

\$~J

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

% *Judgment Pronounced on: 05.06.2020*

+ CS(COMM.) 757/2017

SUN PHARMA LABORATORIES LIMITED Plaintiff

Through Mr.Hemant Singh, Ms.Mamta Jha and
Mr.Wasee Shuaib Ahmed, Advs.

Versus

BDR PHARMACEUTICALS

INTERNATIONAL PVT. LTD. & ANR.Defendants

Through Mr.Tahir A.J, Adv. for D-1.
Mr.Dayan Krishnan, Sr.Adv. with
Mr.Rishi Agarwala, Ms.Niyati
Kohlim, Mr.Pranjit Bhattacharya,
Ms.Megha Bengani, Ms.Akashi
Lodha and Mr.,Sanjeevi Sheshadri,
Advs. for D-2.

CORAM:

HON'BLE MR. JUSTICE JAYANT NATH

JAYANT NATH, J. (JUDGMENT)

1. This suit is filed by the plaintiff seeking a decree of permanent injunction to restrain the defendants etc. from manufacturing, marketing, selling, offering for sale, advertising, directly or indirectly dealing in medicinal preparations under the impugned mark LULIBET or any other mark that may be visually, structurally or phonetically deceptively similar to the plaintiff's trademark LABEBET amounting to infringement of registered trademark of the plaintiff. Other connected reliefs are also sought.

2. The above matter came up for hearing on 4.1.2018 when the court passed the following order:-

“Written statement of the defendant no.1 is taken on record.

The suit is listed for framing of issues if any and for hearing of the application for interim relief.

The counsel for the plaintiff and the senior counsel for the defendant no. 2 have been heard.

The counsel for defendant No.1 adopts the arguments of the senior counsel for defendant No.2.

The plaintiff has sued *inter alia* for permanent injunction restraining infringement of trade mark and passing off in relation to its medicinal preparation 'LABEBET' by the defendants by adoption of the mark 'LULIBET', also for medicinal preparation.

There is no interim injunction till now.

The counsel for the plaintiff on enquiry states that while the medicine of the plaintiff is for the ailment of hypertension and is marketed in tablet and injection form, the medicine of the defendants is for the ailment of fungal infection and marketed in ointment and spray form.

The senior counsel for the defendant No.2 on enquiry, states that the defendant No.2 is manufacturing the medicine 'LULIBET' and the defendant No.1 is marketing the same.

I have enquired from the counsel for the plaintiff whether not in the aforesaid circumstances, there is no possibility of confusion and deception since the two medicines are for different ailments and since, to my knowledge, there is no medicine available in the form of ointment or spray for the ailment of hypertension.

The counsel for the plaintiff has argued (i) that the registration of the mark of the plaintiff is in Class-V and relating to pharmaceutical and medicinal preparations in general and not for the pharmaceutical preparation for the ailment of hypertension only; (ii) that thus Section 29(i) will apply; (iii) that the possibility of patients with the ailment of fungal infection consuming the tablet or being treated with an injection of the product of the plaintiff exists inasmuch as for such ailments medicines in tablet and injection form are also available; and (iv) reliance is placed on *Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd., AIR 2001 SC 1952*.

Per contra, the senior counsel for the defendants No.2 has

(i) drawn attention to page 42 of the plaintiff's documents to show that the molecule of the medicine of the plaintiff 'Labetalol Hydrochloride IP 100 mg' and to page 6 of the defendants' documents to show that the molecule of the medicine of the defendants is 'Luliconazole'; (ii) has drawn attention to page 52 of the Part-I file to show that for fungal infection, large number of other medicines with the molecule name 'Luliconazole' are available; (iii) has relied on *M/s. Panacea Biotec Ltd. Vs. M/s. Recon Ltd., AIR 1997 Delhi 244*; and, (iv) has contended that the plaintiff in the plaint has admitted that the defendants also have applied for registration and has not opposed the application and is thus not entitled to injunction.

On enquiry, the counsel for the plaintiff states that the Registrar of Trade Marks does not have power to entertain an objection after the time prescribed for filing objection of four months from the date of advertisement and the only remedy of a person who has so missed the opportunity is to apply the cancellation of the registration if any granted.

I have during the hearing informed the counsels that considering the nature of the controversy, the suit, insofar as for the relief of permanent injunction, will be disposed of on the basis of hearing today and considering the facts aforesaid and the fact that the defendants are marketing only since July 2016, no case of the plaintiff being entitled to any damages or other reliefs is made out.

The senior counsel for the defendant No.2 states that in that eventuality, the hearing be deferred.

List on 22nd February, 2018.”

3. On 22.2.2018 the court further passed the following order:-

“This order is in continuation of the earlier order dated 4th January 2018.

The counsel for the plaintiff states that the plaintiff is agreeable to the proposal mooted in the order dated 4th January 2018.

