IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

CIVIL APPLICATION NO. 330 OF 2018
IN
A.O. NO. 255 OF 2018

Iatros Pharmaceuticals Private Limited,
A company duly incorporated under
the Companies Act, and having its
address at Sonigra Chambers, Market
Yard Road, Gultekdi, Pune- 411 037
(M.S.), represented by its Director
Mr. Vinod R. Shah, Age 61 years ..Applicant/ Appellant
(Original Plaintiff)

VERSUS

1] Zenlabs India
1203, C-Wing, Anmol Apartment,
S.V. Road, Goregaon (W),
Mumbai- 400 062.

2] Alpha Products,
Village Bhatoli Kalan, Jhamjri,
Baddi, Tehsil Nalagarh
Dist. Solan – 173205 (H.P.)

.. Respondents
(Original Defendants)

Mr. Hiren Kamod a/w Shri B.N. Poojari, Ms. Srishti Poojari, Mr. Prem Khullar and Ms. Nidhi Bangera i/by Asian Patent Law for appellant

Mr. Pramod N. Patil a/w. Mr. Nikhilesh Kumar, Mr. Ajit Hon, Ms. Komal Mestry a/w. Adv. Shyamsundar Solanke i/b. PNP and Associates, For resapondent Nos. 1 and 2.

CORAM : A.S. GADKARI, J.
RESERVED ON : 7th OCTOBER, 2021
PRONOUNCED ON : 16th FEBRUARY, 2022.

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O R D E R :-

1] Plaintiff has preferred present appeal against the impugned Order dated 11.1.2018 passed below Exh.5 in R.C.S. No. 1 of 2015, by the learned Adhoc District Judge, Pune, dismissing the said application for temporary injunction under Order 39 Rule 1 and 2 of the Code of Civil Procedure,1908 .

2] Present appeal has been admitted by this Court by Order dated 6.12.2019. By an Order of even date i.e. 6.12.2019, Rule and interim relief in terms of prayer clauses 6 (i) (ii) and (iii) of the present Civil Application was also granted. Respondents challenged the said Order dated 6.12.2019 passed in present Civil Application before the Honourable Supreme Court by way of Civil Appeal No. 9481 of 2019. The Honourable Supreme Court was pleased to set aside the said Order dated 6.12.2019 and requested the High Court to hear present civil application afresh and pass a reasoned order.

3] Heard Mr. Kamod, learned counsel for the applicant/appellant and Mr. Pramod Patil, learned counsel for respondents. Perused entire record produced before me and the written submissions submitted by the learned counsel for respective parties.

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4] The appellant/applicant filed a suit for infringement of its Trade Mark, namely `ZENOVIT' by registration under the Trade Marks Act under No. 506720 in class 5 for perpetual injunction, rendition of accounts and for other consequential reliefs in the Court of District Judge, Pune at Pune bearing Suit No. 1 of 2015.

It is the case of the appellant that, on or about 10.3.1989 it protected the trade mark `ZENOVIT' by filing an application dated 10.3.1989 with the concerned Authority for its registration under the Trade Marks Act in class 5, claiming proposed use in respect of the goods, namely, medicinal and pharmaceutical preparations. That, in or about March 1989, appellant originally conceived and invented/coined and adopted inherently distinctive word `ZENOVIT' as trademark to be used in respect of goods being formulation of antioxidants, essential vitamins and minerals. Appellant conducted market survey through its sales team and searched through pharmaceutical preparations and after ascertaining the fact that, the trademark `ZENOVIT' was not found identical with and/or similar to any earlier mark registered or pending registration in respect of said goods or similar goods before filing an application for registration of its trademark `ZENOVIT'. The registration of trade mark of applicant was granted on 15.4.1994 and is effective from 10.3.1989. The said trademark is duly renewed from time to time and is valid and

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subsisting.

That, in or about November, 2011, it came to the notice of the applicant that, the respondents commenced using the trade mark `ZENOVIT' by manufacturing multi-vitamins and minerals & antioxidant softgels in the form of capsules bearing the trade mark `ZENOVIT' . The trademark `ZENOVIT' adopted and being used by respondents is deceptively similar and/or identical to the applicant's registered trademark `ZENOVIT'. Appellant therefore issued a notice dated 15.11.2011 to respondents informing them about the applicant's registration of the said trademark and calling upon them to cease and desist from using impugned trademark. Applicant also called upon the respondent No.2 to immediately withdraw the trademark `ZENOVIT' from use. Despite receipt of said notice dated 15.11.2011, the respondents neither replied it nor ceased their activities of infringing trademark of the applicant and therefore by its letter dated 17.01.2012, the applicant, again called upon respondents to stop infringing applicant's trademark. The respondents were also called upon for immediate compliance by cease and desist of use of trademark `ZENOVIT' in respect of the said goods. As the respondents did not reply the second communication dated 17.1.2012, the applicant once again issued/addressed third communication dated 3rd May 2012 to the

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respondents. That, thereafter the applicant did not find impugned goods of respondents in the market.

