the same as goods sold by a class of persons of which the plaintiff is a member when they are not, e.g.

Erven Warnink Besloten Vennootschap v. J. Townend & Sons (Hull) Ltd. [1979] A.C. 731 (the *Advocaat* case). Never has the tort shown even a slight tendency to stray beyond cases of deception. Were it to do so it would enter the field of honest competition, declared unlawful for some reason other than deceptiveness. Why there should be any such reason I cannot imagine. It would serve only to stifle competition.

The foundation of the plaintiffs' case here must therefore lie in deception. Mr. Morcom acknowledged this when he relied upon the classic exposition of the tort by Lord Halsbury L.C. in *Reddaway v. Banham* [1896] A.C. 199, 204:

"For myself, I believe the principle of law may be very plainly stated and that is, that nobody has any right to represent his goods as the goods of somebody else. How far the use of particular words, signs, or pictures does or does not come up to the proposition which I have enunciated in each particular case must always be a question of evidence, and the more simple the phraseology, the more like it is to a mere description of the article sold, the greater becomes the difficulty of

proof; but if the proof establishes the fact the legal consequence appears to follow."

[from pages 1572 to 1575] Now the ingredients of passing off are the "classical trinity" (per Nourse LJ in *Consorzio del Prosciutto di Parma v. Marks & Spencer Plc.* [1991] RPC 351, 368), namely (1) goodwill of the plaintiff, (2) misrepresentation by the defendant, (3) consequent damage.

The plaintiff's problem of proof lies in relation to the first two items of the trinity, which are related. It is not good enough for him to show that his article is widely recognised - has a "reputation" in that general sense. The "Louis furniture" in *Jarman & Platt Ltd. v. I. Barget Ltd.* [1977] F.S.R. 260 had virtually "captured the market" but that did not "begin to prove that a substantial number of the members of the public who buy those goods do so because they know of, or have any interest in, the particular source of the goods; or that they are attracted to buy those goods because of their knowledge or belief that they emanate from a particular source - a particular maker." Per Megaw L.J., at p. 273.

Exactly the same thought is so clearly expressed by Learned Hand J. in *Crescent Tool Co. v. Kilborn & Bishop Co.* (1917) 247 F. 290, a case about a copy of an adjustable wrench widely sold and trademarked "Crescent." He said, after finding that no adjustable wrench of precisely the same character had ever appeared upon the market, at pp. 300- 301:

"All of them" - i.e. cases where a secondary meaning has been shown - "presuppose that the appearance of the article, like its descriptive title in the cases of "secondary" meaning, has become associated in the public mind with the first comer as manufacturer or source, and, if a second comer imitates the article exactly, that the public will believe his goods have come from the first, and will buy, in part, at least, because of that deception. Therefore it is apparent that it is an absolute condition to any relief whatever that the plaintiff in such cases show that the appearance of his wares has in fact come to mean that some particular person - the plaintiff may not be individually known - makes them, and the public cares who does make them, and not merely for their appearance and structure. It will not be enough only to show how pleasing they are, because all the features of beauty or utility which commend them to the public are by hypothesis already in the public domain The critical question of fact at the outset always is whether the public is moved in any degree to buy the article

because of its source and what are the features by which it distinguishes that source. Unless the plaintiff can answer this question he can take no step forward; no degree of imitation of detail is actionable in its absence It is not enough to show that the wrench became popular under the name "Crescent;" the plaintiff must prove that before 1910 the public had already established the habit of buying it, not solely because they wanted that kind of wrench, but because they also wanted a Crescent, and thought that all such wrenches were Crescents."

I believe that exactly encapsulates what must be shown when the plaintiff is complaining, in a passing off action, about a copy of his product as such. Is the public "moved to buy by source?"

