

(1997) 08 PAT CK 0051

In the Patna High Court

Case No : Civil Revision No. 805 of 1997

Wings Pharmaceuticals (P) Ltd. and Another

APPELLANT

Vs

Swan Pharmaceuticals and Others

RESPONDENT

Date of Decision : 26-08-1997

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Section 10
Trade and Merchandise Marks Act, 1958 — Section 105

Citation : AIR 1999 Patna 96 : (1998) 1 PLJR 252

Hon'ble Judges : Sachchidanand Jha, J

Bench : Single Bench

Advocate : Naushad Alam Usmani, Indrajeet Singh and Ray Shivaji Nath, for the Appellant; Ram Balak Mahto, Devendra Kumar Sinha and Anil Kr. Singh I, for the Respondent

Final Decision : Allowed

Judgement

Sachchindanand Jha, J.—This civil revision by defendant Nos. 1 and 2 is directed against order dated April 15, 1997 passed by the VIth Additional District Judge, Patna in Title Suit No. 1 of 1997 rejecting the petition for stay of the suit u/s 10 of the Code of Civil Procedure.

2. The suit in question, i.e. Title Suit No. 1 of 1997 has been instituted by the plaintiff-opposite party No. 1 seeking permanent injunction against the defendants, their agents, servants, distributors, sellers etc., restraining them from using colourable wrappers and goods with the trade marks DICLOWIN PLUS or NEW DICLOWIN PLUS and passing off the said product in the market. The plaintiff has further sought direction to the defendants to render true and faithful account of the profit earned by them by imitating and passing off the aforesaid trade name with respect to their products. According to the plaintiff, it obtained a licence from the Chief Licensing Authority-cum-State Drugs Controller, Bihar for the manufacture of anti-inflammatory analgesic tablets by the name of DICLOVIN PLUS on 4-8-95. It has adopted a proper get up and design of wrapper

and carton in which the products are sold. It has applied for registration of the trade mark before the Registrar of Trade Marks, Calcutta which is pending. According to the plaintiff, it recently came to its knowledge that petitioner-defendant No. 1 has been manufacturing and selling pain killing analgesic tablets by the name NEW DICLOWIN PLUS in wrappers and cartons of identical get up, design and colour combination as that of the plaintiff's DICLOVIN PLUS and selling the same in shops at different places. Hence the suit.

3. The petitioner-defendant No. 1 had earlier filed Suit No. 2981 of 1996 on December 5, 1996 in the Delhi High Court under its ordinary original jurisdiction seeking similar reliefs namely, permanent injunction, rendition of accounts etc. against the plaintiff and some pro forma defendants with respect to the products DICLOVIN. According to the petitioner the Company Wings Pharmaceuticals (P) Ltd. is an incorporated Company under the Companies Act. It was established in the year 1988 for manufacturing pharmaceutical products. In August, 1989 it established its own manufacturing unit at Utiyognagar, New Delhi. Another Unit was established in the year 1996. Both the Units are engaged in manufacturing and marketing of pharmaceuticals in various formulations like, tablets, capsules, liquid, orals, dry syrups etc. In paragraph-4 of the plaint, the petitioner gave list of several products having the word "WIN" as the prefix or suffix. The trade name DICLOWIN was coined for the first time in the year 1990 by taking the prefix DIG from Diclofenac Sodium and the suffix WIN from its trade name Wings Pharmaceuticals Pvt. Ltd. The said product is a powerful and trusted anti-inflammatory analgesic. The product has since been in extensive use throughout India, the petitioner has applied for registration of the said trade mark which is pending registration in the Trade Marks Registry. In the year 1994 the petitioner added the suffix PLUS to its product DICLOWIN with respect to a new product which is a more powerful analgesic than DICLOWIN. The products have a typical get up, colour combination etc. on the wrappers and cartons. It has copyright with respect to the said artistic word under the Copyright Act. It recently came to the knowledge of the petitioner that the plaintiff has been manufacturing and selling anti-inflammatory analgesic tablets by the trade name DICLOVIN PLUS with wrappers and cartons of identical get up, colour combination etc. as that of the wrappers and cartons of the petitioner's products. The petitioner obtained samples of DICLOVIN PLUS and got the same tested at the Shriram Institute for Industrial Research. In the opinion of the said Institute "the given sample was not of standard quality in respect of paracetamol content". According to the petitioner, thus the plaintiff by manufacturing and selling the product by the trade name DICLOVIN PLUS in identical wrappers and cartons has not only been infringing upon its right but also playing havoc with the public health. In these circumstances, the petitioner instituted suit seeking permanent injunction etc. u/s 105 of the Trade and Merchandise Marks Act, 1958 and Section 62 of the Copyright Act, 1957.