It is the further case of the applicant that, in or about 2013, it commenced using their registered trademark `ZENOVIT' by manufacturing anti-oxidants, essential vitamins and minerals, capsules through M/s. Knox Life Sciences, Baddi, District Solan (Himachal Pradesh). That, the applicant's product `ZENOVIT' was well received by the medical fraternity and there is growing demand from dealers, chemists and stockists. The applicant carried extensive sales promotion for its products. Since 2013, the trademark `ZENOVIT' has been used by the appellant openly, continuously and extensively. That, looking at the success of the applicant's `ZENOVIT' product and its increasing demand, in or about first week of December, 2014, it learnt that, the respondents have once again commenced manufacturing and marketed similar goods i.e. multi-vitamins, minerals and anti-oxidants, soft gels, under the identical and/or deceptively similar impugned trade mark `ZENOVIT'.

The applicant therefore filed present Suit No. 1 of 2015 in the Court of District Judge at Pune on 31.12.2014 against the respondents for injunction, rendition of accounts for infringement of their trademark, passing off and for other consequential reliefs.

The applicant also filed application below Exh.5 for

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injunction under Order 39 Rule 1 and 2 of C.P.C. in the said suit.

5] The respondents filed their written statement and separate reply to the application filed by appellant below Exh.5. The respondents in reply stated that, though the plaintiff registered its alleged trademark `ZENOVIT' in or about March, 1989 however, it started using it in or about 2013 after discovering the product of respondents in or around 2011. That, respondents are continuously using trademark `ZENOVIT' since 2008 i.e. prior to the use of the applicant. That, the alleged registration of trademark of the applicant in the year 1989 or any date thereafter was immaterial if the same was not used prior in point of time. That, in the present case, the respondents are the prior user and hence, the applicant cannot claim any right as they have not manufactured products by using the said mark prior to 2013. That, the respondents are first in market and it is the ultimate test for maintaining the trademark.

That, the respondents are using trademark `ZENOX' since the year 2008. The respondent No.1, namely, Zenlab has used its suffix namely, `ZEN' in front of all its products being manufactured by respondent No.2. That, respondent No.1 coined the mark by using suffix of its company, namely `ZEN' and since the medicinal product relates to vitamins and anti-oxidants, it used `O' from oxidant and `VIT' from

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vitamin and coined the word, `ZENOVIT'.

The respondents contended that, the application filed below Exh.5 by the appellant was liable to be dismissed as it was barred in law. That, Section 47 of the Trade Marks Act, 1999 provides for removal of trade mark from the register and imposition of limitation on the ground of non-use. That, no permanent injunction on the strength of mark which is not used since from 1989 till 2013 can be granted to the appellant. It is an undeniable fact that, the respondents are using the impugned mark since 2008 i.e. for last more than 8 years. That, the appellant for the first time in the year 2015, claimed rights in the alleged infringed mark. That, mere registration of mark does not satisfy the legal requirement as provided in Section 29 of the Trade Marks Act. The present application filed below Exh.5 and the suit itself is barred by limitation and therefore not maintainable in law. That, even though the appellant got registration in the year 1989 it did not use the mark for manufacturing the said product till 2013. The applicant in last about 25 years did not manufacture the said product. Coining of the word as alleged by the applicant with respect to the same multi-vitamin product as that of the respondents is highly improbable. That, action of the applicant amounts to extortion. It is contended by the respondents that, the applicant company was registered on 28.3.1989 and they got the

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registration of the trademark in favour of their company with user from 10.3.1989. That, from the financial year 2008-09 till 2016-17 respondents have incurred expenses to the tune of Rs. 3.70 Crores for promotion, advertisements on print media/TV/brand-ambassador etc. The appellant has no prima facie case or balance of convenience in its favour and on the other hand, respondents have prima facie case that, they are prior user of the trade mark and have also established product in the market with the mark in question. That, balance of convenience tilts in favour of respondents and they will suffer irreparable loss and injury in case interim protection is granted in favour of the applicant.

6] As noted earlier, the trial Court by its impugned Order dated 11.1.2018 passed below Exh.5 was pleased to reject the said application filed below Exh.5 by the applicant.