... Before turning to the evidence I would make one general observation. It was the Reverend Wm. Paley who said in *Natural Theology* (1784), ch. i: "The watch must have a maker." In that sense every manufactured article conveys a representation - that it had a maker. Now where an article has a readily distinguishable appearance and there has only been one maker, once the article becomes well-known in the market, consumers when they see an article like that may assume that it is made by the same maker as he who made the articles of that individual appearance which they have seen before. So, in the instant case, almost all those who casually saw the Flo "Tair cushion (or just a picture of it) reacted by saying, "That is a Roho." One more precisely said, "That is a Roho or a convincing copy." This sort of evidence alone can seldom, if ever, satisfy the legal test for passing off. It does not prove that anyone relies upon the appearance to get the product of the maker they want. Speaking of descriptive words, Lord Oliver in the *Jif lemon* case [1990] 1 W.L.R. 491, 505 said:

"Confusion resulting from the lawful right of another trader to employ as indicative of the nature of his goods terms which are common to the trade gives rise to no cause for action. The application by a trader to his goods of an accepted trade description or of ordinary English terms may give rise to confusion. It probably will do so where previously another trader was the only person in the market dealing in those goods, for a public which knows only of A will be prone to assume that any similar goods emanate from A. But there can be no cause of action in passing off simply because there will have been no misrepresentation."

The same goes for the appearance of the goods when the appearance is not self-evidently a badge of trade origin.

(Emphasis added)

29. Cadila too tells us this:

31. ... That is why it is said that in a passing-off action, the plaintiff's right is "against the conduct of the defendant which leads to or is intended or calculated to lead to deception. Passing-off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation which another has established for himself in a particular trade or business. The action is regarded as an action for deceit". [See *Wander Ltd. v. Antox India (P) Ltd.* [1990 Supp SCC 727], SCC p. 734, para 16.]

(Emphasis added)

30. On the question of reputation in a passing off claim, therefore, it is not enough for a plaintiff to only show volumes and sales. He must prove goodwill and reputation of a certain kind - namely, the association of that product with its source or maker. This is essential if the first of the "Classical Trinity" tests is to be met.

31. Now in this case, we have nothing approaching this level of proof, even prima facie. All we have are statements of sales, invoices, promotional material and so on. In paragraph 26 of the plaint, this is what Torrent says:

26. By virtue of the long, continuous and extensive sales of the products bearing the "CHYMORAL Marks" of the Plaintiff, significant efforts expended by the Plaintiff and Elder over the years to promote the said products and also by reason of the high efficacy and superior quality of the said products, the "CHYMORAL Marks" and the said products have acquired and enjoy significant reputation and goodwill amongst doctors, the medical fraternity, chemists, members of the trade, medical profession and the public. Consequently, the "CHYMORAL Marks" have also become distinctive of the Plaintiff's goods and denote the products of the Plaintiff alone and no one else.

32. But how is this shown, or even attempted to be shown? Is this to be assumed from sales, invoices and brochures? Hodgkinson & Corby and the decisions to which it refers, including in particular that of Judge Learned Hand, indicate that high volumes and popularity are not sufficient to establish the necessary linkage or association in the public mind between the product and its maker. In Hodgkinson & Corby, Jacob J said there must be belief as to source, and this must be demonstrated. There is no material of this necessary linkage to show reputation.

(III) Delay and acquiescence

33. I turn now to two remaining arguments: delay and acquiescence and special considerations in cases involving pharmaceuticals.

34. Mr. Dwarkadas grants that a "mere delay" is inconsequential, *TV Venugopal*, supra, paragraph 84; *Corn Products*, supra; *Heinz Italia v. Dabur India Ltd*, (2007) 6 SCC 1, paragraph 16. Acquiescence is a facet of delay. It operates where one person sits by and allows another to invade his rights and spend on the doing of that invasion, and is conduct incompatible with exclusivity claims, *Ramdev Food Products (P) Ltd v. Arvindbhai Rambhai Patel & Ors*, (2006) 8 SCC 726, paragraphs 103-104, cited in *TV Venugopal*, supra, paragraph 85; The defence of acquiescence succeeds when "the plaintiff assents to or lays by in relation to the acts of another person and in view of that assent or laying by and consequent acts it would be unjust in all the circumstances to grant the specific relief. *Ramdev Food Products*, supra, paragraph 106; cited in *Power Control Appliances*, supra, and *TV Venugopal*, supra. The mistake, Mr Dwarkadas submits, and again I think rightly, is to confusing "sitting by" or "laying by" with mere silence or inaction of the kind involved in laches. The latter is not acquiescence. The former is. "Laying by" and "sitting by" mean that the claimant knew of the invasion of his rights and did nothing about it. That is the conduct inconsistent with a claim of exclusivity. The Supreme Court's dictum in paragraph 26 of *Power Control Appliances* should not be misunderstood:

"26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name, etc. It implies positive acts; not merely silence or inaction such as is involved in laches."

