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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Judgment reserved on: 13.02.2026

Judgment pronounced on: 18.05.2026

\+ RFA(OS) 138/2013

REDDY PHARMACEUTICALS .....Appellant

Through: Mr. Chander M. Lall, Sr. Adv. with Ms. Arushi Singh, Ms. Annanya Mehan, Ms. Manviya Arun, Mr. Prabhjyot Singh and Ms. Amrisha Kumari, Advs.

versus

DR. REDDY'S LABORATORIES .....Respondent

Through: Ms. Swathi Sukumar, Sr. Advocate with Mr. Ranjan Narula, Mr. Shakti Priyan Nair and Mr. Parth Bajaj, Ms. Rishika Aggarwal and Mr. Ritik Raghuwanshi, Advs.

\+ W.P.(C) 654/2014

REDDY PHARMACEUTICALS LTD. .....Petitioner

Through: Mr. Chander M. Lall, Sr. Adv. with Ms. Arushi Singh, Ms. Annanya Mehan, Ms. Manviya Arun, Mr. Prabhjyot Singh and Ms. Amrisha Kumari, Advs.

versus

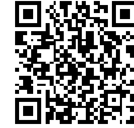
DR. REDDYS LABORATORIES LTD. AND ANR .....Respondents

Through: Ms. Swathi Sukumar, Sr. Advocate with Mr. Ranjan Narula, Mr. Shakti Priyan Nair and Mr. Parth Bajaj, Ms. Rishika Aggarwal and Mr. Ritik Raghuwanshi, Advs.

CORAM:
HON'BLE MR. JUSTICE C.HARI SHANKAR
HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

JUDGMENT

% **18.05.2026**



OM PRAKASH SHUKLA, J.

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BACKGROUND OF THE DISPUTE

1. The dispute between Dr. Reddy's Laboratories[1] and Reddy Pharmaceuticals Ltd.[2] involves competing claims over the use of the term "REDDY" in relation to pharmaceutical products. This issue has resulted in two parallel proceedings before this Court.

2. The first is RFA(OS) No. 138 of 2013, arising from the judgment and decree dated 13.09.2013 in CS(OS) 2194/2003, wherein the learned Single Judge partly decided the suit in favour of DRL

[1] "DRL" hereinafter
[2] "RPL" hereinafter

(plaintiff/respondent) in a suit alleging infringement and passing off against RPL (defendant/respondent/petitioner). The second is W.P.(C) No. 654 of 2014, whereby RPL has challenged the order of the Intellectual Property Appellate Board[3] directing the rectification of the Trade Marks Register by removing the "REDDY" mark from its name.

3. For the sake of convenience, the parties will be referred to as they were before the learned Single Judge. Accordingly, RPL will continue to be referred to as the "defendant/RPL", and DRL as the "plaintiff/DRL", unless the context dictates otherwise.

4. In view of the close interconnection between the issues arising in both proceedings, particularly the direct impact of the determination of the validity of RPL's trademark registration on the claims advanced in the civil suit, this Court, by order dated 01.09.2014, directed that the appeal and the writ petition be heard together. Accordingly, both matters have been heard conjointly and are being disposed of through this common judgment.

The lis

5. The *lis* between the parties and the underlying issue involves a dispute over the use of the expression "REDDY" in the pharmaceutical trade. DRL claims that its long and continuous use of the trading style and mark "Dr. Reddy's" has led to the expression "REDDY" acquiring distinctiveness, making it exclusively associated with DRL and its products in the pharmaceutical industry.

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[3] "IPAB" hereinafter

6. On the other hand, RPL asserts that "REDDY" is a common surname, which forms part of its *bona fide* corporate name "Reddy Pharmaceuticals Ltd.", adopted because it is the surname of its Managing Director. RPL further contends that its use of "REDDY" is consistent with industry practices and does not infringe upon any proprietary rights held by DRL.

7. The dispute escalated when RPL began marketing pharmaceutical products using the term "REDDY", which DRL alleges constitutes passing off, as it amounts to an attempt by RPL to exploit the goodwill and reputation built by DRL in its mark "Dr. Reddy's". According to DRL, RPL's use of the mark "REDDY" gives rise to confusion among consumers and undermines its established brand recognition.