7] Mr. Kamod, learned counsel for the applicant submitted that, the date of allotment of trademark to the applicant relates back to the date of its application i.e. 10.3.1989 and therefore the applicant was first in use of the trademark since then. That, admittedly the respondents started using applicant's trademark since the year 2008. He submitted that, it is settled law that an action for infringement of trademark is on a different footing than an action for passing off. That, unlike action for passing of, for an action of infringement of trademark, the plaintiff's user

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of the trademark is inconsequential and the plaintiff only needs to establish that it's trademark is registered; the trademark is identical with and/or deceptively similar to the plaintiff's trademark thereby likely to cause confusion and the impugned grade mark is used in respect of the goods for which plaintiff's trademark is registered. He submitted that, Section 29(3) of the Trademark's Act 1999 states that, where the rival trademarks and the rival goods are identical, the Court shall presume that defendant's use of the impugned trademark is likely to cause confusion on the part of public. That, both the applicant and respondents are manufacturing anti-oxidants, vitamin supplements under the identical rival marks, namely, `ZENOVIT' and therefore Section 29(3) of the Act is applicable to the present case. The applicant has met out with all the said criteria. That, the Honourable Supreme Court in a catena of judgments has held that, in case of infringement of trademark, injunction must follow. He submitted that, the major defence of respondents to resist injunction application of the applicant is that, they are prior users of the impugned trademark `ZENOVIT' and hence use of the impugned trademark does not amount to infringement as provided in Section 34 of the Trade Marks Act. He submitted that, Section 34 of the Act in consequence provides for defeasance of the statutory entitlement which flows from the registration of a trade mark before such consequence

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ensues, the conditions which Parliament has enacted must be fulfilled. That, 4 conditions which have been enumerated by various decisions of this Court or Supreme Court must be fulfilled in raising a defence under Section 34 of the Act. He therefore submitted that, to claim protection under Section 34 of the Act, the respondents must show that their user is prior to the applicant's date of registration i.e 10.3.1989. The respondents have admitted that, their user is since 2008 only. He submitted that, as per the respondents' own admission, the applicant has been using the trademark `ZENOVIT' since the year 2013 and once the respondents admit that the applicant has been using its registered trademark, Section 47 of the Act will have no application. At the cost of repetition, he submitted that, it can not be disputed that applicant's trademark was registered in 1994 which relates back to the date 10.3.1989 i.e. the date of application filed by applicant.

He submitted that before starting use of the impugned trademark, the respondents and in particular, respondent No.1 did not take search in the office of the Registrar of Trade Marks.

In response to the argument advanced by learned counsel for the respondents and, in particular, the reliance placed by respondents' on a decision in the case of *Neon Laboratories Ltd. Vs. Medical Technologies Limited,* he submitted that, the Division Bench of the Delhi High Court in

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the case of *Devansh Modern Brewerites Ltd. vs. Radico Khaitan Ltd.,* has held that, the judgment in the case of Neon Laboratories case is inapplicable since it deals with an action of passing off and not infringement of trademark. It is further clarified that, Neon Laboratorie's case does not a give a finding on the issue, whether under section 34, prior use must be shown prior to date of registration or user of the registered proprietor. He submitted that, the use of impugned trademark by respondents even after putting them to notice by the applicant of its right in the trademark `ZENOVIT' is at the respondents' own peril and therefore respondents cannot claim balance of convenience in its favour. He submitted that, this Court in various decisions has observed that where plaintiff is owner of the registered trade mark, balance of convenience will play a part only in unusual circumstances.

In support of his contentions, Mr. Kamod relied on the following decisions :-

1] Ruston and Hornsby Ltd. Vs. The Zamindara Engineering Co.; reported in AIR 1970 SC 1649 : MANU/SC/0304/1969

2] Midas Hygiene Industries P. Ltd. And another vs. Sudhir Bhatia and others; reported in 2004(28) PTC 121 (SC)

3] Bal Pharma Ltd. vs. Centaur Laboratories Pvt. Ltd. And another reported in 2002(24) PTC 226 (Bom)(DB).

4] Kamat Hotels(India) Limited vs. Royal Orchid Hotels Limited and others reported in 2011(47) PTC 111(Bom) :

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MANU/MH/0437/2011

5] Aristo Pharmaceuticals Pvt. Ltd. vs. Innova Cap Tab and ors. Reported in 2014(57) PTC 398 : MANU/MH/2304/2013

6] Merck KgaA and others vs. Natco Pharma Limited and others reported in 2012(52) PTC 292 (Bom) : MANU/MH/2002/2012

7] Radico Khaitan Ltd. vs. Devans Modern Breweries Ltd.; reported in 258(2019)DLT 177 : MANU/DE/0866/2019.

