

(2004) 02 DEL CK 0094

In the Delhi High Court

Case No : Suit no. 2015 of 2000

Glaxo Smith Kline Pharmaceuticals Ltd. (Formerly Known as
Glaxo India Ltd.)

APPELLANT

Vs

Biovet Formulations

RESPONDENT

Date of Decision : 27-02-2004

Acts Referred:

Citation : (2004) 111 DLT 515 : (2004) 28 PTC 538

Hon'ble Judges : C.K. Mahajan, J

Bench : Single Bench

Advocate : Manmohan Singh, for the Appellant; Ex parte, for the Respondent

Judgement

C.K. Mahajan, J.—plaintiff has filed the present suit for permanent injunction, passing off of the trademark and copyright, rendition of accounts and delivery up against the defendant.

2. Briefly the facts are that the plaintiff is engaged inter alias in the manufacture, marketing and distribution worldwide of a wide range of products known for their efficacy, reliability and excellent quality. The plaintiff is manufacturing and marketing various pharmaceutical and veterinary products in India. The present suit concerns the statutory right and common law rights under the trademark "NILVERM" and also the copyright, artistic work of the NILVERM pack and also the violation thereof by the defendant.

3. The plaintiff is the proprietor of the trademark NILVERM by way of assignment deed dated 31st March, 1999. The application for registration of the trademark is pending under Application No. 525753 in Class 5 as on 27th November, 1992 in respect of pharmaceutical preparation and substance for veterinary use. After the assignment the said product is being manufactured and marketed by the plaintiff which includes the veterinary drug formulation based on the bulk drug Tetramisole Hydrochloride marketed by the plaintiff company under the trademark NILVERM. It is stated that NILVERM design container label is also

registered as a copyright under No. A-44350/84. By virtue of registration of NILVERM copyright under the Copyright Act it is the exclusive right of the plaintiff to use and reproduce the said art work and to exclude and prohibit any unauthorised reproduction as it would amount to infringement of NILVERM copyright in said art work u/s 51 of the Copyright Act. The characteristic features of the said art work of NILVERM tin which is registered under the Copyright Act are as follows:

- (i) The base of the packing material is in white colour.
- (ii) Two horizontal green bands of equal dimensions on the top.
- (iii) The name of the Chemical composition of the drug Tetramisole in green colour and the style and size of the English alphabet in it.
- (iv) Five different kinds of animal heads in circles with green colour background.
- (v) The size and colour of English alphabets used in describing the brand name and directions for use printed in English in black colour.

It is stated that the purpose of registration of the copyright and the said artistic work on NILVERM tin is to use the exclusive design container label to indicate to customers who are mostly illiterate shepherds/farmers that the products sold in such containers are the products of the plaintiff company. It is stated that the plaintiff has been using the said trademark as well as copyright since the year 1998 bearing the trademark NILVERM. The said trademark has acquired tremendous reputation amongst the general public and has been exclusively used and advertised amongst the general public and the said trademark as well as the artistic work is exclusively associated with the plaintiff and no one else. The plaintiff has sold their products bearing the said trademark into crores of rupees. The plaintiff is vigilant about the trademark/ copyright in respect of tin container/packing material of NILVERM and it has taken legal action against the infringing parties from time-to-time.

4. It is stated that the defendant is manufacturing and marketing Tetramisole powder bearing the trademark "NILSOLE" in a clandestine manner without issuance of cash memo. The defendant is marketing its products with a mark which is identical to that of the plaintiff's trademark and its packing is very similar to the getup, colour scheme and layout, etc. of the plaintiff's products. It is stated that the use of the trademark NILSOLE in respect of the identical preparation by the defendant is without any consent, authorisation or license from the plaintiff. A notice was sent to the defendant by the plaintiff followed by a reminder. It is stated that the packing material used by the defendant is similar to that of the plaintiff which amounts to infringement of plaintiff's artistic work. The defendant has copied the colour scheme, getup and layout and colour combinations. The act of the defendant is mala fide with an intention to encash upon the goodwill and reputation of the plaintiff. The defendant is passing off its goods as those of the plaintiff. The actions of the defendant have caused

immense loss and injury to the plaintiff's name, reputation and goodwill.

5. During the pendency of the suit, the plaintiff filed an application under Order 22 Rule 10, CPC praying for substituting the name of M/s. Glaxo Smith Kline Pharmaceuticals Limited in place of M/s. Glaxo India Limited on account of the merger of the plaintiff with Smith Kline Beecham Pharmaceuticals (India) Limited. The said application was allowed on 19th February, 2002.

6. Summons in the suit were issued on 13th September, 2000. The defendant was served and filed its written statement. Thereafter the parties were negotiating a settlement. However, the settlement could not be arrived at. The defendant also chose not to appear and it was proceeded ex parte on 22nd April, 2002. The plaintiff was allowed to lead ex parte evidence by way of affidavits. The plaintiff has filed evidence by way of affidavit of Mr. K.K. Master, Vice-President (Legal Affairs & Licensing) and constituted attorney of the plaintiff and Sree K. Patel, Senior General Manager. Documents were also exhibited.

7. Mr. Master has deposed that the plaintiff is the registered owner and user of the trademark "NILVERM" in respect of veterinary preparations for animals. He deposed that on 8th October, 2001 the company Glaxo India Ltd. and Smithkline Beecham Pharmaceuticals (India) Ltd. were merged. Copy of incorporation is marked Exhibit-P1. The NILVERM design container label is registered as a copyright under No. A-44350/84. Photographs of plaintiff's product are marked Exhibits P2 to P4. He has also deposed that the sale figures for the products of the plaintiff run into several crores of rupees. The plaintiff has also spent consideration amount of money on popularising the trademarks. The trademarks of the plaintiff has acquired goodwill and reputation in India.