35. I believe Mr. Dwarkadas is correct. The "positive act" here cannot mean the claimant green-lighting the defendant's action only to later complain of it. That is unreasonable, and one should be very hard put to find any such case. The "positive act" is the "sitting by" or "laying by", i.e., not "mere silence or inaction" but a refusal or failure to act despite knowledge of invasion and opportunity to stop it. I believe it to be incorrect to exactly equate delay with acquiescence. This is not a case of "pure delay", of delay or lateness in coming to court in ignorance of intervening events. This is, as I have noted, tardiness with knowledge. When, therefore, I am told that acquiescence demands a "positive act" and nothing further, this is merely unhelpful. If that means a letter of approval, then that is consent, not acquiescence. This conflation of "delay" and "acquiescence" has no basis in law. To say that "mere delay" is no reason to deny an injunction is one thing; to say there is no acquiescence is another. Acquiescence is a species of estoppel, and therefore both a rule of evidence and a rule in equity. It is an estoppel in pais: a party is prevented by his or her own conduct from enforcing a right to the detriment of another who justifiably acted on such conduct. Acquiescence means an assent to an invasion of rights. This may be either express or implied from conduct. When a person with full knowledge of his own rights and of any acts which invade them has, either at the time of invasion or after, by his conduct leads his competitor believe he has no objection, he waives or abandons his rights - he acquiesces, Earl Jowitt, *The Dictionary of English Law*, 2nd ed. Acquiescence literally means silent assent. The result is that the right to equitable relief is normally lost.

36. What was Wockhardt to make of Torrent's (or its predecessor-in-title's) failure to object to its trade mark registration application, its introduction of CHYMTRAL FORTE in 2009 or 2011-2012, its allowing others to do so too with their own marks, its failure to bring suit on service of a caveat? It could only proceed on the basis that there was no objection from Torrent; and indeed, there was none.

37. Mr. Tulzapurkar's submission that Wockhardt has shown nothing demonstrating Torrent had notice is one that I will reject out of hand. It simply cannot be that for a defence of acquiescence to succeed the defendant must show actual notice to the plaintiff but the plaintiff for his part need prove, even prima facie, any form of misrepresentation.

38. Mr. Tulzapurkar insists that in every such case, the goods themselves are the falsehood; they tell the lie. I do not believe that to be entirely correct, at least not in this case. Certainly neither Torrent nor its predecessors-in-title thought so when they failed to object to the advertisement of Wockhardt's application, or when Wockhardt brought its product to market. They do not seem to have thought this of the Cadila or Intas products either. I see no reason to assume this.

39. Mr. Tulzapurkar relies on *Laxmikant V Patel v. Chetanbhai Shah & Anr*, (2002) 3 SCC 65, but this does not, I think, serve his cause very well. The law does not permit, the Supreme Court said, anyone to do business by deluding customers or clients into mistaking his goods are those of another or vice versa. Fraud is immaterial, and so is the defendant's state of mind. That only tells us that the misrepresentation may be unintentional. From this, the factum of misrepresentation cannot simply be presumed in every single case; and we must distinguish between likelihood of misrepresentation and likelihood of damage. Actual damage need not be proved; its likelihood is enough. When the Supreme Court said that the goods are in effect telling a falsehood about themselves, something calculated to mislead, what is it those goods are saying? Only that those goods are so designed or put into sale to convince consumers the goods originated from a source other than the one from which they did.

(IV) Public injury when considering rival pharmaceutical products

40. To Mr Tulzapurkar's submission that the bar is raised higher when we deal with pharmaceuticals, Mr Dwarkadas's submission - again one I am inclined to accept - is that this also raises the bar on vigilance by the prior user. The price of success in passing off is eternal vigilance, after all. Where the competitor is in the same market with the same formulation, and has been allowed to co-exist and develop without a grievance, no injunction ought to be granted.

