
(1992) 05 GUJ CK 0013
In the Gujarat High Court
Case No : Appeal No. 1 of 1992

Ciba-geigy Ltd.

APPELLANT

Vs

Torrent Laboratories Pvt. Ltd. and Another

RESPONDENT

Date of Decision : 06-05-1992

Acts Referred:

Trade and Merchandise Marks Act, 1958 — Section 109, 11, 12, 12(1), 18

Citation : (1993) 1 GLR 325

Hon'ble Judges : R.K. Abichandani, J

Bench : Single Bench

Advocate : Amar Raj Lall and G.N. Shah, for the Appellant; R.R. Shah, for the Respondent

Judgement

R.K. Abichandani, J.—This is an Appeal u/s 109 of the Trade and Merchandise Marks Act, 19 (hereinafter referred to as the "Act") prefer against the decision of the Assistant Registrar of Trade Marks, dated 15th May, 1991 accepting the application of the Respondent No. 1 for registration of the trade mark "ULCIBAN" subject to the amendment u/s 18(4) in the specification of goods so as to read "Medicinal and Pharmaceutical preparations containing "CIMETIDINE" for the treatment of ulcer and to be sold on the written prescription only"

2. The Respondent No. 1 made an application No. 422819 dated 5th June, 1984 in Class 5 for Registration of the trade mark "ULCIBAN" u/s 18(1) of the Act which was advertised in Trade Mark Journal No. 925 dated 16th December, 1989 at Page 678 in accordance with the provisions of Section 20 of the Act. The Petitioner gave notice of opposition to the registration u/s 21(1) of the Act and the Respondent No. 1-Applciant sent its counter claim in support of his application. Evidence as required by Section 21(4) was submitted in the prescribed manner by the parties. The Petitioner's contention was that it is carrying on business as manufacturers and merchants of medicines and pharmaceuticals and is a Company incorporated in Switzerland. According to the Petitioner, it is the Registered Proprietor of Trade Mark "CIBA" and several other

trade marks incorporating the trade mark "CIBA" which in a part of the series of such trade marks. The trade mark "CIBA" was registered under No. 1654 dated July 2, 1942 in Class 5 in respect of medicinal preparations, pharmaceutical and veterinary preparations, sanitary chemical substances, disinfectants, preparations for killing weeds and destroying vermin. According to the Petitioner, "CIBA" forms the fore-part and most distinctive and prominent feature of the plaintiff's corporate name and trading style. Ciba of India Limited, which was the predecessor-in-title of Hindustan Ciba-Geigy were the recorded registered users of the trade mark "CIBA" upto February 17, 1970. The Ciba of India Limited, after the change of its name into Hindustan Ciba-Geigy Limited had extensively used the trade mark "CIBA". According to the Petitioner, they were the Registered Proprietor of trade marks "CIBA", "CIBAZOL" & "CIBALGIN" and other trade marks containing the word "CIBA". The goods under the trade marks CIBAZOL and CIBALGIN were continuously and extensively sold throughout India by Hindustan Ciba-Geigy Limited as registered users/licensees. The petitioner, therefore, opposed the use of trade mark ULCIBAN on the ground that it was likely to be taken at having some connection with the petitioner because it contains the word "CIBA" which is the most significant part of the petitioner's name and because "CIBA" is one in a series of trade marks owned by the Petitioner which contain the word "CIBA". According to the Petitioner, their trade mark CIBA is distinctive of and is extensively identified with its goods and use of the word "CIBA" in the impugned mark ULCIBAN was bound to cause confusion and deception amongst the trade and public who would assume that it was yet another mark of the petitioner. According to the Petitioner, the goods in the rival mark were identical and the trade channels of the parties were also same. Since the Respondent No. 1 was well aware of the Petitioner's mark at the time of adoption of the impugned mark, the adoption was dishonest and with an intention to trade upon the benefit from the reputation and valuable goodwill in the Petitioner's mark. The Petitioner, therefore, took objections under Sections 9, 11(a), 11(e), 12(1) and 18(1) of the Act against the registration of the impugned mark.