4. It may be stated here that on motion by the petitioner in the aforementioned Suit No. 2981 of 1996, on December 6, 1996, the Delhi High Court while issuing

notice to the plaintiff (of the present suit) issued temporary injunction restraining it from selling the drugs by the trade name DICLOVIN or DICLOVIN PLUS and also from using the strips and cartons similar to those of the petitioner. The Delhi High Court also appointed Advocate Commissioners, to visit the shop premises of the pro forma defendants and make the inventory and seize the goods, strips and cartons in question, as well as the account books. The present suit, i.e., Title Suit No. 1 of 1997 was filed later, on January 15, 1997, in the Court of District Judge, Patna.

5. From the Order sheet of the case (Title Suit No. 1 of 1997) it appears that the plaintiff-opposite party filed application for issue of temporary injunction, on January 17, 1997, on January 30, 1997 show cause notice was issued to the defendants, i.e., the petitioner herein and others. The petitioner appeared in the suit and filed application for its stay till disposal of suit No. 2981 of 1996 u/s 10 of the Code of Civil Procedure. The said application has been rejected by the impugned order. The Court below has held that the Delhi Court has got no jurisdiction to grant reliefs claimed in the suit instituted at Patna. Secondly, the issues involved in the two suits are not the same. While Delhi suit relates to the products DICLOVIN PLUS, the suit at Patna relates to the products DICLOWIN and DICLOWIN PLUS. According to the Court below, the key words of Section 10 are "the matter in issue is directly and substantially in issue" in the previously instituted suit, which means that Section 10 would apply only if there is identity of the subject-matter in issue in both the suits.

6. From the narration of the case of the parties it would appear that both of them have pleaded similar case. In fact, the complaints of the two suits are virtually the same. While, according to the plaintiff of the present suit, the petitioner is infringing upon its right by using the trade name DICLOWIN or DICLOWIN PLUS and selling the same in wrappers and cartons of identical design, colour combination etc., precisely, the same case has been pleaded by the petitioner in its suit against the plaintiff of the present suit. According to the petitioner, the products DICLOWIN and DICLOWIN PLUS are being sold in market since 1990 and 1994, respectively and it is the plaintiff (of the present suit) which is infringing upon its right by manufacturing and selling the product DICLOVIN PLUS in wrappers and cartons with the same design, colour combination etc. which enjoys the copyright under the Copyright Act. It may be recalled that none of the said products -- whether manufactured and sold by the petitioner or manufactured and sold by the plaintiff-opposite party -- has so far been registered with the Registrar of Trade Marks. The application filed by both of them are said to be still pending. In that sense, none of the said products can be said to be "registered trade marks" within the meaning of Section 2(r) of the Trade and Merchandise Marks Act, 1958 so as to attract the provisions of Section 105 and Section 106 of the Act. Further, while according to the petitioner's case, it enjoys copyright with respect to the "artistic work" on the wrapper and carton within the meaning of Copyright Act, no such case has been pleaded by the plaintiff-opposite party in its suit.