8. RPL, however, refutes these allegations, claiming that its products are marketed under distinct brand names and that the use of "REDDY" is merely as a house mark, not likely to cause deception or confusion in the market.

9. On 13.09.2013, the learned Single Judge passed a decree largely in favour of DRL, granting a permanent injunction to restrain RPL from using the mark "REDDY" in relation to pharmaceutical products. The Court also granted consequential reliefs to DRL, finding that the defendant's use of the mark constituted passing off and was likely to cause confusion among consumers.

10. Aggrieved by the judgment, RPL preferred the present appeal under Section 96 of the Code of Civil Procedure,1908[4], being RFA (OS) No. 138 of 2013. This appeal challenges the learned Single Judge's decree and seeks a re-examination of the claim of infringement and passing off.

11. Parallel to the civil proceedings, DRL filed a rectification petition before the IPAB, seeking the removal of the "REDDY" mark from RPL's trademark registration. On 29.10.2013, the IPAB ruled in favour of DRL and ordered the removal of the "REDDY" mark from the Register of Trade Marks.

12. The present proceedings require this Court to adjudicate the competing claims of the parties regarding the use of the expression "REDDY" in the pharmaceutical trade. Specifically, the issue at hand is whether the use of the said expression by RPL infringes upon the proprietary and common law rights asserted by DRL in the mark "Dr. Reddy's."

13. Before examining the impugned judgment and the rival submissions advanced before us, it is essential to first reconstruct the pleadings of the parties, beginning with the case set up by DRL in the plaint.

14. At the heart of this dispute lies the determination of the permissible scope of protection that the law of trademarks concerning

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[4] "CPC" hereinafter

the competing claims of the parties over the expression "REDDY" within the pharmaceutical trade. The case, therefore, primarily concerns the balance of rights under intellectual property law, particularly trademark protection in relation to distinctiveness and the likelihood of confusion in the marketplace.

15. PLAINT

15.1 The suit out of which the present appeal arises was instituted by DRL against RPL, seeking reliefs of permanent injunction restraining RPL from engaging in passing off, infringement of copyright, rendition of accounts, damages, delivery up and allied reliefs.

15.2 The key averments set out in the plaint, insofar as they pertain to the present appeal, may be recounted thus:

15.3 DRL is a company incorporated under the Companies Act, 1956, having its registered office at Ameerpet, Hyderabad. The suit was instituted through Mr. N. L. Narasimha Das, the Manager (Legal) of DRL, who was authorised by a Board Resolution dated 28.10.2003 to institute and verify the legal proceedings on behalf of DRL.

15.4 DRL was established in 1984 by Dr. K. Anji Reddy and has built a strong foundation in the fields of research and drug development. The plaint highlights DRL's global expertise in the development and manufacture of Active Pharmaceutical Ingredients[5] , intermediaries,

[5] "APIs" hereinafter

and finished dosage forms, enabling it to supply high-quality, cost-effective pharmaceutical products to markets across the globe. DRL asserts that this long- standing commitment to quality has helped it build substantial goodwill and reputation in the pharmaceutical industry.

15.5 DRL claims that through long, continuous, and extensive use of its trading style "Dr. Reddy's Laboratories Ltd.", it has acquired substantial reputation and goodwill in the pharmaceutical industry. It asserts that the use of its trading style, combined with its extensive presence in the market, has made it a well-known name in the industry, particularly in the areas of bulk drugs and finished formulations.

15.6 DRL further asserts that the expression "REDDY" is the essential and dominant feature of its trading style, and the extensive use of this expression in relation to pharmaceutical products has led to a strong association of the mark "REDDY" with DRL's goods. It contends that this association is exclusive to DRL and its pharmaceutical products in the market, such that the expression "REDDY" has come to be identified by consumers as a distinctive mark representing DRL.

15.7 The plaint goes on to state that DRL adopted a distinctive logo consisting of a device of a man with outstretched arms, along with the word mark "Dr. Reddy's." This artistic work was created in April 2001, and DRL acquired exclusive rights to the work through a Deed of Assignment dated 18.12.2002, under which the copyright in the logo was assigned to DRL. DRL claims that the exclusive rights vested in it by this assignment further bolster its claims regarding the

distinctiveness of its intellectual property.