41. Cadila and other judgments highlight the importance of striving to avoid public injury, and the weight of authority is, I think, to this effect, that the common law remedy is intended to prevent deception and therefore to protect the consumer. This is perhaps a significant difference between this and the statutory remedy in infringement. What Mr Dwarkadas says is this: if the formulation of the two products is exactly the same, there is no question of risk, or of anyone being put at risk. Torrent admits in its plaint that the formulation of the Wockhardt product is no different. Therefore, Mr Dwarkadas says, it makes no difference which one is administered. Torrent's case is, therefore, self-defeating. The issue came up before a Division Bench of this Court in *Schering Corporation & Anr v. United Biotech (P) Ltd & Anr*, 2010 (7) Mh LJ 611. Followed in *Unichem Laboratories Ltd v. Ipca Laboratories Ltd & Anr*, 2011 (45) PTC 488 (Bom), per SC Dharmadhikari J, paragraphs 54 and 55. *Ranbaxy Laboratories Ltd v. Indchemie Health Specialities Pvt Ltd*, (2002) 24 PTC 510, is I believe clearly distinguishable on facts. The Court said that when a person takes up a trade mark based on a generic drug of ingredient, he is deemed to be aware that others too will very likely adopt and put into use similar marks where their products are also based on the same generic ingredient or drug. The best the proprietor can claim is exclusivity in added, differentiating features. Similarities are inevitable, and even if the differences are minor, at the prima facie stage, no injunction would issue. The Court said:

12. It has come on record that the other manufacturers and traders of medicinal goods have also adopted trade marks with prefix NET to indicate the drug name Netilmicin Sulfate and the suffix MICIN/MYCIN is common to pharmaceutical trade. Both the trade marks are used in respect of Netilmicin Sulfate and both the trade marks owe their origin to the said medicine name. Since there is commonality in origin, ingredient, composition and purpose, even if one drug is consumed for the other, there cannot be disastrous consequences. ... Even if by mistake one is used for the other, no injury is likely to be suffered by the consumer or patient. ... In our opinion, therefore, this circumstance coupled with the circumstance that both the trade marks are registered and that from the year 2003 the Respondents have been using its trade mark uninterruptedly disentitles the Plaintiffs-Appellants to interim injunction restraining the Defendants-Respondents from using its trade mark.

(Emphasis added)

42. I am unable to follow Mr. Tulzapurkar's reliance on the decision in Wyeth Holdings Corporation & Anr v. Burnet Pharmaceuticals (Pvt) Ltd, AIR 2008 Bom 100. The submission there was that the Cadila observations only applied to cases where competing marks were used in drugs with different compositions, and therefore Cadila should be "read down" and a lower scrutiny bar adopted. The Court rejected this, saying that where the drugs were prescribed for the same ailment but had different compositions, mistaking one for the other could be dangerous. No one has even suggested that here between the Torrent and Wockhardt offerings, and I am not prepared to merely assume it on some generalized or impermissible extrapolation. Much closer home is the issue as it was addressed in Schering, and that was a decision of a Division Bench rendered in 2010 as opposed to the Wyeth decision of a learned single Judge in 2002. Incidentally, Wyeth was not cited before the Schering Court; Cadila was the argument before the learned single Judge who decided Medley v. Alkem, supra, was that there was nothing on record to show that if the wrong drug was prescribed there would be any repercussions on health. (see paragraph 14). That is not the issue here at all; and, again, to the extent it matters, Medley is of 2002 and Schering of 2010.

(V) General principles on grant of injunctions will apply

43. None have suggested that the general principles on grant of injunctions do not apply, but I do believe this merits reiteration. *Laxmikant Patel v. Chetanbhai Shah* reminds us that the principles for the grant of an injunction in a passing off action are the same as in any other claim for injunctive relief. The plaintiff must prove a prima facie case, that the balance of convenience favours him and of his suffering an irreparable injury if an injunction is refused, *Laxmikant V Patel*, supra, paragraph 13. An interlocutory remedy is intended to preserve in status quo the rights of parties as they appear on a prima facie case, *Wander Ltd v. Antox India (P) Ltd*, 1990 Supp SCC 727, paragraph 9.