3. The case of the Respondent No. 1 was that it had adopted the impugned mark ULCIBAN in the year 1984 and was using the same since then after obtaining the permission from the Drugs Control Administration in the State of Gujarat. In the counter statement filed by the Respondent No. 1, they denied that the registration of the impugned mark was contrary to the provisions of Section 9, 11(a), 11(e), 12(1) or 18(1) of the Act. Though in the counter statement, stock denials were put up to all that was stated in the opposition by the Petitioner, it appears that the main controversy at the time of arguments centered around the question as to whether the impugned mark was likely to cause deception and confusion amongst the trade and public by virtue of the use of the word "CIBA" as a prominent feature and because the Petitioner was the Proprietor of a series of marks consisting that word. The Assistant Registrar of Trade Marks was of the opinion that the impugned mark "ULCIBAN" comprised of two prominent features

"ULCI" and "BAN" and though the word "CIBA" was included in the impugned mark by virtue of the presence of letters "CIBA", the word "CIBA" could not, by itself, be pronounced independently and therefore it did not occupy any prominent position in the impugned mark ULCIBAN. He was of the view that the registration of the impugned mark of the Respondent No. 1 was not likely to cause any confusion or deception. He also found that there was nothing to support the plea of the Petitioner about the dishonest adoption of the impugned mark by the Respondent No. 1. The Assistant Registrar accepted the suggestion of the learned counsel for the Respondent No. 1 for amending the Specification of Goods so as to read "Medicinal and Pharmaceuticals preparation containing "CIMETIDINE" for the treatment of ulcer and to be sold on the written prescription only" instead of "Pharmaceutical and Medicinal preparations", which appear in the advertisement in the Trade Marks Journal. The opposition of the petitioner was, therefore, refused and the Assistant Registrar directed the application to proceed to registration after the said amendment in the Specification of Goods.

4. It was contended by the learned counsel Mr. Lal appearing for the petitioner that the petitioner was the Registered Proprietor of CIBA and series of marks containing the word "CIBA" which was the most significant feature in the Petitioner's trade marks. He submitted that the Petitioner was the Registered Proprietor of these trade marks and the goods CIBAZOL and CIBALGIN were sold in India as could be seen from the evidence which was brought on record in support of the Opposition. He submitted that, Ciba of India were recorded as registered users from the year 1964 and Ciba of India Ltd. as well as its successor, Hindustan Ciba-Geigy were using the trade marks. He submitted that the use of the impugned mark "ULCIBAN" was likely to deceive or cause confusion to the trade or public and therefore it could not have been registered in view of the prohibition contained in Section 11(a) of the Act. He also submitted that, having regard to the fact that the Respondent No. 1 was in the same trade and was aware of the fact that the petitioner was the proprietor of the registered trade mark CIBA and of series of marks containing the word CIBA, has tried to obtain registration of the impugned mark ULCIBAN containing the word "CIBA", from which it should be inferred that the attempt to get registration of the impugned mark was a dishonest one and the Registrar in his discretion ought to have refused the application u/s 18(4) of the Act. He submitted that there was no bar on the Proprietor of a registered trade mark appointing a licensee, though a licensee who is an unregistered user of the trade mark may not have the same rights as the registered user. He submitted that, for the purpose of attracting the provisions of Section 11(a), it is sufficient to establish likelihood of deception and it is not necessary to prove actual deception. He referred to several decisions on the aspect of likelihood of deception and confusion when a mark is used which resembles the registered trade mark so nearly as to likely to deceive or cause confusion in the trade or the public, and submitted that the impugned mark "ULCIBAN" was likely to deceive the trade and the public into a belief that it

emanated from the same source from which came the other trade marks namely CIBA, CIBAZOL and CIBALGIN.