15.8 The plaint also states that RPL was initially engaged in the business of supplying APIs and had been purchasing bulk drugs from DRL since 1997 for distribution to other formulators. The relationship between DRL and RPL was initially cooperative, with DRL supplying ingredients to RPL for distribution in the market.

15.9 At the outset of their business relationship, DRL did not object to RPL's use of the corporate name "Reddy Pharmaceuticals Ltd." because, at that time, RPL operated merely as a distributor of DRL's products. DRL was not concerned with the use of the name "Reddy Pharmaceuticals Ltd." as it did not believe that it created any confusion with DRL's own use of the name "Dr. Reddy's Laboratories Ltd."

15.10 However, the relationship between the parties changed significantly when, on 01.04.2003, RPL was appointed as DRL's commercial *del credere* agent for marketing DRL's products in Northern India. DRL contends that RPL's subsequent activities, particularly the prominent use of the expression "REDDY" in its branding and marketing, cause confusion among the public and gave rise to the likelihood of passing off. DRL further asserts that RPL's actions, including the use of "REDDY" as part of its branding for pharmaceutical products, are in direct conflict with the established goodwill associated with the mark "Dr. Reddy's."

15.11 DRL further pleads that in September 2003, it became aware of the fact that RPL had expanded its business beyond being merely a

supplier of bulk drugs. RPL had begun marketing pharmaceutical preparations in finished dosage forms under various brand names, prominently displaying the mark "REDDY". DRL alleges that RPL represented to its distributors and agents that it was part of the "Reddy group," thereby attempting to leverage the goodwill and reputation associated with DRL's name and mark.

15.12 DRL claims that RPL's packaging of its products prominently displayed the mark "REDDY," sometimes with even greater prominence than the brand name of the product itself. This, according to DRL, thereby creating a likelihood of confusion among consumers and constituting an act of passing off.

15.13 In addition to using the mark "REDDY", DRL alleges that RPL used Ameerpet, Hyderabad, the locality where DRL's registered office is situated, as the address on its product cartons, despite conducting its business operations from Delhi. This, DRL claims, was a deliberate attempt by RPL to create an association with DRL and to exploit the latter's established goodwill.

15.14 In addition to using the "REDDY" mark, DRL claims that RPL adopted a deceptively similar product range to that of DRL. Specifically, DRL markets a well-known pharmaceutical preparation under the trademark "OMEZ", which is one of the leading brands of Omeprazole in India. DRL alleges that RPL, knowing the reputation of "OMEZ", began marketing Omeprazole under the brand name "OMRE" in a strip packaging with a design substantially similar to that of DRL's "OMEZ" packaging, thereby infringing DRL's copyright

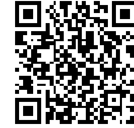
over the design. Further, DRL claims that RPL is marketing a brand called "RECOLITE", which is deceptively similar to DRL's "MUCOLITE". DRL asserts that this adoption of similar brand names and product designs is likely to cause confusion and is an act of passing off.

15.15 DRL states that on 10.10.2003, its representatives met with the Managing Director of RPL and demanded that RPL cease the use of the mark "REDDY", change its corporate name, and alter its packaging. While RPL indicated a willingness to modify its packaging, it did not agree to discontinue the use of the mark "REDDY" or alter its corporate name.

15.16 Despite subsequent discussions in October 2003 and November 2003, no resolution was reached. RPL continued to justify its adoption of the impugned trading style and use of the mark "REDDY". DRL contends that RPL's refusal to cooperate and resolve the matter amicably necessitated the filing of the present suit.

15.17 Paragraph 25 of the plaint details the cause of action for the suit, which is stated to have arisen at the following points:

> *"25. The cause of action for the present suit arose in September 2003 when the Plaintiffs' came to know that the Defendant have also adopted a similar tradename/trading style in respect of pharmaceutical goods. The cause of action again arose in October 2003 and November 2003 when the representatives of the plaintiff and defendants had a meeting to amicably solve the dispute and the same was not resolved. The cause of action once again arose on 1st December, 2003 when the plaintiffs received a letter from the defendant terming the meetings and conversation. The cause of action is thus a continuous and recurring one and continues to arise*



from day to day till the Defendant is restrained by an order of injunction of this Hon'ble High Court."