D. Conclusions & Order

44. It seems to me that, in a passing off action, the guiding principles may fairly be said to be these:

(a) All three probanda of the Classical Trinity must be satisfied: (1) the existence of the plaintiff's goodwill and reputation in the mark in question; (2) misrepresentation by the defendant; and (3) the likelihood of damage.

(b) Actual damage need not be proved; its likelihood is enough. It is never necessary to show fraud or fraudulent intent and the defendant's state of mind is irrelevant. But a distinction must be made between likelihood of misrepresentation, likelihood of confusion and likelihood of damage. Confusion is not always deception, but the purpose of deception is to confuse and confound.

(c) The misrepresentation must be as to source, provenance or origin of the goods or services. The deceit or deception may run in either direction - the defendant passes off his goods as having been manufactured by the plaintiff, or "hijacks" the plaintiff's reputation by claiming the plaintiff's goods to be the defendant's. In either case, the misrepresentation has to be as to the source.

(d) In a passing off action brought quia timet, expecting "proof" of misrepresentation may be unrealistic. Very different considerations may arise where the rival goods have remained in the market for a long period of time. In that situation, it would be unsafe at the interlocutory stage to assume likelihood of confusion. It is one thing to speak of a consumer of average intelligence and imperfect recollection; it is another to take him for a fool. That is not the law's demand. The longer the period of such co-existence, the greater should be the reluctance to assume that the consumer is being deceived or is even likely to be deceived. The material does not have to be iron-clad or fool-proof, but there is must be some material shown. A mere assertion will not suffice, and there is no presumption in law that misrepresentation is always inevitable. It is incorrect to say that in passing off proof of misrepresentation is never necessary.

(e) Reputation and goodwill in passing off are not of the generalized kind such as might be shown by high sales. It must be shown that the public is "moved to buy by source" - that it wants or desires certain goods because of their origin. There may be many different ways to demonstrate this, but it must be shown, and cannot be assumed. There must be a oneness, a unity, between the product and its source.

(f) Delay is not to be confused with acquiescence. The latter implies knowledge, and where knowledge of the defendant's mark and product is shown and this is coupled with a long period of inaction against the alleged invasion of a claim of exclusivity, it is no answer to say "there is no positive act", for acquiescence is also not explicit consent, but is silent assent. Mere inaction is not acquiescence either, but prolonged inaction coupled with the knowledge of an invasion of that right might well be.

(g) The general principles governing the grant of an injunction always apply. A plaintiff must make out a prima facie case. He must show the balance of convenience favours him, and he must demonstrate that irretrievable injury will be caused by the injunction being refused.

45. In the present case, I am not satisfied that any of these tests are met. Reputation as to source is not sufficiently demonstrated. The rival products have long co-existed and I cannot and will not presume misrepresentation by Wockhardt as to source, even assuming there is similarity. There is no explanation at all for Torrent's past conduct and the inaction with knowledge, or deemed knowledge, of Wockhardt's trade mark registration application, its advertisement and subsequent registration, with not a single objection from Torrent or its predecessor-in-title. There is no answer about the caveats or about the co-existence of other players in the market. There is simply no misrepresentation shown as required by law, at this prima facie stage. There being no prima facie case made out, I cannot grant the injunction. The balance of convenience seems to me to favour entirely the Defendants; after all, to the Plaintiff's knowledge, they have had their product in the market for a very long time, at the very least for five years, possibly more, and an injunction at this stage is far removed from the prima facie status quo that *Wander v. Antox* tells us is the primary objective. There is no injury, let alone an irreparable one, to the Plaintiff that I can tell if an injunction is refused. It has not had one all this time while the Defendants' business has grown into crores. To grant the injunction would be unfairly monopolistic.

46. Since this is a prima facie view, while dismissing the Notice of Motion, I will direct the Defendants to maintain accounts of their sales under the CHYMTRAL FORTE mark. In any case, this material will be required at the final hearing of the suit.

47. The Notice of Motion is dismissed with these directions. No costs.