The Senior counsel for the defendant no. 1 also on

instructions states that the defendant no. 1 is not agreeable to the proposal.

The counsel for the plaintiff on request was permitted to contend further and during the course of hearing it has been enquired from him, whether he has any objection to use by the defendants of the word/expression 'LULI' which is derived from the molecule of the medicine of the defendants.

The counsel for the plaintiff states that the plaintiff has no objection and the objection is only on account of the overall similarity.

The counsel for the plaintiff has also referred to the dicta of this Court in *Himalaya Drug Company vs. S.B.L.Limited, 2013 (53) PTC 1 Del (DB)* where injunction against use of 'LIV-T', a homeopathic drug was granted on account of being in infringement of 'Liv.52", an Ayurvedic drug and the argument that the registered proprietor cannot have any right in the word 'LIV' was rejected by holding that the word 'LIV', represented in a particular form could not be excluded for the purposes of measuring deceptive resemblance.

The counsel for the plaintiff has further contended that the registered proprietor has a right to use the mark for the goods of the description for which it is registered and even if the mark for the time being is used only for one of the products of such description. It is contended that the registered mark 'LABEBET' of the plaintiff is with respect to medicinal and pharmaceutical preparations and the plaintiff will have a right to sue for infringement as long as similar/deceptive mark is used for any medicinal/pharmaceutical preparation. Reliance in this regard in addition to *Himalaya Drug Company* supra is also placed on *Novartis AG vs. Crest Pharma Pvt. LTD. 2009 (41) PTC 57 Del* where interim injunction with respect to the antibiotic in the form of injection in the mark 'CECEF' was granted for the reason of amounting to passing off of the plaintiff's mark 'SECEF' in the form of tablet or oral suspension and for UTI infections.

I have enquired to the senior counsel for the defendant No.2 whether the defendant No.2 is agreeable to, while retaining the part 'LULI' of its mark, altering the part 'BET' of

its mark.

It is deemed appropriate to defer further hearing if any required to enable the defendants to take instructions.

List on 6th March 2018.”

4. In response to the above orders learned senior counsel for defendant No.2 on 22.3.2018 submitted that defendant No.2 would like to contest the suit on merits. Learned senior counsel for defendants No.1 and 2 also stated that defendants will not manufacture or market any product in tablet or injectable form under the mark ‘LULIBET’.

5. I have heard learned counsel for the plaintiff Mr. Hemant Singh and learned counsel for defendant No.1 and learned senior counsel for defendant No.2 Mr. Dayan Krishnan. On the relief of decree of permanent injunction as sought by the plaintiff in terms of the above noted orders the suit can be disposed of, at this stage, itself. Further, as noted in the above orders the defendants are marketing only since July 2016. Hence, no case of the plaintiff being entitled to any damages or other relief is made out as noted in the order dated 4.1.2018 read with order dated 22.02.2018.

6. The case of the plaintiff as stated in the plaint is that it is carrying on business of manufacturing and marketing pharmaceuticals and medicinal preparations for past several decades. One of the medicines manufactured by the plaintiff is under the mark LABEBET which was coined in 2009. The product is used for treatment of hypertension. The said product of the plaintiff LABEBET contains salt/molecule LABETALOL, an antihypertensive drug and sold in tablets as well as injection forms. The said drug is said to have side effects and can cause headache, tiredness, dizziness etc. It is the case of the plaintiff that the said trademark LABEBET has been

used extensively and commercially by the plaintiff. The trademark has acquired immense goodwill and reputation as a badge of quality drugs.

7. It is also pleaded that the plaintiff is the registered proprietor of the said trademark LABEBET in class 5 which was registered on 30.10.2009. Hence, it is pleaded that being a registered proprietor the plaintiff has statutory rights thereof in India and use of an identical or deceptively similar trademark by any unauthorised person, it is pleaded, would constitute infringement of the plaintiff's well-known trademark under section 29 of the Trade Marks Act, 1999 (hereinafter referred to as "the Act") and the same would also be in violation of the plaintiff's statutory right of exclusive use under section 28 of the Act. The sales figures of the said drug LABEBET are given in the plaint and in 2016 - 2017 a sale of Rs.1347 lacs was made. It is pleaded that the mark LABEBET has become a well-known mark as per provisions of section 2(1)(zg) of the Act.

8. Regarding the defendant No.1 it is pleaded that in first week of October 2017 the plaintiff through its field force came across defendants' product, an antifungal cream, under the impugned trademark LULIBET. It is claimed that the said mark when compared as a whole, is deceptively similar to that of the plaintiff inasmuch as the impugned mark is phonetically and structurally similar to the plaintiff's trademark LABEBET. Further, the said product is sold in the common medicine shops in Delhi. It is pleaded that applying the test of imperfect recollection when compared as a whole there is every likelihood of one being confused with the other. It is further pleaded that the medicine under the impugned mark LULIBET contains salt/molecule Luliconazole, which is used for treatment of fungal infections whereas the plaintiff's product under the mark LABEBET is used for

treatment of hypertension. Mixing up of the competing products on account of close phonetic and structural similarity would lead to disastrous consequences and hence the act of the defendant is liable to be enjoined.