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15.18 In light of the foregoing, DRL prays for the following orders:

PRAYER

"28. It is therefore prayed that the following orders be passed:

a) An order of permanent injunction restraining the Defendant, its directors, servants and agents from using the Plaintiffs trademark REDDY on any pharmaceutical preparation and from using the trading style Reddy Pharmaceutical Ltd. in relation to pharmaceutical preparations and from copying the layout and get up of the Plaintiffs' OMEZ product as described in paragraph 15(iv) and from reproducing a logo that is substantially similar to the Plaintiffs' logo or do any other act amounting to passing off pharmaceutical and medicinal goods as those originating from the Plaintiff;

b) An order of permanent injunction restraining the Defendant, its directors, servants and agents from operating the domain name www.reddylimited.com for the marketing and sale of pharmaceutical preparations;

c) An order of permanent injunction restraining the Defendants, their servants and agents from manufacturing, selling, offering for sale products bearing a logo that is a substantial reproduction of the Plaintiffs' logo;

d) An order of permanent injunction restraining the Defendants, their servants and agents from manufacturing, selling, offering for sale omeprazole tablets bearing the trademark OMRE in a layout and colour scheme similar to that of the Plaintiffs' OMEZ products as described in paragraph 15(iv) of the Plaint, amounting to an infringement of the copyright vested with the Plaintiff;"

16. WRITTEN STATEMENT

16.1 The defence set up by RPL in its written statement, insofar as it

pertains to the issues arising in the present appeal, can be summarised thus:

16.2 RPL contended, at the outset that the suit filed by DRL was misconceived and lacked a valid cause of action. RPL argued that DRL cannot claim any monopolistic proprietary rights over the expression "REDDY", which, according to RPL, is a common surname widely used in India and thus cannot be exclusively owned by DRL in the pharmaceutical trade.

16.3 It was further pleaded that the Mr. Konda Raghurami Reddy, the Managing Director of RPL, bears the surname "REDDY", and, as such, the adoption of the name "Reddy Pharmaceuticals Limited" was *bona fide* and legitimate. RPL contended that its use of the surname in its corporate name was not intended to infringe upon any trademark or intellectual property rights of DRL.

16.4 RPL asserted that DRL itself claims rights over the composite mark "Dr. Reddy's" and not the word "REDDY" standing alone. RPL argued that DRL's claim for protection is based on the distinctive nature of the composite mark "Dr. Reddy's", and not the common surname "REDDY" in isolation, which RPL maintains is a generic term.

16.5 RPL further emphasized that DRL does not possess any registered trademark in the word "REDDY". RPL pointed out that both parties had filed applications for registration of the trade mark "REDDY", but these applications were pending before the Registrar of Trade Marks at the time of the suit. Thus, RPL contended that DRL

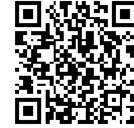
cannot claim exclusive rights over the word “REDDY” when it had not obtained registration.

16.6 RPL affirmed that it had initially been engaged in the business of purchasing and supplying APIs. Since 1997, RPL had been purchasing APIs from DRL and supplying them to formulators and traders across India. RPL contended that its long-standing business relationship with DRL demonstrates the absence of any objection to the use of the name “Reddy Pharmaceuticals Limited” by RPL for over several years.

16.7 RPL argued that using the first element of a corporate name as a house mark is a common and well-established practice in the pharmaceutical industry. RPL further contended that the use of the expression “REDDY” in its corporate name was in line with this industry practice and was therefore not dishonest or objectionable.

16.8 RPL pleaded that it had been carrying on business under the name “Reddy Pharmaceuticals Limited” since 1996, and that DRL had been fully aware of such use since 1997, when their commercial dealings first commenced. RPL argued that despite this long period of coexistence in the market, DRL had never objected to the use of the name “Reddy Pharmaceuticals Limited”.

16.9 RPL further contended that DRL had even acknowledged RPL’s use of the name “Reddy Pharmaceuticals Limited” by communicated with RPL *via* email addresses that incorporate the surname “REDDY”, such as Reddy@bol.net.in and Reddy@satyam.net.in. This, RPL argued, reflected DRL’s recognition of RPL’s trading name, and by



extension, DRL's acquiescence in the use of the surname "REDDY" by RPL.

