

(2025) 02 DEL CK 1217

In the Delhi High Court

Case No : FAO(OS)(COMM) No. 272 Of 2018

Disposafe Health & Life Limited & Ors

APPELLANT

Vs

Rajiv Nath & Anr

RESPONDENT

Date of Decision : 28-02-2025

Acts Referred:

Code of Civil Procedure, 1908 — Order 39 Rules 1, Order 39 Rules 2, Order 47 Rule 1

Citation : (2025) 02 DEL CK 1217

Hon'ble Judges : Yashwant Varma, J;Prateek Jalan, J

Bench : Division Bench

Advocate : Amit Sibal, Hemant Daswani, Pranjal, Rishabh Sharma, Amandeep Singh, Peeyosh Kalra, V. Mohini, Pragati Agrawal

Final Decision : Allowed

Judgement

Prateek Jalan, J.

REV. PET. 221/2019 and FAO(OS)(COMM) 272/2018

A. Background of the litigation

1. The appellants seek review of a judgment dated 03.05.2019, by which the captioned appeal was disposed of. The appeal was directed against an order dated 31.10.2018 in CS(COMM) 139/2016, by which the learned Single Judge dismissed an application [I.A. 2618/2016] filed by the appellants under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 ["CPC"]. The learned Single Judge also allowed the respondents' application [IA No.8591/2018] for vacation of an ad interim injunction dated 24.02.2016, which was in favour of the appellants.

2. The principal ground of review is that the Division Bench has recorded various findings in favour of the appellants, but omitted to pass an operative order of injunction against the respondents.

3. The judgment of the learned Single Judge was common to two suits:

a. CS(COMM) 139/2016, filed by the appellants, alleging passing-off of the trademark "DISPOSAFE", which they claim to be using for disposable medical devices; and

b. CS(COMM) 1494/2016, filed by respondent No. 2 against the appellants, alleging passing-off of their trademark "DISPOCANN" and other "DISPO" formative marks.

4. The learned Single Judge found against the appellants on both counts. The Court, therefore, dismissed the application for injunction filed by the appellants in CS (COMM) 139/2016, and vacated the ad interim order of injunction dated 24.02.2016. The learned Single Judge also allowed the application filed by respondent No. 2 herein [I.A. 13849/2016] in CS(COMM) 1494/2016, granting an injunction against the appellants from using the trademark "DISPOCANN" and other "DISPO" formative marks.

5. The appellants carried the judgment to the Division Bench in two appeals – FAO(OS)(COMM) 272/2018 against the denial of injunction in their favour, and FAO(OS)(COMM) 269/2018 against the injunction granted against them. Both appeals were heard together, and disposed of by the judgment under review, i.e. judgment dated 03.05.2019.

6. As regards the injunction granted by the learned Single Judge against the appellants, the Division Bench noticed that respondent No. 2, in its suit, had sought an injunction to restrain the appellants from using the trademark in the form of a device, rather than the wordmark per se. The Division Bench, therefore, vacated the injunction granted against use of all "DISPO" formative marks, and instead accepted the appellants' undertaking that they would not use the mark "DISPOCANN" and "DISPOVAN". This aspect of the judgment of the Division Bench, i.e. the judgment in FAO(OS)(COMM) 269/2018, is not under review.

7. Although orders in the review petition were earlier reserved [by a different Bench], the matter was thereafter listed for directions, and the following order was passed on 10.10.2023:

"REVIEW PET. 221/2019

1. Although we had reserved order in the review petition, the matter was listed for directions today, to ascertain the view of the counsel for the parties as to whether arguments can be heard both on the review and main matter.

2. Counsel for the parties are agreed that such a modality could be followed.

3. Accordingly, list the review petition, as well as the main matter, on 01.11.2023.

4. Additional submissions will be filed two days before the next date of hearing."

8. In line with this order, we have heard learned counsel for the parties both, on the review petition, and the merits of the appeal.

B. Submissions of learned counsel for the parties

9. Mr. Amit Sibal, learned Senior Counsel for the appellants, submitted that an error apparent on the face of the order arises, in respect of the appeal arising from the order passed on the application filed by the appellants in their suit [I.A. 2618/2016 in CS(COMM) 139/2016]. He drew our attention to the fact that the judgment under review does not contain any operative order at all, with regard to the grant or refusal of an injunction against the respondents in respect of the "DISPOSABLE" mark claimed by the appellants. Mr. Sibal submitted that this aspect was clearly in issue before the Division Bench and was argued fully. He pointed out that learned counsels' arguments in this regard have been recorded in paragraphs 20, 25 and 29 of the judgment under review, and have been considered in paragraphs 35 to 42 thereof, wherein the Court dealt with the protection that may be afforded to portmanteau words.