5. The learned counsel, Mr. R. R. Shah appearing for the Respondent No. 1 vehemently argued that the impugned mark ULCIBAN had absolutely no similarity with the trade marks, CIBA, CIBAZOL or CIBALGIN. He submitted that the marks should be compared as a whole and on such comparison it was evident that the impugned mark ULCIBAN was not likely to deceive or confuse the trade or the public. He further argued that in the impugned mark ULCIBAN, the word "CIBA" was not used either as a prefix or as a suffix and hence it had no significance in the impugned mark in which it appeared nothing beyond the use of four letters C.I.B.A. from the alphabet. He also contended that, phonetically the impugned mark was different from the trade mark CIBA because in such letters, first syllable is important and the first syllable in the impugned mark namely "UL" was phonetically different from the trade mark "CIBA" and a new word was coined in the form of new mark ULCIBAN. He also submitted that the Assistant Registrar had made a proper comparison of the impugned mark and the trade mark of the petitioner and found that there was no likelihood of deception. He also submitted that the Respondent No. 1 has been using the impugned mark since 1984 and the condition which was imposed by the Registrar as suggested by the Respondent No. 1, in the Specification of Goods u/s 18(4), was a sufficient safeguard in favour of the Petitioner. He further argued that there was no user of trade marks CIBA, CIBAZOL or CIBALGIN by the Petitioner and the user by the Petitioner's licensee, namely Hindustan Ciba-Geigy Limited was not deemed to be the user by the Petitioner who was the proprietor of the trade mark in view of the provisions of Section 48(2). He submitted that, since there was no user by the proprietor of the trade mark itself, there was no question of any likelihood of deception or confusion being caused by use of the impugned mark within the meaning of Section 11(a) of the Act. Mr. Shah further contended that there was no possibility of any deception or confusion by use of the impugned mark in view of the fact that it was in relation to a scheduled drug to be sold on a prescription of Medical Practitioners by Chemists. He, therefore, submitted that in such cases, the question of deception or confusion can never arise.

6. An application for registration is required to be made u/s 18 of the Act to the Registrar in the prescribed manner and subject to the provisions of the Act, as provided in sub-section (4) of Section 18, the Registrar may refuse the application or may accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may think fit. The Registrar has, therefore, to keep in mind the provisions laying down prohibition of registration of certain marks u/s 11 and prohibition of registration of identical or deceptively similar trade marks u/s 12 of the Act. As inter alia provided in Section 11, the marks, the use of which would be likely to deceive or cause confusion or the use of which would be contrary to any law for the time being in force or which would otherwise be disentitled to protection in a court shall not be

registered as a trade mark. The provisions of the said Act would also come within the ambit of "any law for the time being in force". Section 29 of the Act provides for infringement of the trade marks rights which are acquired by the registered proprietor who has an exclusive right to the use of the registered trade mark u/s 28. The registered proprietor of the trade mark has a right to obtain relief in respect of infringement of the trade mark in the manner provided by the Act. Section 78 prescribes penalties for applying false trade marks and Section 77 lays down as to when a person shall be deemed to falsify a trade mark. Section 79 prescribes penalty for selling goods to which a false trade mark or false trade description is applied. Thus, if use of a mark is contrary to any of the provisions of this Act, its registration would be prohibited u/s 11(b) and use of such mark would be disentitled to protection in a Court if it constitutes infringement of a registered trade mark. Thus a mark which is deceptively similar to a registered trade mark cannot be registered as use of such a mark would be contrary to the provisions of Sections 28(1) and 29 and will not be protected in a court if its use is likely to deceive or cause confusion. It will also be noticed that u/s 21(1) of the Act, any person may give notice of opposition against the registration applied for and it is not necessary that the person opposing the registration should be a proprietor or a registered user of a trade mark. Moreover once a trade mark is registered, all legal proceedings relating to such a trade mark, the original registration of the trade mark and of all subsequent assignments and transmissions of the trade mark shall be prima facie evidence of the validity thereof as provided in Section 31(1) of the Act. Elaborate provisions are made in Section 46 for removal from register of a trade mark on the ground of non-use. It was not disputed at the hearing of this appeal that the Petitioner is the owner of the trade marks, CIBA, CIBAZOL & CIBALGIN. Admittedly, no action has been initiated for removal from the register of any of the trade marks of the Petitioner on the ground of non-use. Under the provisions of Section 41(1)(b), a registered trade mark may be taken off the register, inter alia, on the ground that upto a date one month before the date of an application a continuous period of 5 years or longer had elapsed during which the trade mark was registered and during which there was no bona fide use thereof in relation to those goods by any proprietor thereof for the time being. Thus, even where there is no use for 5 years, the protection and the rights of the proprietor of the registered trade marks are not automatically taken away and the procedure u/s 46 for removal of the trade mark from register has to be undergone. Until that is done, there is presumption about the validity of the trade mark u/s 31(1) of the Act. In the instant case, since there is presumption of validity of the trade marks which are registered in the name of the petitioner as a proprietor, a casual contention, as the one which is sought to be made by the Respondent No. 1 about the non-use of the trade marks by the Petitioner, cannot be countenanced. It will appear from the order of the Assistant Registrar that no such point was argued before the Registrar. The contention of Mr. Shah as regards non-user was based on the provision of Section 48(2) which provides that the permitted use of a trade mark shall be deemed to be use by the proprietor thereof for the purposes of Section