8] A Division Bench judgment of Delhi High Court dated 5.4.2019, in the matter of Devans Modern Breweries Ltd. Vs. Radico Khaitan Ltd. in FAO(OS)(COMM)74 of 2019

9] Neon Laboratories Limited Vs. Medical Technologies Ltd. Reported in 2012(504) PTC 346 (Bom.) : MANU/MH/0471/2012.

10] Schering Corporation and others vs. Kilitch Co. (Pharma) Pvt. Ltd. Reported in 1994(1)IPLR 1, in Notice of Motion No. 3070 of 1089 in Suit No. 3080 of 1989

11] Express Bottlers Services Pvt. Ltd. And Ors. Vs. Pepsico Inc. reported in 1991(II) PTC 296 (Bom) : MANU/MH/1091/1991

12] Poddar Tyres Ltd. Vs. Bedrock Sales Corporation Ltd. And ors. reported in 1993(13) PTC 253 (Bom.) : MANU/MH/0038/1993

Mr. Kamod submitted that, the trial Court has failed to consider the aforestated settled legal position of law and has committed an error in passing the impugned Order. He submitted that, not only prima facie case, but balance of convenience also weighs in favour of the applicant and therefore the trial Court ought to have allowed the application filed by applicant below Exh.5 for injunction and other

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consequential reliefs. He submitted that, therefore the present application may be allowed and interim relief maybe granted in favour of the applicant.

8] Mr. Patil, learned counsel for respondents submitted that, admittedly, respondents are using their trademark since the year 2008 openly in the market. He submitted that, as stated in para No.2 of their reply to the interim application for injunction filed by the applicant, the respondent No.1 has come out with a specific case of coining the word `ZENOVIT'. That, first 3 letters `ZEN' have been taken from the first name of the respondent No.1. He submitted that, Section 28 of the Act prescribes for rights of a registered trade mark subject to other provisions of the Act. That, Section 34 of the Act starts with a non-obstante clause i.e. `Nothing in this Act' and prescribes defences for user of trade mark. That, the plaintiff started using its trademark in the year 2013, however respondent No.1 is using it since the year 2008. He submitted that, the respondents admit that registration of applicant is prior in point of time. However in view of language used in sub-section (a) and (b) of Section 34, in the present case sub-section (a) will apply, as the respondent No.1 is using the trademark prior to the use of the applicant. He submitted that, both the sub-sections of Section 34 cannot be made applicable to a case and in view of the words used after sub-section (1)

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i.e. `whichever is earlier', in the present case, sub-section (a) would apply and therefore the defence of respondents is valid and lawful defence. He submitted that, in the case of Neon Laboratories (supra) the Supreme Court has interpreted Section 34 and the observations of the Supreme Court in para.9 thereof are squarely applicable to the present case. He submitted that, in view of the observations made in para.13 in the case of *Bal Pharma Limited (supra),* the said judgment has no binding effect. He submitted that, it is not mandatory in law to conduct trade mark search before using the trademark. That, as per the pleading of applicant if the applicant really would have taken search in the market, it would have realized to them that the goods of the respondents with trademark `ZENOVIT' were very much in the market at that relevant time and therefore the contention of the applicant to that extent cannot be accepted. He submitted that, in the case of *Lupin Laboratories Ltd. Vs. Johnson and Johnson,* the Full Bench of our Court has held that, the Court can go into question of validity of registration of plaintiff's trade mark at an interlocutory stage. That, the respondents have specifically raised the validity of registration of plaintiff's trade mark under Section 47 of the Act. He submitted that, the applicant did not use its trademark from the date of its registration for 5 years and therefore sub-section (b) of Section 47 comes into fray. He submitted that, though

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the applicant claims that it got registered its trade mark in the year 1989, for a period of 23 years, the applicant did not use it and therefore it is presumed that it has taken off from the register. He submitted that, Rule 24 of the Trade Mark Rules is a mere procedural aspect and cannot override the provisions of Section 27(2) and 34 of the Act, otherwise it will have nugatory effect.

Mr. Patil further submitted that, in the instant case the applicant company was not even in existence when it filed application for registration of trade mark on 10.3.1989. That, in order to succeed in an application for temporary injunction, the applicant has to establish user of the trade mark prior in point of time than the impugned user by the respondents. The registration of the impugned trade mark or similar mark prior in point of time to user by the applicant is irrelevant in an action for passing off and mere presence if the impugned mark in the register maintained by the Trade Mark Registry does not prove its user by the person in whose name the mark was registered and irrelevant for the purposes of deciding the application for interim injunction unless evidence had been led or was available for using of the registered trade mark. He submitted that, common law rule was that, a mark did not become a trade mark until it had been publicly used as such by its proprietor and that such public use thereof only means by which title to a

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trade mark could be acquired by the first proprietor of it.