10. According to Mr. Sibal, the analysis clearly points to a conclusion that the respondents must be restrained from using the mark "DISPOSABLE". The Division Bench has held that an injunction may be granted in favour of a party for a mark as a whole, but not in respect of all derivatives of a generic component, but has erroneously omitted to record a consequential order against the respondents. He urged that such an order is also indicated by the Division Bench, recording the appellants' undertaking not to use the marks "DISPOCANN" and "DISPOVAN", claimed by the respondents, even while vacating the injunction against the use of all "DISPO" formative marks.

11. Mr. Sibal also submitted that such an injunction is justified by the factual position regarding the prior user of the mark "DISPOSABLE" by the appellants, as recorded in paragraph 6 of the order dated 07.02.2018 passed by the learned Single Judge, which reads as follows:

"6. The counsel for Hindustan however on enquiry fairly states that owing to the dispute, Hindustan has till date not commenced marketing under the name 'DISPOSABLE'."

12. Mr. Peeyosh Kalra, learned counsel for the respondents, submitted at the outset, that the review petition does not disclose any error on the face of the record as required by Order XLVII Rule 1 of the CPC. Mr. Kalra's reading of judgment under review is that the Division Bench noticed that the expression "DISPOSABLE" is a portmanteau 'Paragraph 36 of the judgment dated 03.05.2019 passed in FAO(OS) (COMM) 269/2018 and FAO(OS) (COMM) 272/2018', and held that such words are clearly descriptive 'Paragraph 46 of the judgment dated 03.05.2019 passed in FAO(OS) (COMM) 269/2018 and FAO(OS) (COMM) 272/2018'. Therefore, the Division Bench affirmed the order of the learned Single Judge as far as the respondents' claim for injunction was concerned. He further submitted that the judgment under review clearly did what it set out to do, i.e., to dispose of both the appeals, by granting an injunction only to the extent expressed in paragraph 47 thereof. Consistent with this intention, it dismissed

the appeal arising out of the appellants' suit.

13. Mr. Kalra also submitted that, in the event this Court finds an error apparent on the face of the judgment, it may recall the judgment in entirety, and place both the appeals for rehearing, but ought not to make an order only in one appeal, while disposing of the review petition.

14. Without prejudice to these contentions, Mr. Kalra urged that the appellants are not entitled to the injunction sought on the ground of passing-off. He submitted that the appellants did not file their balance sheets and sales figures in respect of the goods in question before the learned Single Judge, despite directions contained in order dated 07.02.2018, and that the appellants' own case, while opposing the injunction sought by the respondents, was that "DISPO" means "disposable" and is publici juris.

C. Analysis re: Review Petition

15. Having heard learned counsel for the parties, we are of the view that the judgment under review does suffer from an error apparent on the face of record, to the extent that it does not record a categorical finding on the appellants' prayer for an injunction against the respondents in CS(COMM) 139/2016.

16. The judgment records the factual basis of the claims of both sides, and proceeds on an analysis of the protection available to portmanteau words. Although this analysis is relevant, both for the relief sought by the appellants and that sought by the respondents in their respective suits, the operative part of the judgment under review deals with the order of the learned Single Judge in the respondents' suit, and not with the order declining relief in the appellants' suit.

17. We do not accept Mr. Kalra's submission that such a review must cover both the appeals. Although the judgment under review was common to two appeals, no review has been sought by either party with regard to FAO(OS)(COMM) 269/2018. The appellant does not seek "partial review" of a judgment, but a review of the judgment in one appeal and not in the other. This in our view, is not prohibited by any law, practice, or procedure.

18. We are also unable to agree with Mr. Kalra's submission that this conclusion requires an elaborate exercise of "searching for an error", which is beyond the purview of review. The error to this extent is clear. There is no final order recorded in FAO(OS)(COMM) 272/2018.

19. The review petition is, therefore, liable to be allowed and, in accordance with the order dated 10.10.2023, we turn to the merits of the appeal.

D. Analysis Re: the Appeal

20. The captioned appeal concerns the question of whether the appellants-plaintiffs are entitled to an injunction against the respondents in relation to the trademark "DISPOSABLE". In the impugned judgment dated 31.10.2018, the learned Single Judge declined the injunction on the finding that the respondents-

defendants had prior statutory and proprietary rights in the trademark "DISPOVAN", "DISPOCANN" and "DISPO" formative marks. The injunction in favour of the respondents, to the extent that it covered all "DISPO" formative marks, has been set aside by the judgment of the Division Bench dated 03.05.2019 in FAO(OS)(COMM) 269/2018.