8. The deponent has stated that in the month of June 1999, the plaintiff came to know that defendant is manufacturing and marketing Tetramisole soluble powder under the mark NILSOLE and having the very similar getup, colour scheme, layout, etc. as that of the plaintiff's products which is a reproduction of the copyright of the containers of the plaintiff. The use of the trademark NILSOLE by the defendant amounts to infringement of plaintiff's trademark. The act of the defendant is mala fide with an intention to encash upon the goodwill and reputation of the plaintiff. The defendant is passing off its goods as those of the plaintiff. The actions of the defendant have caused immense loss and injury to the plaintiff's name, reputation and goodwill.

9. Mr. Sree K. Patel reaffirmed the facts as deposed by Mr. Master. He proved the defendant's products as Exhibits P5 to P7. He further deposed that the use of similar pattern/packing by the defendant has infringed the copyright of the plaintiff. The colour combination of the defendant in its packing pattern is nearly the same as to that used by the plaintiff. He also deposed that the consumers in the market are likely to believe that the defendant's preparation under the trademark NILSOLE sold under a similar packing material which is identical to that of the plaintiff's packing material, the products manufactured by and under

the supervision of the plaintiff are originated from the plaintiff.

10. I have also examined the products of the plaintiff and the defendant. The packing material of the defendant is a slavish copy of the plaintiff's artistic work/copyright in material form in the colour scheme, getup, layout, colour and combination. With the intention to cash upon the goodwill and reputation built up by the plaintiff, the defendant is passing off its goods as those of the plaintiff. The goods are identical, class of customers and channels of trade are identical. The goods are sold in the same shops and counters to a class of customers. The packaging used by the defendant is identical to that of the plaintiff and amounts to infringement of plaintiff's artistic work/copyright in material form.

11. What is to be seen in a case of passing off action is the similarity between the plaintiff's mark and the offending mark of the defendant and to determine whether there is any likelihood of deception and confusion. Besides, whether the cartons of the defendants are deceptively similar to those of the plaintiff's. It would be clear from the decisions of the Supreme Court in *National Sewing Thread Co. Ltd. Vs. James Chadwick and Bros. Ltd. (J. and P. Coats Ltd., Assignee)*, *Amritdhara Pharmacy Vs. Satyadeo Gupta*, and *F. Hoffmann-la Roche and Co. Ltd. Vs. Geoffrey Manner and Co. Pvt. Ltd.*, . Common features have been copied by the defendant. The words NILVERM and NILSOLE are in use in respect of the same description of goods. They are purchased by people who may come from rural background and from a town, literate as well as illiterate. To a person of average intelligence and imperfect recollection as observed by the Supreme Court, the overall structural similarity is likely to cause confusion, more so when the cartons are similar in almost all respects.

12. In order to create a valid cause of action of passing off, there must be misrepresentation made by a person in the course of trade to prospective customers of his or ultimate consumers of goods or services supplied by him, which is calculated to injure the business or goodwill of another trade and which causes actual damage to a business or goodwill of the trader by whom the action is brought. I draw support from a decision of Lord Diplock in *Erven Warnick v. Townend* 1980 RPC 31. The Supreme Court in *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.* (2001) 2 CLT 124(SC)=AIR 2001 SC 1951 observed as under:

"...Public interest would support lesser degree of proof showing confusing similarity in the case of trademark in respect of medicinal products. Drugs are poisons, not sweets. Confusion between medicinal products may, Therefore, be life threatening, not merely inconvenient. Nothing the frailty of human nature and the pressure placed by society on doctors, there should be as many clear indicators as possible to distinguish two medicinal products from each other. It is not uncommon that in hospitals, drugs can be requested verbally and/or under critical/pressure situations..."

It was further observed that:

"....While dealing with cases relating to passing off, one of the important tests which has to be applied in each case is whether the misrepresentation made by the defendant is of such a nature as is likely to cause an ordinary consumer to confuse one product for another due to similarity of marks and other surrounding factors..."

13. On a comparison of both the cartons of the plaintiff and the defendant, I am satisfied that the defendant is infringing the trademark of the plaintiff and passing off its goods as those of the plaintiff. The rights of the plaintiff in the goods is injured.

14. From the averments made in the plaint as well as the affidavits filed by way of ex parte evidence and in the absence of any evidence in rebuttal, I have no reason to disbelieve the contentions of the plaintiff. The defendant has not repudiated the evidence adduced by the plaintiff. The carton used by the defendant is deceptively similar to that of the plaintiff. The carton used by the defendant has come to be associated with the product of the plaintiff. I am satisfied that the plaintiff is entitled to a decree for permanent injunction and rendition of accounts.

15. Accordingly a decree for permanent injunction restraining the defendant from manufacturing, selling, offering for sale or advertising in India or directly or indirectly dealing in veterinary preparations under the trademark NILSOLE or any other trademarks which are deceptively similar to the plaintiff's trademark NILVERM and from using the packing material pertaining thereto which is identical or deceptively similar colourable imitation of the plaintiff's packing material is passed in favor of the plaintiff and against the defendant.

16. A decree for delivery of all the offending material, dies, blocks, cartons, labels and any other matter bearing the impugned mark/packing to the authorised representative of the plaintiff for their destruction is also passed in favor of the plaintiff and against the defendant. The defendant is also directed to render accounts of profits earned by it on account of sale of pharmaceutical preparations under the mark NILSOLE. On such rendition of accounts, the defendant is further directed to pay the amount so found due to the plaintiff. The plaintiff shall also be entitled to costs of the suit.

A decree sheet be prepared accordingly.

The suit stands disposed of.