46 or for any other purpose for which such use is material under this Act or any other law. He contended that, since the trade marks were used by a licensee of the Petitioner, that is Hindustan Ciba-Geigy Limited, there was no question of likelihood of any deception or confusion by use of the impugned mark of the Respondent No. 1 in relation to a trade mark of the Petitioner which was not being used by the Petitioner and was not deemed to have been used by the Petitioner since it was being used by a licensee of the Petitioner. It is difficult to accept this contention for the simple reason that the trade marks in question of which the Petitioner is a proprietor are duly registered and there is a presumption about their validity and further that the provisions of Section 48(2) operate in a different field and do not control the provisions of Section 11(a) which provide for a prohibition against registration of a mark. As observed above, even where there is an action to be taken for removal of a trade mark from the register u/s 46, continuous non-user of 5 years was the relevant criteria laid down for dealing with the question of removal of the trade mark from the register. No such factual contentions regarding such non-user were ever raised by the Respondent No. 1 before the Registrar. If the applicant for rectification proposes to use a similar mark, the removal of the trade mark from the register which is in current use would only enable the applicant to practice deception and confusion on public. In the same way, when the applicant proposes to register a mark which is likely to cause deception or confusion with the goods or source of the registered trade mark in respect of which there is presumption of the validity of the trade mark by virtue of the provisions of Section 31(1), the Registrar on the court should not assist the applicant in the registration of a mark which is likely to cause deception or confusion and to give him a charter to practice deception. It would make registration meaningless if the registered trade mark cannot be enforced by the proprietor to prevent use of deceptively similar marks or a mark which is likely to cause deception and confusion. Thus, mere fact that the application for registering the licensee of the Petitioner as registered user is not yet granted despite the lapse of several years by the concerned authorities and which has remained pending will not create any right in favour of the Applicant-Respondent No. 1 to get a mark registered if it falls within any of the prohibitions enumerated in Section 11 of the Act. Licensing of trade mark is not prohibited though the concept of registered user creates certain legal relationship recognised by the provisions of the Act. A registered user can sue if the proprietor falls to take action. User by the registered user will be deemed to be user by the proprietor for the purposes of Section 46 or wherever proprietor's use is material in any other provision. However, in context of provisions of Section 11, the considerations which are relevant are much wider than those relating to the use of a trade mark by a proprietor or a deemed use by him where it is used by a registered user, as provided in Section 48(2) of the Act. It cannot be said that the provisions of Section 11 enumerating the type of prohibitions of registration of certain marks would be attracted only when there is use of a trade mark by a registered user and would not be attracted when the trade mark is used by a licensee of the proprietor of the trade mark. For the

provisions of Section 11(a), the theme is protection of the public which usually consists of unwary purchasers who by virtue of the resemblance of the mark proposed to be registered are likely to be deceived or confused as regards its source. In other words, they might be deceived into a belief that the goods bearing the impugned mark are the goods of the proprietor of the registered trade mark. It is not essential that actual deception should be demonstrated. A reasonable likelihood of such a deception would be sufficient to attract the provisions of Clause (a) of Section 11. Thus, even if it were to be assumed that the products, CIBAZOL and CIBALGIN were being sold by the licensee of the petitioner who is registered proprietor of the trade marks, CIBA, CIBAZOL and CIBALGIN, there is sufficient connection in the course of trade established and it is nobody's case that the use by the licensee of the proprietor of the trade mark was deceptive in any respect. It is evident that the licensed user has maintained the connection of the registered proprietor with the goods. This can be seen from the material on record such as invoices which are in the name of Ciba-Geigy of India Limited and the advertisement clippings, pamphlets and other sales promotion literature which are produced along with the affidavit which constitutes evidence in support of opposition. The affidavit of Dr. Erich A. Horak which is also the evidence produced in support of opposition states that the petitioner company's trade mark CIBA forms fore-part of company's Corporate name and also forms the prefix of many registered trade marks of the company such as CIBAZOL and CIBALGIN. It is stated in paragraph 5 of that affidavit that the Petitioner Company's goods under the trade marks, CIBAZOL and CIBALGIN have been continuously and extensively sold throughout India for many years by

