(2014) 10 DEL CK 0214

In the Delhi High Court

Case No : CS (OS) No. 3527/2012

Cadila Healthcare Ltd. APPELLANT

Vs

Hari Om Shukla and Others RESPONDENT

Date of Decision : 10-10-2014

Acts Referred:

Citation : (2015) 63 PTC 401

Hon'ble Judges : Manmohan Singh, J

Bench : Single Bench

Advocate : Bitika Sharma and Ujjwala Jeremiah, Advocates for the Appellant

Judgement

Manmohan Singh, J.—The plaintiff has filed a suit for permanent injunction restraining infringement of trademark "PANTODAC", passing off, dilution, rendition of accounts, delivery etc. against the defendants.

2. The matter was listed on 20th December, 2012 before Court who after hearing restrained the defendants from launching the medicinal preparation under the mark PANTADONE-OD if the same has not been launched in the market till date.

Case of the plaintiff.

3. The plaintiff is a successor to the business, trademarks, goodwill, assets and liabilities of the erstwhile Cadila Group of companies, including Cadila Chemicals Ltd. The plaintiff is a well known company in India engaged in the manufacturing and marketing of various drugs, pharmaceutical formulations, vaccines and other related products under various unique and distinctive brand names. The plaintiff and its affiliates have several brands that feature amongst the top 300 pharmaceutical brands in India.

4. The plaintiff has proven expertise in manufacturing and marketing different dosage forms such as solid dosage forms, injectables, metered dose inhalers, dry powder inhalers, transdermal patches, suppositories and oncology formulations through three multi-therapy divisions and eleven speciality divisions - Zydus

Cadila, Zydus Aalidac, German Remedies, Zydus Biogen, Zydus Neurosciences, Evona Respicare, Alidac Corza, Alidac Fortiza, Zydus Nutriva, Zydus Synovia and Liva Healthcare Limited. The gross sales turnover of the plaintiff for the year 2009-2010 was around Rs. 3700 crores.

5. The plaintiff also exports its products to more than 30 countries including USA, Japan, Brazil, Europe, South Africa etc. The plaintiff''s research activities have resulted into more than 400 patents related to new drug discoveries, drug delivery systems and also in the field of biotechnology products, in India and abroad and more than 75 patent applications filed by the plaintiff have been accepted and patents granted in various countries including USA, Japan, European Union etc.

6. Among the important brand names coined and adopted by the plaintiff is the trademark PANTODAC which is a registered trademark since the year 1996, and has been used exclusively, extensively and continuously since then by the plaintiff in respect of pharmaceutical preparations of the drug Pantoprazole. A copy of the Legal Proceedings Certificate of the same issued by the Trade Marks Registry has been placed on record and details of the registrations are as under:

7. It is averred by the plaintiff that the trademark PANTODAC is used for the preparation of a drug ''Pantoprazole'' used for the treatment of Gastro Esophageal Reflux Disease (GERD) and Peptic Ulcers. The drug Pantoprazole was developed by Altana Pharma AG (owned by Nycomed) and is currently manufactured and marketed in India by the plaintiff under a license from Altana Pharma AG and is sold under the brand name PANTODAC. The drug is available by prescription in tablet form and is also available for intravenous use.

8. The plaintiff is manufacturing and selling the formulation under the trademark PANTODAC and its variants such as PANTODAC FAST, PANTODAC 40, PANTODAC 20 and PANTODAC IV etc.

It is averred that the trademark PANTODAC has acquired distinctiveness in the trade as a result of long, extensive and continuous use since as early as the year 1999. The plaintiff has also acquired enormous goodwill and reputation in trademark PANTODAC.

9. It is further averred that the plaintiff was the first to coin and adopt the trademark PANTODAC for its product. The stated trademark of the plaintiff is novel, fancy and invented word/coined mark which has gained immense public reputation in the name of plaintiff.

10. The plaintiff has been protecting trademark PANTODAC by filing various suits in different courts and notice of oppositions against the registration of identical and/or deceptively similar trademarks before the Trade Mark Office. The rights of the plaintiff in the mark PANTODAC have been recognized by various courts as mentioned below:-

The plaintiff has also filed a list of the notices of opposition before the Trade Mark

Registry as mentioned below:

11. The trademark PANTODAC is used for the preparation of ''Pantoprazole'' which is a drug used for the treatment of Gastro Esophageal Reflux Disease (GERD) and Peptic Ulcers. Copies of the sample of the packaging and Drug Registration Certificates issued by the Drug Controller General pertaining to approvals for the import of Pantoprazole sodium, and pertaining to the approval for the manufacture of Pantoprazole tablets have been placed on record.

