

(2016) 10 MAD CK 0029

In the Madras High Court

Case No : O.S.A.No.197 of 2016 (Original Side Appeal preferred under Clause 15 of Letters Patent read with Order XXXVI Rule 1 of Original Side Rules against the order of this Court dated 03-06-2016 made in C.S.No.985 of 2009)

Cadila Healthcare Ltd.

APPELLANT

Vs

Sun Pharmaceutical Industries Limited

RESPONDENT

Date of Decision : 21-10-2016

Acts Referred:

Trade Marks Act, 1999 — Section 135

Citation : (2017) 69 PTC 368

Hon'ble Judges : A. Selvam and P. Kalaiyarasan, JJ.

Bench : Division Bench

Advocate : Mr. Sathish parasaran for M/s. Arun C. Mohan Vasundhara Arun Brinda Mohan, Advocates, for the Respondents; Mrs. Gladys Daniel, Advocate, for the Appellant

Final Decision : Allowed

Judgement

A. Selvam, J. - This Original Side Appeal has been directed against the judgment and decree dated 03-06-2016 passed in C.S.No.985 of 2009 by the learned Single Judge of this Court.

2. The respondents herein, as plaintiffs, have instituted C.S.No.985 of 2009 on the file of this Court praying to grant the reliefs of perpetual injunctions, liquidated damages, delivery-up for destruction of all preparations, dies, blocks, labels etc., and also for passing the preliminary decree for rendition of accounts wherein the present appellants have been shown as defendants.

3. It is averred in the plaint that the plaintiff is carrying on business as manufacturer of medicinal preparation for human consumption. The plaintiff is an International Specialty Pharma Company with presence in over 30 markets. The plaintiff is involved in making active pharmaceutical ingredients and in branded markets many of plaintiff's products are prescribed in chronic therapy areas like

Cardiology, Psychiatry, Neurology, Gastroenterology, Diabetology, Respiratory etc. The plaintiff is an established and well-known pharmaceutical company in India, which markets drugs and formulation in India since 1983 and subsequently, listed in the main stock exchanges in the year 1994. The plaintiff has been enjoying a high reputation for its medicinal preparations because of its excellent quality and efficiency. During October 2000, the plaintiff has applied to the Drug Controller for permission to manufacture VENLAFAXINE -Extended Release (XR) Capsule for treatment of Major Depression Disorders under the trademark VENIZ. On 21-10-2000, the Drug Control Administration granted permission to the plaintiff for manufacturing VENIZ capsules. After receiving the said licence from the Drug Control Administration, the plaintiff commenced manufacture of medicinal and pharmaceutical preparations under the trademark VENIZ XR. The plaintiff is a registered proprietor of the trademark VENIX XR under No.949364 dated 22-08-2000. The plaintiff has spent a huge amount for popularizing the said preparation under the trademark VENIZ through advertisements and also by various methods. During August 2009, the plaintiff has come to know that the defendants have started a preparation bearing the mark VENZ-OD in which OD is common to trade and it means "once a day" and the word VENZ forms the mark thereof. The defendants have made slavish imitation of the plaintiff's registered trademark VENIZ. The trademarks VENIZ and VENZ are phonetically, visually and structurally similar. The defendants have infringed the trademark of the plaintiff and thereby, earned huge amounts. Under the said circumstances, the present suit has been instituted for the reliefs sought therein.

4. In the written statement filed on the side of the defendants, most of the averments made in the plaint are specifically denied. In Paragraph No.34, it is averred as follows:

"The Defendant submits that the Defendant No.1 has obtained permission from the Government of India, Central Drugs Standard Control Organization, Directorate General of Health Services to manufacture VENZ-OD on 20-07-2009. The Defendant No.1 has by now incurred an expense of about Rs.40,00 lacs on the development, clinical trials and studies of the Active Pharmaceutical Ingredient (API) as well as finished formulation and Rs.42.00 lacs (approximately) for the purpose of launch of VENZ-OD. The aggregate sales of VENZ-OD have been about Rs.82.00 lacs, from the period 03-08-2009 to 31-10-2009."

Further, it is averred in the written statement that the defendants have stopped the manufacture of VENZ-OD and there is no merit in the suit and the same deserves to be dismissed.

5. On the basis of the rival pleadings raised on either side, the learned Single Judge has framed necessary issues and after analysing both the oral and documentary evidence has granted reliefs of perpetual injunctions, rendition of accounts and also liquidated damages to the tune of Rs.3 lakhs by way of

passing the impugned judgment and the same is being challenged in the present Original Side Appeal.