9. It is further pleaded that the plaintiff thereafter conducted a search of the defendant's impugned trademark with the Trademark Registry and found that an application for the trademark LULIBET dated 30.05.2016 and 16.06.2016 in class 5 had been filed by defendant No.2. Plaintiff could not oppose the application since the publication of the said mark in the Trade Mark Journal inadvertently escaped the attention of the plaintiff. The objections could not be filed now, at this stage.

10. It is further pleaded that the conduct of the defendant is unethical, unfair, lacks bona fide and is unlawful. Considering that the goods in question are medicinal preparations sold through same trade channels under a deceptively similar trademark, the defendants are creating confusion and deception amongst stockiest, dealers, chemists, consumers and physicians. It is pleaded that the act of the defendant constitutes infringement of trademark, passing off and unfair competition.

11. Defendant No.2 has filed his written statement. It is pleaded that the product LULIBET cream contained in lamitube was launched by defendant No. 2 in 2016. The said product of the defendant is unique within the Luliconazole range of creams as the same is being manufactured with 'Enhanced Emollient Penetration Technology'. Further, the defendant's product has other unique ingredients. These value added ingredients and other special features of the defendant's product offer superior results than similar products. It is pleaded that owing to its special characteristic features, superior efficacy, the defendant's product LULIBET is at the

centre stage evincing high interest and popularity. The sales figures it is pleaded demonstrates the phenomenal success, popularity and standing of the product. It is stated in the year 2016-17 sales figure of 10.90 crores was registered.

12. It is pleaded that the trade names LABEBET of the plaintiff and LULIBET of the defendant No.2 are both based on two different drugs/molecule. The plaintiff's product LABEBET contains molecule Labetalol whereas defendant's product LULIBET contains Luliconazole. The prefixes in both the competing marks LABEBET and LULIBET are totally different, distinct structurally, phonetically and visually and represent the name of totally different drugs/molecule. Further the plaintiff's product LABEBET is in tablet form to be administered orally or intravenously in injectable forms for ailment relating to hypertension while defendant's product LULIBET is in cream, lotion or spray form which is essentially meant for application on skin having external use only. The prefix 'LULI' is derived from the molecule Luliconazole and suffix 'BET' has reference to the apt bet to eradicate the fungal infection. It is pleaded that it is a common methodology and prevalent practice in the pharma industry to name medicines/products by using a combination of an abbreviation of the molecule with any such other name. It is common to name a product on the basis of the molecule/ basic drug/ salt name. It is also pleaded that there are large number of companies, manufacturers and marketers of Luliconazole who use the prefix LULI, details of which are given.

13. Hence, it is pleaded that adoption of the name LULIBET by the defendant is clearly honest and bonafide without any connection with the plaintiff's mark LABEBET. There is no similarity between the two marks. It

is further stated that the two marks are phonetically and visually different.

14. It is further pleaded that defendant No.2 commenced production of its product in July 2016 onwards. The same was within the express knowledge of the plaintiff especially so as the plaintiff itself is marketing and selling a product containing the drug Luliconazole. Hence, it is pleaded that the present suit suffers from the vice of delay, laches and estoppel.

Defendant No.2 also applied for registration of the trademark LULIBET on 30.05.2016 and 16.06.2016 in class 5. Plaintiff did not oppose the applications. The time for filing objections to the said application has expired. Hence, it is pleaded that the suit of the plaintiff is liable to be dismissed.

It is further pleaded that the plaintiff has failed to make out any case of infringement or even passing off against defendant No.2. It is further pleaded that the plaintiff's own mark LABEBET is not a coined word but merely based upon/derived from the active ingredient Labetalol. It is further pleaded that large number of companies have trademarks with the prefix 'LABE' for their products containing Labetalol as the active ingredient. The said fact itself disentitles the plaintiff from making out any case of infringement or passing off against defendant No.2.

Further the abbreviation 'BET' cannot be usurped and monopolised by the plaintiff.

Similarly, as stated, there are many companies using the prefix LULI for the respective products. Hence, the plaintiff cannot claim any exclusive right over the prefix LULI since it is *publici juris*.

15. Defendant No.1 has also filed his written statement where it has supported the stand of defendant No.2.

16. I have heard learned counsel for the parties. Learned counsel for plaintiff submits as follows:-

(i) Plaintiff is a registered proprietor of the mark LABEBET in class 5 for medicinal and pharmaceutical preparations and is entitled to the exclusive right of using the same by virtue of section 28 of the Act. Plaintiff has statutory as well as common law rights. Any mark identical or deceptively similar to the plaintiff's trademark LABEBET would constitute infringement of the plaintiff's trademark.