7. The finding of the Court below that the Delhi Court has no jurisdiction to grant reliefs claimed in the present suit at Patna is wholly irrelevant. Assuming it was so, the Court at Patna also would have no jurisdiction to grant the reliefs with respect to the products which are subject-matters of suit in the Delhi Court. The subject-matter of the suit, that is, DICLOWIN/ DICLOWINPLUS or DICLOWIN/ DICLOWIN PLUS is not the deciding factor. There are several anti-inflammatory analgesic tablets available in the market and a person is free to manufacture similar tablets in accordance with the relevant Rules and Regulations provided he does not infringe upon the rights of others. For the purpose of the suit the content of the products is not important. If the parties had been manufacturing and selling their products by dissimilar trade names and in different kinds of wrappers and cartons, the dispute between them would not have arisen. According to the petitioner, the plaintiff-opposite party has been selling substandard product by a trade name which resembles the trade name of the petitioner's products and thus taking advantage of their good-will. According to the plaintiff-opposite party, it is the petitioner which is doing that. It would thus appear that there is complete identity of issue in the two suits. Section 10 of the Code lays down that where the matter in issue is directly and substantially the same in two suits between the same parties or between the parties under whom they or any of them claim, litigating under same title, the trial of the subsequently instituted suit shall be stayed. The opening words of the Section 10 Court shall proceed" hardly leave any room for doubt that where the conditions envisaged in the Section are satisfied, it is mandatory for the Court to stay the trial of the subsequent suit.

8. In *Bepin Bihari v. Jogendra Chandra* AIR 1917 Cal. 248 the celebrated Sir Ashutosh Mookherji, observed,

"What then is the meaning of the expression "the matter in issue". The defendants invite us to hold that the expression is equivalent to "any of the questions in issue". The obvious answer is that if that had been the intention of the framers of the section, appropriate words might have been used to bring out such sense. We are of the opinion that the expression "the matter in issue" has reference to the entire subject in controversy between the parties the object of the Section is to prevent the Courts of concurrent jurisdiction from simultaneously trying two parallel suits in respect of the same matter in issue."

The expression "the matter in issue" was interpreted in the case of *Shaw Wallace and Co. Ltd. Vs. Bholanath Mandanlal Sherawala and Others*, , in the following words,

"Unless the decision of the suit operates as *res judicata* in the other suit it cannot be said that the matter in issue is "directly or substantially" the same in both the suits. In other words, the decision in one suit must non-suit the other suit before it can be said that the matter in issue in both the suits is directly or substantially the same."

In *Jai Hind Iron Mart Vs. Tulsiram Bhagwandas*, , a Division Bench of the Bombay High Court consisting of Chagla, C.J. and Gajendra Gadkar, J. has observed that :

"Section 10 does not contemplate an identity of issues between the two suits, nor does it require that the matter in issue in the two suits should be entirely the same or identical. What the Section requires is that the matter in issue in the two suits be directly and substantially the same, and proper effect must be given to the language used by the Legislature in Section 10 that the identity required is a substantial identity. There must be an identity of the subject-matter, the field of controversy between the parties in the two suits must also be same, but the identity contemplated and field of controversy contemplated should not be identical and the same in every particular but the identity and the field of controversy must be substantially the same."

9. I am satisfied that simultaneous trial of the two suits in two different Courts both having competence to try the same -- may result in conflicting decisions. Having regard to the nature of the dispute, it was a fit case in which two suits should have been consolidated, had they been pending in the same Court. Even if they were pending in different Courts but within the jurisdiction of this Court, I would have considered transferring one of them to be tried by the same Court. Unfortunately, that is not possible. In my opinion, it would in the ends of justice and also in accordance with the provisions of Section 10 of the CPC to stay the trial of the subsequent suit out of the two. It is open to the plaintiff-opposite party to prove its case in the suit pending in the Delhi High Court and seek dismissal of that suit and also seek reliefs for itself.

10. In the result, this civil revision is allowed and the impugned Order dated April 15, 1997 is set aside. The trial of Title Suit No. 1 of 1997 in the Court of Vith Additional District Judge, Patna shall remain stayed till disposal of Suit No. 2981 of 1996 in the Delhi High Court. In the circumstances of the case, I will make no Order as to cost.