6. The learned counsel appearing for the appellants/defendants has laconically contended that as per evidence given by P.W.1, there is no cause of action for instituting the present suit and as per Section 135 of the Trade Marks Act, 1999, the plaintiff is not entitled to get both the reliefs of rendition of accounts as well as liquidated damages and even though on the side of the plaintiff, the relief of rendition of accounts has not been pressed, the learned Single Judge has erroneously granted the said two reliefs and therefore, the judgment and decree passed by the learned Single Judge are liable to be set aside.

7. To resile the contentions put forth on the side of the appellants/defendants, the learned counsel appearing for the respondent/plaintiff has befittingly drawn the attention of the Court to the averments made in Paragraph No.34 of the written statement and also specifically contended that only during August 2009, the plaintiff has come to know the sinister motive of the defendant and also marketing of similar mark VENZ-OD and the present suit has been instituted on the same year and therefore, for instituting the present suit, definitely cause of action has been in existence and the learned Single Judge after considering the overall evidence available on record has rightly passed the impugned judgment and decree and the same do not warrant any interference.

8. On the basis of the averments made both in the plaint as well as written statement, the Court can unflinchingly come to a conclusion that the plaintiff is a proprietor of the trademark VENIZ. The defendants have sold capsules under the name and style of VENZ-OD. In fact both are phonetically, visually and structurally similar. Further, on the side of the plaintiff, plenitude of evidence is available for the purpose of coming to a conclusion that the defendants have made a clear infringement of the trademark of the plaintiff.

9. At this juncture, the Court has to look into the evidence given by P.W.1. During the course of cross-examination, he would say that he has not known whether the defendants have changed its product's name to ZYVEN or any other name. Further, he would say that he is not certain enough as to whether the suit cause of action has extinguished since the defendants have changed its product's name.

10. In fact, this Court has perused the entire cause of action averred in the plaint wherein it has been clearly stated that the plaintiff has come to know the infringement of trademark in the year 2009. Since the present suit has been instituted in the same year, it is needless to say that the present suit is having cause of action. Therefore, the first limb of argument advanced on the side of the appellants/defendants cannot be accepted.

11. The second limb of argument put forth on the side of the appellants/defendants is based upon Section 135 of the Trade Marks Act, 1999 and the same reads as follows:

"135. Relief in suits for infringement or for passing off.

(1) The relief which a court may grant in any suit for infringement or for passing off referred to in section 134 includes injunction (subject to such terms, if any, as the court thinks fit) and at the option of the plaintiff, either damages or an account of profits, together with or without any order for the delivery-up of the infringing labels and marks for destruction or erasure."

A mere reading of the said Section would go to show that if a suit is instituted on the basis of infringement or passing off, the Court can grant relief of injunctions with certain conditions as it thinks fit. Further, at the option of the plaintiff, the Court can grant either damages or an account of profits together with or without any order for delivery-up of the infringing labels etc.

12. To put it in short, in a suit like this, both liquidated damages as well as rendition of accounts cannot be claimed. The learned counsel appearing for the appellants/defendants has strenuously contended that the learned Single Judge has granted both the reliefs of damages as well as rendition of accounts.

13. In fact, this Court has perused the reliefs granted by the learned Single Judge and ultimately, found that the learned Single Judge has granted reliefs of perpetual injunctions, rendition of accounts and damages of Rs.3 lakhs.

14. As per Section 135 of the said Act, the plaintiff cannot claim reliefs of damages as well as rendition of accounts. Under the said circumstances, the second limb of argument advanced by the learned counsel appearing for the appellants/defendants is really having subsisting force.

15. It is pointed out earlier that in the written statement at Paragraph No.34, a specific averment has been made on the side of the appellants/defendants to the effect that during the relevant period, the defendants have sold the infringed trademark VENZ-OD for a sum of Rs.82.00 lacs.

16. The learned Single Judge after considering the quantum of amount mentioned in Paragraph No.34, has awarded Rs.3 lakhs as liquidated damages. The said quantum has not been challenged on either side.

17. It has already been pointed out that no relief can be passed in the present suit for rendition of accounts. Further, it is seen from the records, that the plaintiff has also relinquished the relief of rendition of accounts. Under the said circumstances, the judgment and decree passed by the learned Single Judge are liable to be modified.

In fine, this Original Side Appeal is allowed in part without costs. The judgment and decree dated 03-06-2016 passed in C.S.No.985 of 2009 by the learned Single Judge are modified as follows:

The relief granted in respect of rendition of accounts is set aside. In respect of other reliefs, the judgment and decree passed by the learned Single Judge are confirmed.