21. In the judgment under review, the pleadings of the parties in the appellants' suit, from which this appeal arises, has been summarized as follows 'The appellant has been referred to in the judgment under review as "DH", and the respondent as "Hindustan"':

"3. The first suit claimed that DH collectively were leading manufacturers and traders of medical, surgical instruments and appliances, sold under the trademarks and is a proprietor of the trademark DISPOSAFE. Both plaintiffs were incorporated in 2007; they have been continuously using the mark in relation to their goods, (i.e. Nebulizers since 2011 and IV cannulas etc. since 2013). It is alleged that the word mark DISPOSAFE has been used not only commercially, but also in international fairs and other such events (in Dubai, Germany, Brazil, USA etc) so that it gained publicity and prominence. It also alleged that its open and continuous use of the mark is backed up by its sales of the products, with the DISPOSAFE mark. Furthermore, it also alleged that it spent substantial amounts towards construction of its plant and manufacturing facilities and had been sanctioned loans from public banks, to the tune of over ₹ 48 crores. It launched a website www.disposafe.com in 2007. DH alleged that its healthy marketing strategies led to its becoming the only company in India in the medical disposable devices field to achieve a turnover of more than ₹ 18 crores within the first eight months of its commercial sales activities. It also submits that it is member of an association since 2013, namely Association of Indian Medical Device Industry (herein referred to as "AIMED") having its office at GL-3, Ashoka Estate, 24, Barakhamba Road, New Delhi and that the defendant/Hindustan's Rajiv Nath is the forum coordinator of that association. DH claimed to acquiring a reputation as manufacturer and seller of safe medical devices and its sales have steadily increased; it also claims to be member of various trade associations and that it possesses clearances from various authorities, such as drug control office, etc. The application for its mark Disposafe For Healthy Living has been pending in the Trademark Registry, since July 25, 2013. Similarly, its claim for registration of Disposafe For Safe Lancets is pending from the same date.

4. DH claims to have noticed on February 17, 2016, while browsing the records of the Trade Marks Register on the internet, coming across the impugned trade mark DISPOSAFE of Hindustan which applied for registration of the impugned trade mark DISPOSAFE under the application number 2654034 dated January 03, 2014 in Class 10 in respect of disposable syringes, needles, I.V. cannula, infusion sets and surgical, medical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth, orthopedic articles, suture materials. In these circumstances, it alleges that it is aggrieved because its corporate name

Disposafe Health and Life Care Limited and Disposafe Healthcare Private Limited and/or trade-marks Disposafe for Healthy Life and Disposafe Blood Lancets are infringed. In any event, any use of the trade mark DISPOSAFE thereafter would amount to passing off of its reputed trade name and trade mark. It also alleges that the defendant Hindustan claims to be using and selling its products under the DISPOSAFE mark since December 24, 2013 which is denied by the appellant. Further the appellant was unable to obtain goods under the impugned trade mark DISPOSAFE of the Defendant Hindustan. DH also claimed to be aggrieved by Hindustan's adoption and use of DISPOSAFE and DISPOCANN, being identical and/or deceptively similar to the prior registered trademark of the plaintiff.

5. The sale figures furnished in DH's suit, in respect of the appellants products are shown in para No.16 of its plaint and its advertisement expenses were ₹ 166.77 Lakhs in 2014-15. Its claim also was that Hindustan had infringed its registered trademark and has deliberately filed this suit, earlier in time, showing it's a prior adopter / user of the trademark DISPOSAFE, but whereas the defendant has been using DISPOVAN, DISPOCANN since the year 1986 and 2006 respectively and its application for DISPOSAFE and DISPO is pending since 2013-14 and Hindustan 'Incorrectly mentioned as Hindustan, instead of Disposafe/DH' which had infringed the trademark of the defendant by concealing the facts, has obtained an ex-parte injunction on 24.02.2016 restraining Disposafe from using the trademark DISPOSAFE. Rather the defendant alleges that the plaintiff be restrained from infringing registered trademark DISPOCANN, DISPOVAN, DISPO, and other formative marks by using the same tradenames or any other deceptively similar to the said registered trademarks, besides other reliefs.

6. DH alleged that by using the trademark DISPOSAFE, Hindustan was capitalizing on its goodwill and reputation and the user is likely to be confused, as in the minds of the public it is as if its (DH's) product are sold by Hindustan. The latter's registered marks DISPOCANN and DISPOVAN were registered since 1986/2007 respectively. DH's trademark is as follows:

7. Hindustan, in its suit, (and in the written statement to DH's suit) claimed to being a leading manufacturer and trader of medical and surgical instruments and appliances sold under various trademarks. It is the first company in the world to launch a comprehensive range of auto disable Syringes for curative segment. It alleged to launching, in 1986, its medical and surgical instruments and appliances under the mark "Dispovan" and which has been, extensively and regularly used since then. DHL was incorporated in 2007 under the provisions of the Companies Act, 1956. It primarily deals with the manufacturing and marketing of medical disposable devices such as I.V. cannulas etc.