In support of his contentions, Mr. Patil, learned counsel relied on the following decisions :

1] Wander Ltd. And another vs. Antox India P. Ltd. Reported in 1990(Supp) SCC 727

2] Century Traders vs. Roshan Lal Duggar and Co. reported in ILR (1977) II Delhi 709;

3] M/S. L D. Malhotra Industries Vs. Ropi Industries reported in ILR (1976) I Delhi 278;

4] Cluett Peobody & Co. Inc. VS. Arrow Appearals reported in 1997 SCC Online Bom. 574 : (1998) 18 PTC 156;

5] Veerumal Praveen Kumar vs. Needle Industries (India) Ltd. And another reported in 2001 SCC Online Del 892 : (2001) 93 DLT 600 (DB)

6] Lupin Ltd. vs. Johnson And Johnson reported in 2015(1) Mh.L.J. 501

7] Neon Laboratories Ltd. VS. Medical Technology Limited & Ors. Reported in (2016) 2 SCC 672

8] M/s. R.J. Components and Shafts Vs. Deepak Industries Limited and others reported in 2017 SCC Online Del 11071.

By referring to the decision in the case of Lupin Limited vs. Johnson and Johnson (supra) he reiterated that, the ultimate test should who is first in the market. Mr. Patil submitted that, admittedly respondent No.1 is using its trade mark since 2008 and applicant started using it from 2013. That, it is highly improbable to believe that the

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applicant would register the mark `ZENOVIT' in class 5 in the year 1989 for the use after 23 years with respect to the same product as that of the respondents i.e. multi-vitamin tablets and capsules. He submitted that, the balance of convenience is in favour of respondents as they are continuously using the impugned trade mark for the last more than 13 years. That, the respondents have made extensive expenditure in the promotion advertisements etc. The applicant after coming to know about the respondent's product and its success in market, with malafide intention and fraudulently started manufacturing its product in the year 2013. The sale of respondent No.1's product is more than applicant. He referred to the comparative sale chart annexed to the compilation of appeal. He submitted that, the respondents would suffer irreparable loss and injury if interim injunction is granted in favour of the applicant. He lastly submitted that, the respondents may be put to terms, such as to submit quarterly accounts of sale of respondent's product certified by an Accountant to quantify damages, if applicant ultimately succeeds in the suit. He therefore submitted that the applicant is not entitled for an order of injunction and the present application may be dismissed.

9] Though both the learned counsel for respective parties have extensively argued the matter, the question which arises at this interim stage is, whether the respondents have infringed the trademark of

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applicant and whether the appellant is entitled for an order of injunction pending the suit filed by it.

10] In the present case, the admitted facts on record are that, the applicant applied for registration of trade mark `ZENOVIT' and protected it by filing an application on 10.3.1989 with the concerned authority. The registration of trade mark of applicant was granted on 15.4.1994 which is effective from 10.3.1989 as contemplated under Section 23(1)(b) of the Act. The said trade mark is duly renewed by the applicant from time to time and is valid and subsisting. Respondents started using impugned trade mark from the year 2008. Applicant started manufacturing its goods with the use of its registered trade mark from the year 2013. Applicant had issued 3 notices dated 15.11.2911, 17.1.2012 and 3.5.2012 for cease and desist from using impugned trademark to the respondent No.1. Despite putting on notice to the respondents, they continued to manufacture the said goods with the impugned trade mark.

11] Rule 24 of the Trade Marks Rules, 2002 provides for search to be made in respect of a trade mark relating to specified goods or services classified in any one class of Fourth Schedule to ascertain, whether any trade mark is on record which resembles the trade mark in respect of which the request is made. Admittedly, herein the respondent

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No.1 did not take search before starting use of the impugned trade mark which is registered in the name of the applicant. A man of common prudence before starting or entering into a new venture by investing huge amounts would certainly take care of taking search with the Registrar of Trade Marks as prescribed under Rule 24 of the Trade Mark Rules. Assuming for the sake of arguments that, taking search before registration of Trade Mark is not mandatory and it is directory, then also, it is meant for the person/entity to follow the said procedure before adopting any trade mark.