12. A few sample invoices raised by the plaintiff company pertaining to the product sold under the mark PANTODAC have been placed on record.

13. The average sale of PANTODAC and its variants is about Rs. 45 to 50 crores per annum. The certificate from the Chartered Accountants certifying the sales figures of PANTODAC from the period 2002-03 to 2011-12 has also been filed.

Case against the defendants as alleged by the plaintiff.

14. Defendant No. 1 appears to be the Director of the defendant No. 2 as per the Trade Mark Application No. 2076530 filed in the Trade Marks Office. The defendant No. 2 is a partnership firm and appears to be engaged in the business of manufacturing pharmaceuticals.

15. The defendants have adopted a deceptively similar mark PANTADONE-OD to that of plaintiff''s mark PANTODAC that too for identical goods i.e. medicines that have the same active ingredient, Pantoprazole. The plaintiff''s trademark PANTODAC has been registered since the year 1996 and the mark has been in continuous use since the year 1999. However, the defendants have claimed use of the impugned mark PANTADONE-OD since 1st January, 2009 which is much subsequent to the registration as well as use of the mark PANTODAC by the plaintiff. Considering the fact that the plaintiff''s mark is used for the treatment of peptic ulcers, the use of a mark which is identical or deceptively similar to PANTODAC is bound to create confusion amongst doctors, chemists and patients.

16. It is stated that the plaintiff became aware of the existence of the defendants through advertisement of trademark application in the Trade Marks Journal No. 1527, dated 12th March, 2012, bearing No. 2076530 for the registration of the mark PANTADONE-OD of the defendant No. 1 who claims to be trading as defendant No. 2. The defendants had applied for this deceptively similar trademark in Class 5 for ''medicines'' on 28th December, 2010 which was published and thus came to the knowledge of the plaintiff in June, 2012.

17. On 9th July, 2012, the plaintiff filed the notice of opposition and thereafter made enquiries about defendant No. 2 to obtain the packaging, drug, publicity material or any other material wherein the defendants have been using the trademark PANTADONE-OD. Although the defendants have claimed user since 1st January, 2009 in its application for registration of trademark, despite enquiries and investigations made by the plaintiff, no product or packaging, wherein the trademark PANTADONE-OD has been used, could be found.

18. It has been averred by the plaintiff that since the defendants have claimed user in the trademark application since the year 2009, they might be selling their products under the impugned trademark PANTADONE-OD in certain remote or rural areas in or around Delhi.

19. It is also averred that the defendants have adopted deceptively similar mark PANTADONE-OD to that of the plaintiff''s mark PANTODAC that too for identical goods i.e. medicines that have the same active ingredient which is likely to create confusion amongst doctors, chemists and patients. The plaintiff''s trademark PANTODAC has been registered since the year 1996 and the mark has been in continuous use since the year 1999. However, the defendants have claimed use of the impugned mark PANTADONE- OD since 1st January, 2009 which is much subsequent to the registration as well as use of the mark PANTODAC by the plaintiff.

20. The defendants'' mark PANTADONE-OD which is claimed to have been adopted by them much later, is deceptively and confusingly similar to plaintiff''s registered trademark PANTODAC and such a subsequent adoption and use by the defendants is undoubtedly deliberate and dishonest.

21. It is averred that the defendants have adopted the trademark PANTODAC so as to trade upon the reputation and goodwill accruing to the plaintiff. It has been contended that since the consumers associates the trademark PANTODAC exclusively with the plaintiff, the defendants'' use of deceptively similar/ identical trademark will invariably deceive the consumers into a belief that the goods of the defendants are those of the plaintiff and the defendants are associated with the plaintiff in some manner.

22. During the pendency of the matter the interim order dated 20th December, 2012 was made absolute vide order 14th July, 2014 and the matter was listed for ex-parte evidence on 27th September, 2014.