Hindustan Ciba-Geigy Limited as registered users/licensees. It is also stated that the Hindustan Ciba-Geigy Limited as a licensee of the petitioner undertook advertisements on the Petitioner Company's behalf in respect its goods sold under the trade marks, CIBAZOL and CIBALGIN. In the affidavit of Shri Dineshchandra Shah which is evidence in support of the opposition, it was stated that Ciba of India Limited were recorded as registered users of trade mark CIBA in the year 1964. It is also stated that, Ciba of India Ltd. was predecessor-in-title of Hindustan Ciba-Geigy Ltd. Thus, the material on record clearly established the connection of the registered proprietor of the trade mark namely the Petitioner with the goods which were marketed in India and it can never be said that there was no actual use of these trade marks by the Petitioner. Therefore, even on facts, the contention that there was no use by the registered proprietor of the trade mark, falls to the ground. It may be noticed that no argument on the ground of non-use appears to have been canvassed before the Registrar in the proceedings. However, even on permitting such an argument to be canvassed at this appellate stage, it is clear that there is no substance in it.

7. On the question whether the impugned mark was likely to cause deception and confusion in public and trade, the Assistant Registrar appears to have oversimplified the matter by splitting the impugned mark ULCIBAN into two parts which he called prominent features, namely ULCI and BAN and holding that

having split the word into two parts, it was not possible to pronounce the word "CIBA" which lost its identity by virtue of such splitting up. He was of the view that the letters C.I.B.A. had become insignificant as they were not used either as a suffix or as a prefix. He further held that, phonetically also the registration of the impugned mark was not likely to cause confusion or deception. It is true that the word "CIBA" is not used either as a suffix or as a prefix in the impugned mark ULCIBAN. However, it cannot be said that a word can cause deception or confusion only if it is used as a prefix or a suffix. What is relevant in such a case is to find out the common part. The word "CIBA" which is registered trade mark of the Petitioner constitutes the common part in the impugned mark ULCIBAN. It is evident that the said common element namely the word "CIBA" would be more firmly fixed in the mind of the customer. In the impugned mark, it is evident that the common part CIBA is more emphatic and highly distinctive because the preceding letters "UL" and the last letter "N" have no distinctiveness of their own. The said common part namely, "CIBA" is not merely descriptive of the goods nor is it a commonly used word in the trade and therefore its use in the impugned mark cannot be defended on that ground. Therefore, visually, the word "CIBA" appearing in the impugned mark "Ulciban" because of its distinctiveness as common element with the registered trade mark "CIBA" cannot but attract attention. From the record, it appears that the evidence in support of the application which is the affidavit of Mr. Vijay Shah, a glossy pamphlet containing trade literature is produced at Ann. "B". On its first page, the mark "Ulciban" is prominently written in the lower half and which is also written in the middle on the left side. On the second and third pages again, the impugned mark "Ulciban" is prominently written at the top and at the bottom on both the pages. In none of these three pages, there is any reference to the fact that the said mark belongs to the Respondent No. 1. On the last page at the top, the impugned mark is written prominently and it is only at the bottom, there is a writing "For further information please write", below which the name of the Respondent No. 1 is printed. Even at that place, it is not written that the product is of their own. In the prominently written impugned work, the word "CIBA" which alone stands distinctive by virtue of its being registered trade mark of the Petitioner, would attract the attention of a reader. The approach adopted by the Assistant Registrar by separating the letters ULCI from BAN is not warranted because that is not the way in which an average reader will read the word. His attention is bound to focus on the highly distinctive portion of the word which has its root that is its essential part of the word namely, "CIBA". It is, therefore, clear that, optically the impugned mark is likely to cause deception or confusion as to the source of the goods in whose connection it is used and a person is likely to be led into a belief that the goods bearing the impugned mark are of the proprietors of the trade mark "CIBA", that is the Petitioner. The evidence on record clearly shows that series of marks, namely CIBAZOL and CIBALGIN are also the registered trade marks of the Petitioner. This is an additional factor which may cause use of the impugned mark deception in the public and the trade by leading one to believe that the goods in respect of which impugned mark is used are also one of

the family of marks belonging to the registered proprietor. When a number of marks all have a common element, may it be prefix suffix, or root, i.e. essential part or the core of the mark, they come to be associated in the public mind as indication of the same source.