The Division Bench of this Court, in the case of *Bal Pharma Ltd. vs. Centaur Hotels Private Ltd. and another (supra)* has held that, in a situation where defendant to an action has been using mark, even if concurrently, without making itself aware of the fact as to whether the same mark is subject matter of registration and belongs to any other person, the first person cannot be heard to complain for he has been using it negligently inasmuch as he has not taken the elementary precaution of making himself aware by looking at the public record of Registrar as to whether the mark in question is the property of another. If however he had taken search and knowing full well that mark was the property of another person, continues to use mark, then he runs the risk of a registered proprietor challenging his action for infringement and

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merely because it is done at subsequent stage, he could not be heard to complain on the ground of delay. It is further held that assuming that the search was taken and the appellant has done it consciously, then the appellant has to thank itself for having gambled by investing large amounts in a risky venture. In the present case, the word `appellant' used therein has to be replaced by word `respondents' and the observations made in the said case of Bal Pharma Ltd.(supra) are squarely applicable to the facts of present case.

12] Though it is contended by learned counsel for the respondents that, the applicant did not use its trade mark for manufacturing goods by him for a pretty long period and therefore Section 47 of the Act comes into operation, it is to be noted here that, Section 47 provides that a registered trade mark may be taken off the register in respect of goods or services in respect of which it is registered, on an application in the prescribed manner to the Registrar or the Appellate Board, by any person aggrieved on the grounds mentioned therein. It is therefore necessary that an application for cancellation of registered trade mark has to be filed by 'any person aggrieved' for the reasons elaborated in the grounds of the said Section. Admittedly, in the present case, respondents did not file an application for cancellation of applicant's trade mark atleast till the date of filing of present suit. I,

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therefore, find that there is no substance in the said submission advacned by learned counsel for the respondents.

13] Section 29 of the Act states about infringement of registered trade mark. In the present case, it is an admitted fact on record that, the impugned trade mark used by respondents is not only deceptively similar but is identical to the trade mark of the applicant. Sub-section(3) of Section 29 states about presumption that is likely to cause confusion on the part of public. The trade mark used by respondents being identical with the trade mark of the applicant is undoubtedly causing confusion on the part of the public at large. The Honourable Supreme Court in the case of *Midas Hyegene Industries Pvt. Ltd and another (supra)* in para. 5 has held that, law on the subject is well settled. In cases of infringement of either Trade Mark or Copyrights , normally, injunction must follow. It is further held that mere delay in taking action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of mark was itself dishonest. According to this Court the respondent's use of infringed trademark is dishonest as despite cease and desist notices issued by the applicant they, continued to use it.

14] The only major defence adopted by the respondents is, as contemplated in Section 34 of the Act, by placing heavy reliance on the

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observations made by the Full Bench of this Court in para. No. 42 in the case of Lupin Limited (supra), i.e. the ultimate test should be who is first in the market.

The object of Section 34 is to prevent a registered proprietor from interfering with the rights of a person who has been using his trade mark from a date earlier to the date of registration of registered proprietor's trade mark or the date of first user of such registered proprietor's trade mark, whichever is earlier. Section 34 commences with a non-obstante clause, which gives it overriding effect over the other provisions of the Act. Section 34 carves out an exception and creates an overriding provision which within the sphere of its operation prevents the proprietor or user of registered trade mark from manufacturing with the use of an identical trade mark or a mark which nearly resembles the registered mark. Section 34, inter-alia, provides for defeasance of the statutory entitlement which flows from the registration of a trade mark. This Court, in the case of *Kamat Hotels (India) Vs. Royal Orchid Hotels (supra)* while interpreting Section 34, in para Nos. 13 and 14, has held as under :-

> "13. Essentially, what Section 34 provides is a defeasance of the right of the proprietor or registered user of a registered trade mark, in a certain specific eventuality. That eventuality is where another person is using a trade mark identical with or nearly resembling a registered trade mark in relation to goods

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or services in relation to which that person or a predecessor in title has continuously used that trade mark. Before the protection under Section 34 can be availed of, the conditions which are spelt out in Section 34 must demonstrably exist. In order to facilitate analysis, it would be convenient to break down Section 34 into its component elements:
(i) Section 34 commences with a non obstante provision which gives it overriding force over the other provisions of the Act;

(ii) The effect of Section 34 is that a proprietor or registered user of a registered trade mark is disabled from interfering with or restraining the use by any person of a trade mark identical with or resembling it;

(iii) The use by the other of a trade mark identical with or nearly resembling the registered trade mark must be in relation to goods or services in relation to which that person or a predecessor in title has continuously used that trade mark;

(iv) The use by the other must be from a date prior (a) to the use of the first mentioned trade mark in relation to those goods or services by the proprietor or a predecessor in title; or (b) to the date of registration of the first mentioned trade mark in respect of those goods or services, in the name of the proprietor or a predecessor in title of his, whichever is earlier.