8. Hindustan alleged to commencing use of the mark DISPOCANN in respect of its medical devices in the year 2006 and that it was extensively using the same and other DISPO formative marks in respect of its goods. Its primary markets are in India, USA, Europe, Middle East and secondary markets in Africa and

South-East Asia. It has 7 plants in different locations in India and has more than 3500 employees. It mainly deals in products like 'single use syringes, single use needles, I.V. cannulas, safety I.V. cannulas, surgical blades, scalpels, scalp vein sets, glass syringes, non-reusable (AD) syringes, blood collection tubes, blood collection needle and blood collection set. Hindustan's products are marketed through an established national and international distribution network of more than 4500 dealers in India and 250 dealers/distributors all over world and exported to 170 countries. It was argued by the plaintiff that from the year 2013 till 2016 the plaintiff was a member AIMED, of which DH was a Forum co-ordinator and thus the defendant was fully aware of Hindustan's producing the product under the mark DISPOSAFE and yet did not prefer to allege infringement for three years. The word marks DISPOVAN, DISPOCANN have been registered and Hindustan, therefore, has proprietorship over them. It also claims association with other DISPO formative marks in India and worldwide. Its registration applications for the DISPOSAFE and DISPO marks are pending.

9. Hindustan highlights that its DISPOVAN has been widely known and accepted world over, and is registered in several jurisdictions including Bangladesh, People's Republic of China, Kenya, Pakistan, South Africa, Tanzania, WIPO with European Union, Ghana, Iran, Morocco, Oman, Philippines, Turkey as designating countries. It also urges that its mark and device is distinctive and has been globally accepted for its association with quality and superior nature of its products. Hindustan's device which its claims to be using since long, is as follows:

10. Hindustan also alleged that its products serve the medical profession with an affordable, world class medical devices and it first entered into the technical collaboration with Japanese Corporation to produce glass syringes in the year 1959 and thereafter started producing the other products and it later came up with USD 22.73 million worth state of the art manufacturing facility especially for manufacturing K1 Design Auto Disposable syringes. The details of its trademarks were given in its suit. Its marks DISPOVAN and DISPOCANN are registered. The DISPOCANN registered trademark is also a device mark; it is as follows:

11. Hindustan's application with respect to DISPOSAFE and DISPO are pending since 2013-14.

12. It started with the manufacturing of glass syringes in the year 1959 and subsequently added other products such as surgical blades in 1971; single use syringes in 1986; single use needle in 1987; cannula manufacturing in 1989; scalp vein infusion sets in 1991; I.V cannulas in 1992; auto disable syringes in 2001; vacuum blood collection tubes in 2007; blood collection needles in 2008, and safety I.V cannulas in 2014 to its product range.

14. Hindustan contends that its reputation is evident from the fact that GAVI-the Global Vaccine Alliance had chosen it as a knowledge and strategic partner for an innovative multi-million dollar global initiative to promote injection safety around the world. Plaintiff will act as a knowledge partner across India, contributing its

considerable expertise valued at up to USD \$ 1.5' million in initiating advocacy campaigns on injection safety. Its DISPOVAN was used since 1986, in respect of disposable syringes; with respect to IV Cannulas, it has been using DISPOCANN since 2006. It has considerable sales turnover, which is set out in a tabular statement in the plaint – for the period 2002 onwards; for 2016 it was ₹ 38699.50 lakhs. It has also disclosed its advertising expenses for the promotion of those products.”

22. Before dealing with the specifics of the present case, it may be clarified that the judgment dated 03.05.2019 does not hold that portmanteau words are, per se, incapable of protection. In this context, Mr. Sibal cited McCarthy on Trademarks and Unfair Competition “J. Thomas McCarty, McCarthy on Trademarks and Unfair Competition, (2004, 4th ed.) Volume 2 12:39 at 12-130”, which is reproduced below:

“a combination of generic terms may result in a composite mark that itself is not generic name of the goods and services in issue. The whole composite may create a distinct commercial impression that is more than just the sum of its parts.”