8. A trade mark may be a source of confusion not because it is deceptively similar to any trade mark but because it may appear to be a member of a family of marks of the registered proprietor. Thus, when the petitioner is the proprietor of a series of marks such as CIBAZOL and CIBALGIN, any other mark having the common element Ciba as an essential part or the core thereof would make it appear as if that trade mark also belongs to the family of marks of the petitioner and the confusion as to the origin of goods would be inevitable leading one to believe that they come from the same source. It is well settled that, where there are "series" of marks registered or unregistered but in use, having a common feature or a common syllable and where all the marks in such a series belong to an opponent, these are generally circumstances adverse to an applicant for a mark containing the common feature, since the public might think that such a mark indicated goods coming from the same source. The strength of these "series" objection depends on how distinct the common feature is. In the present case, it is obvious that the common feature CIBA is highly distinctive in the impugned mark.

9. Phonetically also, it is evident that, pronouncing the impugned mark ULCIBAN, the sound of the word "CIBA" is quite distinct and would be likely to cause confusion or to deceive one to believe that the impugned mark is in respect of a product coming from the same source bearing the trade marks, CIBA, CIBAZOL or CIBALGIN. We are not bound to scan the words as we would in a question of comparison *literarum*. The Court must be careful to make allowance for imperfect recollection and the effect of pronunciation and speech on the part not only of the person seeking to buy under the trade description but also of the shop assistant ministering to that person's wants. Though first syllable may be important in deciding phonetic similarity, it is not always the rule that when first syllable differs, there should be presumption that there is no similarity. As pointed out hereinabove, the common element has to be identified in the impugned mark and the registered trade mark and if such common element is highly distinctive and is not just a description or a commonly used word, the likelihood of deception or confusion would be very much there despite the fact that it may not constitute part of the first syllable and the impugned mark. The fact that the goods under the impugned mark and under the registered trade marks belong to the same specie of pharmaceutical and medicinal goods makes deception or confusion more likely to occur. In respect of pharmaceutical products, it is obviously more important that the public should be protected from the consequences of deception and confusion.

10. As laid down by the Supreme Court in *P. Hoffmann-La Roche & Co. Ltd. v. Geoffrey Manners & Co.* (Rep. in AIR 1970 SC 2064), the marks must be

compared as whole and it would not be right to take a portion of the word and say that because the portion of the word differs from the corresponding portion of the word in the other case, there is no sufficient similarity to cause confusion. Thus, the method adopted by the Assistant Registrar of splitting the impugned mark into two syllables, "ULCI" and "BAN" and then trying to compare it with the word "CIBA" to demonstrate that there was difference, was not a correct method to adopt. The true test is whether a totality in a proposed trade mark is such that it is likely to cause deception or confusion on mistake in the minds of persons accustomed to the existing trade marks. Taking into account all the relevant circumstances of the case, it is clear that there is a high degree of resemblance between the impugned mark ULCIBAN and the registered trade mark CIBA and there would be every likelihood of deception and confusion among the public and trade if the mark ULCIBAN is allowed to be registered.

11. Reliance was placed by Mr. Shah on the decision of the Supreme Court in *Roche & Co.*, (supra) in support of his submission that there was no likelihood of any deception or confusion in case of medicinal preparations because they were required to be sold by a licensed dealer and on medical prescription. The Supreme Court was considering the question as to whether the word "DROPOVIT" was deceptively similar to the word "PROTOVIT". It will be noticed from the decision that it does not rest simply on the ground that there was likelihood of any deception or confusion in respect of medicinal preparations which were required to be sold under Doctor's prescription by a Chemist. The Supreme Court in fact compared both those words laying down the test for such comparison. Paragraph 12 of the Judgment indicates the careful manner in which these words were compared by the Supreme Court. The Supreme Court traced the uncommon element in these words and found that the common syllable "VIT" in the two marks was both descriptive and common to the trade. It also made phonetic comparison and found that there was no reasonable probability of confusion between the words either from visual or phonetic point of view. If the Supreme Court intended to lay down the proposition of law that wherever the medicinal preparations are to be sold by a Chemist on a Doctor's prescription, there was no likelihood of any deception or confusion, it would not have undertaken any exercise of comparing the words nor would it have laid down the test for comparison in context of such medicinal preparations. The Supreme Court, in fact, held that the question of deceptive similarity must be decided on the cases of class of goods to which the two trade marks apply. The observations of the Supreme Court that, from the nature of the goods it was likely that most of the customers would obtain a prescription from a Doctor and show it to the Chemist before they purchase and in such a case except in the event of hand-writing of the Doctor being very bad or illegible the chance of confusion is remote, cannot, therefore, be so construed as to lay down a proposition that there was no likelihood of any deception or confusion in respect of medicinal preparations required to be sold by a Chemist on Doctor's prescription. No such absolute proposition was at all intended by the Supreme Court since as observed