14. Section 34 carves out an exception and creates an overriding provision which within the sphere of its operation prevents a proprietor or registered user of a registered trade mark from interfering with the use of an identical trade mark or a mark which nearly resembles the registered mark. Section 34 in consequence provides for a defeasance of the statutory entitlement which flows from the registration of a trade mark. Before such a consequence ensues the conditions which Parliament has enacted must be fulfilled. The most fundamental requirement is four fold. Firstly, the use by a person of a mark which is identical to or nearly resembles a

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registered trade mark must be in relation to those goods and services for which the first mentioned mark has been registered. Secondly, the use that is postulated by Section 34 is a continuous use of the trade mark. Thirdly, in order to avail of the protection the trade mark must be used by the proprietor or by his predecessor in interest. Fourthly, the mark in respect of which protection is sought must have been used from a date prior to the use of the registered trade mark or the date of registration of the registered trade mark whichever is earlier. Hence, as an illustration, if the user by the Plaintiff is prior to registration, then the use by the Defendant must be established to be prior to the use by the Plaintiff. If the Plaintiff has not used the mark prior to the date of registration, the use by the Defendant has to be prior to the date of registration of the Plaintiff s mark. The use must be in respect of ' goods and services for which the Plaintiff's mark is registered. The use has to be by the Defendant or by his predecessor in title. The use must be continuous. The expression "continuously used that trade mark" by Parliament has a specific connotation. The concept of continuous use emphasises that a right vests in a person when he puts his goods with the mark in the market. A use which is continuous is distinct from a use which is stray, isolated or disjointed. The notion of a continuous use establishes that a mere adoption of a mark is not sufficient. The legislation mandates that in order to avail of the benefit of Section 34 a test of a high order must be fulfilled which requires a commercially continuous use of the mark in relation to goods or services. Section 34 thus provides for specific requirements which relate to (i) the nature of the goods or services in relation to which the mark is used; (ii) the nature and character of use; (iii) the person who must use; and (iv) the date from which the mark should have been used. Section 2(2)(b) provides that in the Act, unless the context otherwise requires, any reference to the use of a mark is to be construed as a reference to the use of printed or other visual

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> representation of the mark. Any reference to the use of a mark in relation to goods shall be construed as a reference to the use of the mark upon or in any physical or in any other relation whatsoever, to such goods. The Supreme Court has interpreted these words in the context of Section 46(1)(b) in Hardie Trading Ltd. v. Addisons Paint and Chemicals Ltd MANU/ SC/0705/2003 : AIR 2003 SC 3377"

15] As far as the contention of learned counsel for the respondents that the conditions mentioned in sub-sections (a) and (b) of Section 34 read with Section 47 of the Act, with respect to the words, `whichever is earlier' is concerned, the learned Single Judge of this Court in the case of *Aristo Pharma Vs. Innova Cars (supra)* in para. Nos. 9.2 and 10.2 has held as under :-

> "9.2 A bare reading of Section 34 of the Act in my view, makes it clear that in order to avail the benefit of Section 34 of the Act, the use of a trademark by a person other than the registered proprietor must be prior to the date of use by the registered proprietor or the date of the registration, whichever is earlier. Thus, in circumstances where the use by a Defendant is prior to the use by the registered proprietor, but not prior to the date of registration, the benefit of Section 34 of the Act is not available. In the present case, the registration is effective as of 2002 whereas Defendant No. 2 claims to have used the mark only from 2009. In such circumstances, no alleged right of the Defendant is saved under Section 34 of the Act.
>
> 10.2 From a reading of Section 47 set out hereinabove, in my view it is clear that the said Section gives a right to an aggrieved person to make an application to the Registrar or

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> the Appellate Board for removal of the trademark from the Register of Trademarks, if the grounds as set out in Section 47 of the Act exist and the same are proved. However, this does not empower a person to use a mark by infringing a registered mark, till such time as it is removed from the Register. The reliance placed by the Defendants on the judgment of the Hon'ble Supreme Court in the case of American Home Products Corporation vs. Mac Laboratories and others (supra) will not lend assistance to the Defendants. The said case was a case arising from an application for removal of a mark from the Register and as such has no application whatsoever to a Suit for infringement of a registered trademark which continues to subsists on the Register. The judgment does not in any manner hold that in an infringement action, while the registration of the mark still continues to subsists, it is open to the Defendant to raise the contention that there was no bona fide intention on the part of the registered proprietor to use the mark when the mark was originally registered."