(ii) It is pleaded that the defendant's trademark LULIBET when compared as a whole is structurally, phonetically and deceptively similar to the plaintiff's trademark LABEBET. They are sold through chemist shops. The competing marks have similar wordings as the first syllable and suffixes are identical. Hence, confusion and deception is likely when the test of imperfect recollection is applied to them. Reliance is placed on a large number of judgments to support the aforesaid submissions.

(iii) The use of the impugned mark LULIBET by the defendant constitutes infringement of the plaintiff's trademark LABEBET under section 29 of the Act. It is pleaded that the mark of the plaintiff is registered in class 5 which deals in medicinal and pharmaceutical preparations and substances and is not related to pharmaceutical preparations for ailment of hypertension only. Further, the possibility of patients with ailment of fungal infections consuming plaintiff's tablet LABEBET or being treated with an injection of the plaintiff cannot be ruled out. Reliance is placed on the judgment of the Supreme Court in the case of *Cadilla Health Care Ltd. vs. Cadilla Pharmaceuticals Ltd.*, AIR 2001 SC 1952 and judgment of the Division Bench of this Court in *The Himalaya Drug Company vs. M/s. S.B.L.*

Limited, 2013 53 PTC 1 Delhi (DB) to plead the case of the plaintiff.

(iv) It is further pleaded that defence of the defendant that there exist third party registration/use of deceptively similar mark by such third party is an argument which is misplaced and misconceived. It is pleaded that the plaintiff's right under section 28 of the Act have to be enforced by the court if the mark is deceptively similar/identical to the registered trademark. Merely because there are other marks that are deceptively similar and the plaintiff has not taken any action against them does not in any manner help the case of the defendant. Reliance is placed on the judgment of this Court in the case of *Pankaj Goel vs. M/s Dabur India Ltd., 2008 (38) PTC 49 Delhi*, and judgement of the Supreme Court in *National Bell Company & Anr. vs. Metal Goods Manufacturing Private Limited & Anr., (1970) 3 SCC 665*.

(v) Based on the above, it is pleaded that a decree of permanent injunction may be passed in favour of the plaintiff and against the defendants as sought for.

17. Learned senior counsel for defendant No.2 has pleaded as follows:-

(i) Defendant No.2 has applied for registration of the mark LULIBET on 30.5.2016. The application was duly published in the Trademarks Journal on 31.10.2016. The application of the defendants was not opposed by the plaintiff. Hence, the plaintiff cannot now seek an injunction on account of their conduct.

(ii) It is repeated that the trademark of the plaintiff LABEBET is derived from the molecule Labetatol and is used in the form of tablet/ injection for hypertension. The product of the defendant under the trademark LULIBET is derived from Luliconzole and is used externally as a lotion/cream for fungal treatment. On 22.3.2018 it is pleaded that defendant No.2 has already

undertaken not to manufacture or market any product under the mark LULIBET in its tablet/ injectable form. It is pleaded that this would be a critical factor to refuse injunction to the plaintiff. Reliance is placed on the judgment of a co-ordinate Bench of this court in ***Kalindi Medicure Private Limited vs. Infra Pharmaceuticasl Limited, (2007) 136 DLT 200.***

(iii) Defendant's mark LULIBET is not similar to or identical to the plaintiff's mark LABEBET. A bare comparison of the two marks indicates that the same are not identical or similar. As the marks are not identical or similar the test for infringement is the same as the test for passing off. It is reiterated that there is no likelihood of any deceptive similarity between the product of the defendant No.2 and the plaintiff's product.

(iv) Learned senior counsel further submits that LULIBET contains the molecule Luliconzole and hence the prefix LULI is derived from the molecule Luliconzole. It is a common practice under the pharma industry to name the mark and the brand names on such basis. Further, it is pleaded that large number of companies use the prefix LULI. Hence, it is pleaded that the plaintiff cannot claim any exclusive right to the prefix LULI since it is *publici juris*. Further, plaintiff's own mark LABEBET is not a coined word but merely based upon/derived from the active ingredient Labetatol. There are large number of companies having trademark with the prefix LABE for their products containing Labetatol.

(v) There is no phonetic similarity between the plaintiff's trademark and the defendant's mark. Merely because there is a commonality of the suffix BET does not amount to phonetic similarity. It is pleaded that the marks have to be compared as a whole and parts of the marks cannot be dissected to ascertain similarity between the two marks. Mere commonality of the

suffix BET cannot ascribe any phonetic similarity between the two marks.

(vi) It is further pleaded that there is no confusion reported till date between the product of defendant No.2 and the product of plaintiff. No such complaint has been received from any such stakeholder. Hence, it is pleaded that the present suit is only an attempt to stop the progress of the defendant's drug.