23. In ex-parte evidence, the plaintiff filed affidavit dated 17th September, 2014 of Mr. Mehul Pathak, General Manager (Legal) of the plaintiff company as Ex. PW1 reiterating the contents of the plaint and also exhibited certain documents exhibited as Ex.PW1/1 to Ex. PW 1/7 in support of its case. The plaintiff also relied upon documents of the defendants filed by the plaintiff which has been marked as P1. The documents exhibited are as follows:

? A copy of the Board Resolution dated 26th April, 2007, Ex.PW1/1

? A copy of the Legal Proceedings Certificate of Registration No. 723200 in class 5 issued by the Trade Marks Registry, Ex.PW1/2

? Copies of the Drug Registration Certificates issued by the Drug Controller General, Ex.PW1/3 (colly)

? Copy of the sample of the packaging of plaintiff''s mark PANTODAC, Ex.PW1/4

? Copies of sample invoices raised by the plaintiff company from the year 1999 onwards pertaining to the sale of products under the mark PANTODAC, Ex.PW1/5

? Copy of the certificate of a Chartered Accountant certifying the sales of products sold under the mark PANTODAC in India from 2002-2003 to 2011-2012, Ex.PW1/6

? Copies of literature/brochures of the plaintiff''s products sold under the name PANTODAC, Ex.PW1/7

? Trademark Journal extract of the defendants'' trademark application for the mark PANTADONE-OD, Ex.P1.

24. The evidence filed by the plaintiff has gone unrebutted as no cross-examination of the plaintiff''s witness was carried out, therefore, the statements made by the plaintiff are accepted as correct deposition.

25. In view of abovementioned facts and circumstances, the plaintiff is entitled for a decree of permanent injunction in terms of prayer clause 30 (a) of the plaint.

26. With regard to other reliefs i.e. interests, damages and cost are concerned, this Court is of the view that the defendant''s adoption of the trademark PANTADONE-OD is a completely dishonest act. It is an act of plagiarism and cheating the general public. It has been categorically admitted by the defendants in its Trade Mark Application that they have been using the trademark PANTADONE-OD since 2009. The damage caused to the plaintiff by such illegal and infringing activity ought to be compensated by way of damages. The defendants are liable to pay both ordinary as well as exemplary/punitive damages for having committed infringement in a product like medicines, specially those that are available over the counter. The defendants due to mala fide adoption and subsequent conduct are liable to pay penal damages in instant case. The defendants, prior to the filing of the present suit were freely and openly selling the impugned products and have made undue gains. Such use has caused loss to the plaintiffs both by way of monetary loss as well as by way of dilution of their brand. It is a fit case for the grant of pecuniary damages to the plaintiffs in this matter from the defendants. The defendants are liable to pay damages to the plaintiffs for encashing the goodwill of the plaintiffs and passing off the defendants'' goods as that of the plaintiffs.

27. There are various judgments pertaining to the aspect of damages where this Court has previously granted both exemplary and punitive damages against the defendants in ex-parte matters of similar nature in various industries ranging from software to automotives, chocolates to pharmaceuticals, stationary to luxury brands, etc. Some of such decisions are as under:

(i) In Time Incorporated Vs. Lokesh Srivastava and Another, while awarding punitive damages of Rs. 5 lakhs in addition to compensatory damages also of Rs. 5 lakhs, Justice R.C. Chopra observed that "time has come when the Courts dealing in actions for infringement of trademarks, copyrights, patents etc., should not only grant compensatory damages but also award punitive damages with a view to discourage and dishearten law breakers who indulge in violation with impunity out of lust for money, so that they realise that in case they are caught, they would be liable not only to reimburse the aggrieved party but would be liable to pay punitive damages also, which may spell financial disaster for them."

(ii) In Microsoft Corporation Vs. Rajendra Pawar and Another, , this Court held that "Perhaps it has now become a trend of sorts, especially in matters pertaining to passing off, for the defending party to evade court proceedings in a systematic attempt to jettison the relief sought by the plaintiff. Such flagrancy of the Defendant''s conduct is strictly deprecatory, and those who recklessly indulge in such shenanigans must do so at their peril, for it is now an inherited wisdom that evasion of court proceedings does not de facto tantamount to escape from liability. Judicial process has its own way of bringing to tasks such erring parties whilst at the same time ensuring that the aggrieved party who has knocked the doors of the court in anticipation of justice is afforded with adequate relief, both in law and in equity. It is here that the concept of awarding punitive damages comes into perspective."

28. Keeping in view the infringement committed by the defendants, I am of the opinion that a sum of Rs. 2,00,000 as punitive/exemplary damages as well as damages on account of loss of reputation and goodwill of the plaintiff. This prayer made in prayer clause (b) is granted to the above extent. The plaintiff is also awarded Rs. 20,000/- as costs of the suit. Rest of the prayers are rejected.

29. The decree be drawn accordingly. The suit is disposed of accordingly.