16] In the matter of *Merck KagA and others vs. Natco Pharma, (supra*) it is held that under Section 34 of the Act, the date of registration must mean the date of the application for registration for that is the date to which registration, when granted, will relate. It is thus clear that, in the present case, the date of registration of applicant would relate back to 10.3.1989.

17] As far as reliance placed by learned counsel for the respondents on the decision of *Neon Laboratories vs. Medical Technologies Ltd. (supra)* is concerned, it is to be noted here that, said case was with respect to an action of passing off and not for infringement

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of trade mark. The said fact can be clearly discerned from a plain reading of para No.4 of the said decision. The Division Bench of the Delhi High Court, in the case of *Devans Modern Breweries Ltd. Vs. Radico Khaitan Ltd. (supra)* in para. No.12 has categorically held that, the decision in the case of Neon Laboratories (supra) was in the context of a passing off action. In view thereof, the reliance placed by the respondents on the said decision is of no avail to them.

18] As far as submission of learned counsel for the respondents by placing reliance on the decision of *Lupin Limited (supra)* that, use of trade mark by applicant is fraudulent and not bonafide and is for extortion from respondents is concerned, it appears to this Court that the registration of trade mark by applicant is not fraudulent or malafide. It was and is genuine and legal and as a matter of fact it further appears to this Court that, the use of identical trade mark by respondents is not bonafide and not as per the provisions of law.

19] After applying aforestated principles of law enumerated by various decisions to the present case, it is abundantly clear from the record that, the plaintiff's registration of trade mark is earlier than the respondents and it relates back to the date of application ie. 10.3.1989. As far as prima facie case is concerned, undoubtedly, the applicant has a prima facie case in its favour. It is apparent from the record that, the

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respondents infringed the registered trade mark of the applicant with malafide intention.

The Division Bench of our High Court in the case of *Express Bottlers Services Pvt. Ltd Vs. Pepsico Inc. (supra)* has in unequivocal terms held that, in our view, balance of convenience only in unusual circumstances should play a part in a matter where plaintiff is owner of a registered trade mark.

20] As far as balance of convenience is concerned, it tilts in favour of the applicant as it is the registered owner of the impugned trade mark. Though it is stated that, the respondents have expended huge amounts for promotion of its product with impugned trade mark over last many years, as has been held by the Honourable Supreme Court in the case of *Midas Hygiene Industries vs. Sudhir Bhatia (supra)* that, in case of infringement over a Trade Mark or Copyright, normally, injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases and grant of injunction also becomes necessary if it prima facie appears that the adoption of trade mark was itself dishonest. As noted earlier and at the cost of repetition, it is to be noted here that the adoption of impugned trade mark by respondents is dishonest and therefore balance of convenience does not lie in their favour.

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21] After taking overall view of the matter, it appears to this Court that, the trial Court has erred in appreciating the aforesaid legal position and has erred in holding that, the applicant commenced its use after 23 years which is after the commencement of use by the respondents. The findings recorded by the trial Court, according to me, are not in consonance with the settled position of law enumerated in the aforestated decisions.

22] In view of the above deliberation, the applicant is entitled for injunction and other consequential reliefs against the respondents.

Hence, the following order :-

[a] Respondents are restrained by themselves jointly and severally and/or their servants, agents, representatives and/or any person(s) claiming under or through them from infringing the applicant's (plaintiff's) trademark `ZENOVIT' under registration No. 506720 in class 05, by adopting and/or in any manner using the mark `ZENOVIT' or any mark deceptively similar thereto and/or colourable imitation of the registered trademark `ZENOVIT' as trademark or otherwise in respect of medicinal and/or Pharmaceutical preparations and/or similar goods;

[b] Respondents are directed to render to the applicant(plaintiff) a true and correct inventory of stock including batch numbers and manufacturing dates of medicinal preparations or similar goods bearing

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or intended to bear the mark `ZENOVIT' together with used and/or unused packaging materials, unused product information catalogues and booklets and any other material bearing the mark `ZENOVIT' or any reproduction of the registered trademark of the applicant(plaintiff) `ZENOVIT'.

[c] Respondents are directed to immediately deliver up to the applicant (plaintiff) for destruction, all medicinal or pharmaceutical preparations or similar goods, wrapped or unwrapped with packaging material bearing the trademark `ZENOVIT' and unused packing material and product information catalogues, booklets and other materials bearing or containing any reproduction of offending mark `ZENOVIT' being used by the respondents (defendants).

23] Civil application is allowed in above terms.

[A.S. GADKARI]
JUDGE.

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