(vii) It is further pleaded that the products of the defendant was launched in July 2016. There is gross delay on the part of the plaintiff in instituting this litigation and any injunction, at this stage, would prejudice defendant No.2. The application for registration of defendant No.2 was filed in July 2016 and was known to the plaintiff. The plaintiff has chosen to sit idle for 1 ½ years and has not taken any action. Plaintiff is guilty of acquiescence, delay and laches.

18. I may first look at the contention of the plaintiff that the trademark used by the defendants LULIBET is deceptively similar to that of the plaintiff's trademark LABEBET and is an infringement of the rights of the plaintiff.

19. Reference may be had to sections 28 and 29(1) of the Trade Marks Act, 1999, which read as follows:

“28. Rights conferred by registration.—

(1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.

29. Infringement of registered trade marks.—

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

...”

20. Reference in this context may be had to the judgment of the Supreme Court in the case of *Kaviraj Pandit Durga Dutt Sharma v. Navratna Pharmaceutical Laboratories*, AIR 1965 SC 980. The court held as follows:

“28. The other ground of objection that the findings are inconsistent really proceeds on an error in appreciating the basic differences between the causes of action and right to relief in suits for passing off and for infringement of a registered trade mark and in equating the essentials of a passing off action with those in respect of an action complaining of an infringement of a registered trade mark. We have already pointed out that the suit by the respondent complained both of an invasion of a statutory right under Section 21 in respect of a registered trade mark and also of

a passing off by the use of the same mark. The finding in favour of the appellant to which the learned counsel drew our attention was based upon dissimilarity of the packing in which the goods of the two parties were vended, the difference in the physical appearance of the two packets by reason of the variation in the colour and other features and their general get-up together with the circumstance that the name and address of the manufactory of the appellant was prominently displayed on his packets and these features were all set out for negating the respondent's claim that the appellant had passed off his goods as those of the respondent. These matters which are of the essence of the cause of action for relief on the ground of passing off play but a limited role in an action for infringement of a registered trade mark by the registered proprietor who has a statutory right to that mark and who has a statutory remedy for the event of the use by another of that mark or a colourable imitation thereof. While an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods" (Vide Section 21 of the Act). The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable imitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two ceases. In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between

the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.

29. When once the use by the defendant of the mark which is claimed to infringe the plaintiff's mark is shown to be "in the course of trade" the question whether there has been an infringement is to be decided by comparison of the two marks. Where the two marks are identical no further questions arise; for then the infringement is made out. When the two marks are not identical, the plaintiff would have to establish that the mark used by the defendant so nearly resembles the plaintiff's registered trade mark as is likely to deceive or cause confusion and in relation to goods in respect of which it is registered (Vide Section 21). A point has sometimes been raised as to whether the words "or cause confusion" introduce any element which is not already covered by the words "likely to deceive" and it has sometimes been answered by saying that it is merely an extension of the earlier test and does not add very materially to the concept indicated by the earlier words "likely to deceive". But this apart, as the question arises in an action for infringement the onus would be on the plaintiff to establish that the trade mark used by the defendant in the course of trade in the goods in respect of which his mark is registered, is deceptively similar. This has necessarily to be ascertained by a comparison of the two marks-the degree of resemblance which is necessary to exist to cause deception not being capable of

definition by laying down objective standards. The persons who would be deceived are, of course, the purchasers of the goods and it is the likelihood of their being deceived that is the subject of consideration. The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's mark. The purpose of the comparison is for determining whether the essential features of the plaintiff's trade mark are to be found in that used by the defendant. The identification of the essential features of the mark is in essence a question of fact and depends on the judgment of the Court based on the evidence led before it as regards the usage of the trade. It should, however, be borne in mind that the object of the enquiry in ultimate analysis is whether the mark used by the defendant as a whole is deceptively similar to that of the registered mark of the plaintiff."

21. Reference may also be had to the judgment of the Supreme Court in the case of *Amritdhara Pharmacy vs. Satya Deo Gupta, AIR 1963 SC 449* where the Court held as follows:-

"8. We agree that the use of the word "dhara" which literally means "current or stream" is not by itself decisive of the matter. What we have to consider here is the overall similarity of the composite words, having regard to the circumstance that the goods bearing the two names are medicinal preparations of the same description. We are aware that the admission of a mark is not to be refused, because unusually stupid people, "fools or idiots", may be deceived. A critical comparison of the two names may disclose some points of difference, but an unwary purchaser of average intelligence and imperfect recollection would be deceived by the overall similarity of the two names having regard to the nature of the medicine he is looking for with a somewhat vague recollection that he had purchased a similar medicine on a previous occasion with a similar name. The trade mark is the whole thing-the whole word has to be considered. In the case of the application to register "Erectiks" (opposed by the proprietors of the trade mark "Erector")

Farwell, J., said in *William Bailey (Birmingham) Ltd. Application* [(1935) 52 RPC 137]:

“I do not think it is right to take a part of the word and compare it with a part of the other word; one word must be considered as a whole and compared with the other word as a whole.... I think it is a dangerous method to adopt to divide the word up and seek to distinguish a portion of it from a portion of the other word.”