above, the Supreme Court itself undertook the task of comparison of the impugned mark and the registered trade mark to find out whether there was any probability of confusion. The deception or confusion in such cases would be of the public and not of an expert Doctor or a specialised Chemist dealing in the medicinal preparations. One cannot ignore the fact that when a mark likely to deceive or cause confusion is to be used by a person, he will strive to find those who join him in his design and an obliging Doctor and a conniving Chemist will be the integral part of the design to practice deception and cause confusion. The question of likelihood of deception of those who help in practising deception cannot really arise and it is the likelihood of the deception of their victims, i.e., the unwary purchaser, that is material for the purpose of deciding whether the mark should be registered or not in view of the provisions of S. 11(a) of the Act. The real question is whether it is likely that the mark proposed is capable of being used for causing deception or confusion by those who are mindful of propagating it for their self-aggrandizement by using it for taking advantage of the reputation of the registered mark. If the mischief is potential, the registration ought to be refused.

12. Reliance was sought to be placed on the decision of this court in Appeal From Order No. 224/1992 rendered on 27th April, 1992, by Mr. Shah for urging that there was no possibility of any deception or confusion in case of medicinal drugs required to be sold on prescription. It will be seen that no such absolute proposition is laid down in the said decision. In fact the only question which was required to be considered was as to whether any interim relief should be granted or not and this court in terms stated that all the observations made in the judgment must be treated as prima facie observations only to the extent of deciding the application for interim relief Exh. 5 and the Trial Court while deciding the suit will not be influenced by those observations and will decide the matter in accordance with law on merits. Thus, when the court while considering the question of interim relief in an Appeal From Order did not expect the observations made on any aspect to bind the Trial Court itself, it is rather surprising that the learned counsel should ask this court to follow the said decision as a binding precedent. Order made in interlocutory applications are ordinarily passed on prima facie findings and the observations both on law and facts are again subject to the final outcome of the matter and therefore the courts are often careful in mentioning in the order itself, as is done in the said order in Appeal From Order No. 224 of 1992, to put a note of caution that all the observations must be treated only as a prima facie observations for the limited purpose of disposing of the application for interim relief. In any event, even this court while considering the question of interim relief in the said matter had undertaken the exercise of comparing the impugned mark CLOFRANIL and the trade mark ANAFRANIL and prima facie found that it cannot be said that there was any infringement of the mark of the plaintiff in view of three different letters in the beginning "CLO" and "ANA" which have different pronunciations. This court, having regard to the prima facie view it had about the dissimilarity of the

two marks found that the chances of confusion or mistake were really very remote. In the instant case, as held hereinabove, the comparison on the whole clearly shows that the likelihood of deception or confusion is very strong. It would be noticed from the decision of Justice S. H. Sheth in Appeal From Order No. 89 of 1979 rendered on 9.7.1979 that, after considering the decision of the Supreme Court in Roche and Company's case (supra) and applying the test of visual and phonetic similarity laid down therein in respect of the impugned mark KEMPISILLIN and the registered trade mark CAMPICILLIN, upheld the order granting interim injunction on a prima facie finding that these marks were greatly similar to each other and were likely to confuse or deceive their buyers. Even in the decision of this court in Appeal From Order No. 281 of 1987 rendered on 8th September, 1987, the Court while considering the question of grant of interim relief found that there was nothing on record to prima facie show that the defendant company had started using the mark CARAPET to deceive or take advantage of the plaintiff's reputation in business. Even that decision does not lay down any absolute proposition that there can be no deception where the medical products are required to be sold on Doctor's prescription by a Chemist and has only observed that there would be less chances of deception. The order of this court was only on an interlocutory application and based on prima facie observations for deciding the question as to whether interim relief should be granted or not and therefore cannot be treated as a binding precedent.