The observations in the judgment under review do not suggest that all portmanteau words are per se descriptive, but that the element “DISPO” in the marks in issue, is descriptive. It may be noted that portmanteau words have been protected as trademarks in India, e.g. Microsoft Corporation and Anr. v. Kurapati Venkata Jagdeesh Babu and Anr, [2014 SCC OnLine Del 521] and Airtel Bharti Airtel Limited v. Airtel Asia and Ors., [2014 SCC OnLine Del 4614].

23. In the present case, the appellants had placed on record their certificates of incorporation for the year 2007-08, which incorporates the word “DISPOSAFE” in the company names. The certificates of their Chartered Accountants, showing turnover of more than ₹ 73 crores, in the three years prior to filing of their suit, have also been placed on record, alongwith several invoices and product packages. The invoices bear both the company name, and the mark reproduced in paragraph 6 of the judgment dated 03.05.2019. The same mark is also visible on the appellants’ product packages. The appellants launched a website <<www.disposafe.com>> in 2007. They applied for registration of trademarks “Disposafe for Healthy Living” and “Disposafe for Blood Lancets” on 25.07.2013, which remain pending.

24. As against this, although the respondents applied for registration of the mark “DISPOSAFE” on 03.01.2014, and claimed usage since 24.12.2013, a categorical statement was made before the learned Single Judge on 07.02.2018, to the following effect:

“6. The counsel for Hindustan however on enquiry fairly states that owing to the dispute, Hindustan has till date not commenced marketing under the name ‘DISPOSAFE’”

25. The submission recorded in the order dated 07.02.2018 has been reiterated in paragraph 28 of the respondent's reply dated 01.07.2019 to the review petition.

26. Mr. Kalra submitted that the respondents' claim of user, even for the mark "DISPOSAFE", is prior to the appellants' user, and that the order dated 07.02.2018 only reflects that the respondents stopped using the mark during the pendency of the dispute. While these issues will ultimately have to be decided in the suit, we are, prima facie, unable to agree. The statement recorded in the order dated 07.02.2018 is categorical, and not qualified in this manner.

27. Further, the contention of Mr. Kalra, that the appellants are not entitled to the injunction sought as the word "DISPOSAFE" is itself incapable of protection, is belied by the respondent's own application for registration of the word "DISPOSAFE" as a trademark.

28. The respondent's contention that the appellants did not produce their balance sheets and sales figures before the learned Single Judge despite directions, is also prima facie incorrect. The Chartered Accountant certificates dated 16.02.2016 Volume-III of the Pleadings, internal page number 430 and invoices were placed on record. They show, prima facie, at the very least, that the appellant was selling its products with the trademark in question and with the corporate name on its invoices. The invoices placed on record by the appellants are of the year 2011 onwards. These documents are, in our view, sufficient for a prima facie assessment.

29. For the present purposes, we are also unpersuaded by two judgments of this Court, cited by Mr. Kalra, *Veerumal Praveen Kumar v. Needle Industries (India) Ltd.* and *Anr.* 2001 SCC OnLine Del 892, and *Pioneer Nuts and Bolts Pvt. Ltd. v. M/s Goodwill Enterprises* ILR (2010) 1 Delhi 738, to contend that a trademark cannot be protected in vacuum and must be used for trading activity. The judgments are inapplicable to the present case, at least for the purpose of a prima facie consideration, as the materials placed on record show the use of the word "DISPOSAFE" by the appellants, both in the packaging of their products, and on their invoices, thus demonstrating actual use in trading activity.

30. For the present purposes, the appellants have succeeded in establishing prima facie, prior use of the mark "DISPOSAFE". As the injunction sought is limited to the identical mark, it is unnecessary to examine any further question.

31. Based on the above, we are satisfied that the appellants have made out a prima facie case for grant of an order of injunction against the respondents, restraining them from using the mark "DISPOSAFE", during the pendency of the suit. The balance of convenience is also in favour of such an order being passed. The appellants would suffer irreparable loss and injury if their trademark remains unprotected during the pendency of the respective suits filed by the parties.

32. The appeal is, therefore, liable to be allowed, and an injunction granted

against the respondents using the mark "DISPOSABLE", or any mark deceptively similar thereto, in relation to medical disposable devices, until the disposal of the suit.

E. Conclusion

33. Review Petition No. 221/2019 is allowed.

34. FAO(OS)(COMM) 272/2018 is allowed. The judgment of the learned Single Judge dated 31.01.2018, in I.A. 2618/2016 and I.A. 8591/2018 is set aside. The ad-interim order dated 24.02.2016 in the said suit is restored. The respondents [Defendants in CS(COMM) 139/2016] are restrained in terms of prayers (a) and (b) of paragraph 40 of the application being I.A. No. 2618/2016.

35. It is made clear that the observations in this judgment are not intended to prejudice the parties at the final hearing of their respective suits.