9. Nor do we think that the High Court was right in thinking that the appellant was claiming a monopoly in the common Hindi word “dhara”. We do not think that that is quite the position here. What the appellant is claiming is its right under Section 21 of the Act, the exclusive right to the use of its trade mark, and to oppose the registration of a trade mark which so nearly resembles its trade mark that it is likely to deceive or cause confusion.”

22. Reference may also be had to the judgment of the Supreme Court in the case of *Cadila Health Care Limited v. Cadila Pharmaceuticals Ltd., AIR 2001 SC 1952*. In that case some of the relevant facts were that the appellant had filed a suit for injunction against the respondent in relation to a medicine being sold by the respondent under the brand name ‘Falcitab’ which, according to the appellant, was said to be a brand name similar to the drug being sold by the plaintiff under its brand name ‘Falcigo’. In that context, the Supreme Court held as follows:

“6. The respondent Company stated in the defence that the word “Falci”, which is the prefix of the mark, is taken from the name of the disease “Falcipharum Malaria” and it is a common practice in pharmaceutical trade to use part of the word of the disease as a trade mark to indicate to the doctors and chemists that a particular product/drug is meant for a particular disease. It was also the case of the

respondent that admittedly the two products in question were Schedule 'L' drugs which can be sold only to the hospitals and clinics with the result that there could not even be a remote chance of confusion and deception. It may here be noticed that Schedule 'H' drugs are those which can be sold by the chemist only on the prescription of the doctor but Schedule 'L' drugs are not sold across the counter but are sold only to the hospitals and clinics.

xxx

14. In *Amritdhara Pharmacy v. Satya Deo Gupta* [AIR 1963 SC 449] the respondent had applied for the registration of the trade name "Lakshmandhara" in respect of a medicinal preparation for the alleviation of various ailments. This was opposed by the appellant whose trade name "Amritdhara" had already been registered in respect of similar medicinal preparation. The question, which arose, was whether the name "Lakshmandhara" was likely to deceive the public or cause confusion to the trade. While interpreting Sections 8 and 10 of the Trade Marks Act, this Court observed at pp. 452-54 as follows: (AIR paras 7-9)

"7. It will be noticed that the words used in the sections and relevant for our purpose are 'likely to deceive or cause confusion'. The Act does not lay down any criteria for determining what is likely to deceive or cause confusion. Therefore, every case must depend on its own particular facts, and the value of authorities lies not so much in the actual decision as in the tests applied for determining what is likely to deceive or cause confusion. On an application to register, the Registrar or an opponent may object that the trade mark is not registrable by reason of clause (a) of Section 8, or sub-section (1) of Section 10, as in this case. In such a case the onus is on the applicant to satisfy the Registrar that the trade mark applied for is not likely to deceive or cause confusion. In cases in which the tribunal considers that there is doubt as to whether deception is likely, the application should be refused. A trade mark is likely to deceive or cause confusion by its resemblance to

another already on the register if it is likely to do so in the course of its legitimate use in a market where the two marks are assumed to be in use by traders in that market. In considering the matter, all the circumstances of the case must be considered. As was observed by Parker, J. in *Pianotist Co.'s Application, Re* [(1906) 23 RPC 774] which was also a case of the comparison of two words—

‘You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.’ (p. 777)

For deceptive resemblance two important questions are: (1) who are the persons whom the resemblance must be likely to deceive or confuse, and (2) what rules of comparison are to be adopted in judging whether such resemblance exists. As to confusion, it is perhaps an appropriate description of the state of mind of a customer who, on seeing a mark thinks that it differs from the mark on goods which he has previously bought, but is doubtful whether that impression is not due to imperfect recollection. (See *Kerly on Trade Marks*, 8th Edn., p. 400.)

XXXX

33.

What is likely to cause confusion would vary from case to case. However, the appellants are right in contending that where medicinal products are involved, the test to be applied for adjudging the violation of trade mark law may not be on a par

with cases involving non-medicinal products. A stricter approach should be adopted while applying the test to judge the possibility of confusion of one medicinal product for another by the consumer. While confusion in the case of non-medicinal products may only cause economic loss to the plaintiff, confusion between the two medicinal products may have disastrous effects on health and in some cases life itself. Stringent measures should be adopted specially where medicines are the medicines of last resort as any confusion in such medicines may be fatal or could have disastrous effects. The confusion as to the identity of the product itself could have dire effects on the public health.”