13. The Supreme Court in American Home Products Corporation Vs. Mac Laboratories Pvt. Ltd. and Another, , held that the intention of the American Company to use the trade mark through the Indian Company which was subsequently to get itself registered as the registered user of the said trade mark could not but be characterised as bona fide. This authority in no way supports the Petitioner and if at all on the argument of user canvassed by the learned counsel for the Respondent No. 1, it goes his contention. The decision has no bearing on the question involved in against this matter regarding the prohibition of the registration of a mark under S. 11 of the Act.

14. In E. R. Squibb & Sons Inc. v. Curewel India Ltd. (Rep. in AIR 1987 Del 197), on which reliance was placed on behalf of Respondent No. 1, the court was considering the question of grant of temporary injunction against use of the drug under the brand name "Curechlor" and the trade mark "Reclor" both in respect of medicinal preparations. The Court found that two marks were not similar either visually or phonetically and there was no instance of Chemist or the customer getting confused while selling or purchasing the drugs. It was found that, mark "Curechlor" cannot be said to be deceptively similar to the mark "Reclor" and there was no prima facie case for infringement made out by the Plaintiff. Therefore, this decision cannot assist the Respondent No. 1.

15. In view of the above discussion, it is clear that the impugned mark is likely to cause deception or confusion in the trade and the public having regard to resemblance that it bears by virtue of incorporating within it the highly distinctive

part CIBA which is the registered trade mark of the Petitioner who is also the proprietor of the other registered trade marks, CIBAZOL and CIBALGIN which incorporate the said distinctive mark CIBA. Therefore, the proposed mark cannot be registered as a trade mark of the Respondent No. 1 in view of the prohibitions contained in Sections 11(a) and 11(e) of the Act. The Registrar ought not to have exercised his discretion under Sub-section (4) at Section 88 of the Act in accepting the registration even on the ground that the Respondent No. 1 had tried to dishonestly use the impugned mark in view of the fact that it was in the same business and was well aware of the Petitioner's registered trade marks, CIBA, CIBAZOL and CIBALGIN. As noticed in the earlier part of this Judgment, the glossy pamphlet containing literature of the impugned mark, ULCIBAN, while prominently writing the mark ULCIBAN at several places on first three pages of the pamphlet, does not even refer to the source from which the goods emanated. Even on the last page of the pamphlet, it is not indicated that the said product bearing the impugned mark ULCIBAN was manufactured by the Respondent No. 1. It is only mentioned in a comparatively small print at the bottom that, for further information, one may write to the Respondent No. 1. It is also significant to note that there was a marked decline in the sale of the said product under the impugned mark ULCIBAN, even if the Statement of Sale figures attached with the affidavit of the Power of Attorney holder of the Respondent No. 1 Company at Annexure "F" was taken to be true. In 1985, the sale of that product was nearly Rs. 54 lakhs which slid down to about Rs. 27 lakhs in 1986, about Rs. 15 lacs in 1987 and about Rs. 9 lacs in 1989. From the material on record, it appears that the Respondent No. 1 made use of the impugned mark by incorporating the highly distinctive mark, CIBA in it dishonestly with a view to take advantage of the reputation built-up in respect of the said distinctive mark CIBA. Therefore, the Registrar ought not to have exercised his discretion in accepting the application even on that count also.

16. This Appeal, therefore, deserves to be allowed and the impugned order of the Assistant Registrar of Trade Marks passed on 25th May, 1991 in Opposition No. AMD-14 is hereby set aside and the Application No. 422819 dated 5th June, 1984 is rejected. The Respondent No. 1 shall pay the costs of this Appeal and bear its own. There will be no order as to costs as regards the Respondent No. 2 who is only formally impleaded. R. & P., to be returned forthwith.

17. The learned counsel for the Respondent No. 1 at this stage states that the Respondent No. 1 would like to approach the appellate forum against this Judgment and order and therefore, the operation of this order may be stayed for a period of 10 weeks. This order, insofar as it rejects the Application of the Respondent No. 1 is stayed for a period of ten weeks from today.