23. I may now come to the facts of this case. The plaintiff's trade mark is “LABEBET” whereas the trade mark of the defendant is “LULIBET”. The marks have to be compared as a whole. They have to be judged by their look and their sound. The nature of customers who are likely to buy the goods has also to be considered in my opinion. If the two marks are compared as a whole the mark of the defendant is phonetically, visually and structurally, similar to that of the plaintiff. A person of average intelligence and imperfect recollection is likely to be deceived or confused. That apart as noted by the Supreme Court in *Cadila Health Care Limited vs. Cadila Pharmaceuticals Ltd.*(supra) where the medicinal products are involved the test to be applied would be stricter than should be applied for non medicinal products. In the case of non medicinal products, a confusion only creates economic loss but in the case of medicinal products, it may have adverse consequences on the health and life of the individual.

24. However, learned senior counsel for defendant No.2 has raised various issues to plead that likelihood of an average person being deceived or confused by the alleged similarity of the marks does not arise. It is also

pleaded that other facts, even otherwise warrant that no interim order be passed by this court. I may now deal with some of the submissions raised by learned senior counsel for defendant No.2. It was firstly urged that the application of the defendant for registration of the mark LULIBET was published on 31.10.2016. However, no objections were filed by the plaintiff. The plaintiff cannot now turn around and urge that the mark of the defendant is deceptively similar to that of the plaintiff.

25. In my opinion, the plaintiff has given an adequate explanation for the fact as to why they did not oppose the trademark application filed by the defendant. It has been pleaded that when the trademark of the defendant was published, it escaped the attention of the plaintiff. However, it has rightly been pleaded that the fact that the plaintiff did not oppose the application of the defendant before the Trademark Registry does not mean that the defendant can continue to violate the trademark of the plaintiff in violation of the Act specially sections 28 & 29.

26. The other arguments raised by the learned senior counsel for the defendant were that the product of the defendant is used externally as a lotion/cream for fungal treatment. The admitted fact is that the plaintiff's preparation is not sold in the form of lotion/cream. The product of the plaintiff LABEBET is sold in the form of tablet/injectable form. The defendant on 22.03.2018 has already undertaken not to manufacture or market any product under the mark LULIBET in its tablet/injectable form.

27. It is also pleaded by the learned senior counsel for defendant No.2 that the mark LULIBET contains the molecule Luliconazole and hence the prefix LULI is derived from the said molecule. It is pleaded that this methodology is used to name the mark is prevalent and common in the pharma industry

and various brands are coined on such basis. List of ten products are given with the prefix LULI including LULIFIN, LULICAN, LULIMAC etc. Similarly, it is pleaded that the plaintiff's mark LABEBET is not a coined word but merely based on salt/molecule derived from active ingredient Labetalol. Hence, there is no scope for deception. Reliance is also placed on judgment of a Co-ordinate Bench of this court in ***Kalindi Medicure Pvt. Ltd. vs. Intas Pharmaceuticals Ltd. & Anr.***(supra) to support the plea that there is no likelihood of confusion.

28. The above plea is misplaced. It may be true that the fact that the plaintiff's drug is sold in the form of tablet/injectable form and the defendant's drug is sold through lotion/cream. However, it cannot be ignored that both the drugs are sold through a common retail shops. Further the similarity of the marks as noted above cannot completely rule the possibility of deception or confusion. As medicinal products are involved this court would have to adopt a stricter approach.

29. Reference may be had to the judgment, relied upon by the defendant, of this Court in the case of ***Kalindi Medicure Pvt. Ltd. vs. Intas Pharmaceuticals Ltd. & Anr.***(supra). The plaintiff had sued for infringement of the trademark LOPRIN. The defendant had adopted the word LOPARIN. The court held as follows:

“33. Admittedly, both products are used for similar type of diseases, namely, treatment of heart ailment, but whereas LOPRIN is a preventive drug, LOPARIN is a curative drug. As pleaded by the plaintiff (refer para 9 of the plaint), LOPRIN is a coined word derived from ‘low dose of aspirin’ *i.e.* amalgamation of the word ‘low’ and the word ‘aspirin’, defendants mark LOPARIN is a coined word derived

from Mow molecular weight heparin' and the molecule- Enoxaparin *i.e.* amalgamation of the word 'Low' and the word 'Enoxaparin'.

34. It cannot be ruled with certainty at this stage that defendant has resorted to a dishonest adoption.

35. In pharmaceutical trade, one finds names of various drugs almost similar to each other—having common prefix or suffix—for the reason the drug conveys what salt it is a derivative of.

36. No doubt, doctors can also err and it is not uncommon for drugs to be purchased over the telephone and even handwritten prescriptions may be misread due to bad handwriting, but method of intake of a drug by a person is not to be ignored.

37. Plaintiffs product is taken orally and is sold as a pill. Defendant's product is intramuscularly injected with aid of a syringe. Thus, other factors like nature of the product, design and get-up of packing, price, weight, etc. have necessarily to be given due recognition.

38. Factors listed by the defendants in paras 18 and 19 of the reply to IA No. 9988/06 are critical and, in my opinion, break the deadlock. LOPRIN is an anti-platelet drug and prevents coagulation. It is prescribed to prevent adverse cardiac events in patients who are at a risk. It is used by patients over a long period of time. Loparin is a critical care medicine used in acute coronary syndrome as an anticoagulant in emergency, normally used in Intensive Coronary Care Unit. It is administered subcutaneously or intravascularly. The former is sold as pills in aluminium foils, the latter is sold in prefilled syringe. Price difference is huge. Over 52 times.

39. A word on balance of convenience. Defendant has sales of nearby Rs. 8 crores in less than a year. The product is in the market since October, 2005. *Ex facie*, defendants have built a

good market. Balance of convenience lies in favour of the defendants.”

30. Hence, the court took a decision in the facts of that case taking into account the aspects, like product, design, get up, packaging, price etc. The court noted that LOPARIN is a critical care medicine used in acute coronary syndrome, in emergency, normally used in Intensive Coronary Care Unit. It is administered intravascularly. The price difference was also huge. Keeping in account the aforesaid facts, the court took the view that an interim injunction cannot be granted to the plaintiff.

31. In my opinion, the said judgment would not apply to the facts of this case inasmuch as noted above as the trademark of the defendant is phonetically, structurally and visually similar to the trademark of the plaintiff and this is likely to create confusion. In the facts of the case the possibility of deception or confusion being caused to a unwary purchaser of average intelligence and imperfect recollection cannot be ruled out.

32. The next plea raised by the learned senior counsel for defendant was that there was a delay in filing of the present injunction application. The product of the defendant was launched in July, 2016, but the present application was filed in November, 2017. It is pleaded that hence the plaintiff is guilty of delay and laches.

33. In this context, reference may be had to the judgment of the Supreme Court in *Midas Hygiene Industries (P) Ltd. & Anr. vs. Sudhir Bhatia and Ors. (2004) 3 SCC 90* where the Supreme Court held as follows:

“5. The law on the subject is well settled. In cases of infringement either of trade mark or of copyright, normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant

of injunction also becomes necessary if it prima facie appears that the adoption of the mark was itself dishonest.”

Hence, even if there was delay on the part of the plaintiff in filing of the present suit as has been claimed by the defendant, the same delay would not be sufficient to deter grant of injunction in favour of plaintiff.

34. The issue of delay and laches has also been dealt with by the judgment of a Co-ordinate Bench in the case of *Kalindi Medicure Pvt. Ltd. vs. Intas Pharmaceuticals Ltd. & Anr.* (supra). The court held as follows:

27. Relief of injunction being an equitable relief, delay becomes relevant but mere delay in bringing an action for infringement of a trademark or for passing off is no ground for refusing an injunction. The grant of injunction becomes necessary if it *prima facie* appears that the adoption of the mark was dishonest [See 2004 (28) PTC 121 (SC), *Midas Hygiene Industries Pvt. Ltd. v. Sudhir Bhatia*].

28. Acquiescence by itself is also no ground to non suit a plaintiff, if otherwise his claim is found to be genuine. In *Willmott v. Barber*, (1880) 15 Ch.D. 96 Fry, J. said:

“It has been said that the acquiescence which will deprive a man of his legal rights must amount to fraud and in my views this is an abbreviated statement of a very true proposition. A man is not to be deprived of his legal rights unless he has acted in such a way as would make it fraudulent for him to set up those rights.”

29. Acquiescence is nothing but one facet of delay. If a plaintiff stands by knowingly and lets a defendant build up an important trade until it has become necessary to crush it, the plaintiff would be stopped by acquiescence. It would be a fraudulent conduct to allow knowingly somebody to spend money to build a reputation and then try and crush it.

30. It is important to distinguish between mere negligence and acquiescence as was observed by Sr. John Romilly in *Harcourt v. White*, 28 Bear 303. As Explained in *Power Control Appliances v. Sumeet Machines Pvt. Ltd.*, J.T. 1994 (2) SC 70 (Para 29) 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. It implies positive acts, not mere silence or inaction such as is involved in laches. The observations are another form of knowingly sitting idle.”

35. In the facts of this case it cannot be said that the plaintiff stood by knowingly and let the defendant build up its business. There is no merit in this plea.

36. In view of the stated legal position, in my opinion, no grounds are made out for refusing an injunction to the plaintiff. A decree of injunction is passed in favour of the plaintiff and against the defendant restraining the defendant’s agents, dealers etc. from using the said trademark LULIBET or any other mark that is phonetically, structurally or visually similar to the plaintiff’s trademark LABEBET. The plaintiff shall also be entitled to costs. The decree of permanent injunction shall be effective after two months from today. This period is being granted to enable the defendants to take appropriate remedial measures.

37. Suit stands disposed of. All pending applications, if any, also stand disposed of accordingly.

JAYANT NATH, J

June 5, 2020/n