16.10 RPL argued that DRL is estopped from raising any objections to the use of the mark "REDDY", by RPL, as DRL has acquiesced in the use of the said trading name for several years, specifically for around seven years. RPL contended that DRL had neither raised any objections nor taken any legal action during this long period, which led to RPL's legitimate expectation that it was free to continue using the name.

16.11 RPL further submitted that, at no point in time, did DRL raise any concerns regarding the use of the mark "REDDY" as a key and distinguishing feature of RPL's trade name. RPL contended that there had been no instances of confusion or deception reported in the market due to the use of the mark by RPL. This, RPL argued, demonstrates that the use of the surname "REDDY" did not lead to any likelihood of confusion between the parties' products.

16.12 RPL emphasized that it had engaged in business relationships with several pharmaceutical companies across India since 1996, and both DRL and RPL had always been recognised as distinct and independent commercial entities in the industry. RPL contended that the products marketed by both parties were sufficiently differentiated, with each party's pharmaceutical goods being marketed under distinct brand names, none of which incorporated the word "REDDY".

16.13 Finally, RPL denied that its activities amounted to passing off or that any confusion could arise between the products of the two parties.

RPL contended that, in light of the distinctiveness of their respective products and the longstanding commercial relationship, there was likelihood of consumer confusion, and therefore, no legal basis of DRL's passing off claims.

16.14 RPL asserted that it had been independently engaged in the pharmaceutical trade since 1996 and had developed its own goodwill and reputation in the market. RPL categorically denied any intention to pass off its products as those of DRL, emphasizing that its activities were completely distinct and did not infringe upon DRL's intellectual property rights. RPL further denied any act of misrepresentation and reiterated that it had not used any logo or trade dress similar to that of DRL.

16.15 RPL contended that the trademark or trading style "Dr. Reddy's" had not acquired the level of distinctiveness claimed by DRL. According to RPL, the word "REDDY" did not constitute the essential feature of DRL's trading style or mark, and therefore, DRL could not claim exclusive rights over the use of the surname "REDDY" in the context of its business. RPL argued that the mark "Dr. Reddy's" as a whole, including the additional elements (such as the full name and logo), was the composite mark that distinguished DRL's business, and not merely the word "REDDY" in isolation.

16.16 RPL further clarified that it had never used DRL's trademark or trade style, specially "Dr. Reddy's" or its logo, on any of its products or packaging. As such, RPL argued that there was no question of confusion or deceptions arising from the use of the name "REDDY" by

RPL, as there was no direct overlap in the trademarks or trade styles used by both parties.

16.17 RPL emphasized that the products in question were scheduled pharmaceutical drugs, which were dispensed by trained pharmacists only upon presentation of prescriptions from qualified medical practitioners. Given this, RPL argued that the likelihood of confusion among consumers was significantly reduced, as the professional nature of the pharmaceutical trade and the prescription-based distribution mechanism would prevent any confusion about the source of the products.

16.18 RPL further submitted that it had made public announcements regarding its intention to enter the pharmaceutical formulations business by publishing newspaper advertisements as early as November 2002, on an all-India basis. These advertisements, RPL contended, clearly indicated RPL's intention to launch a formulations division and, therefore, DRL should have been aware RPL's activities long before the suit was filed.

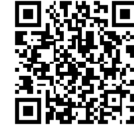
16.19 RPL denies that the packaging of its OMRE product resembles DRL's OMEZ product, asserting that the layout and design of OMRE are distinct and do not create any likelihood of confusion. RPL emphasizes that pharmaceutical packaging, particularly for Omeprazole formulations, often follows common industry standards, with similar colour combinations and layouts used by various manufactures. Such practices are widespread, and RPL argues that these conventions are not unique to DRL's OMEZ product. RPL further

contents that, under Indian law, the mere use of common trade practices does not constitute infringement, especially when there is no likelihood of confusion, as consumers in the pharmaceutical market are generally aware of the distinguishing features of different products. There, RPL maintains that its packaging does not infringe DRL's rights.

16.20 RPL also argued that "RECOLITE" and "MUCOLITE" were two separate and distinct brands, asserting that there was no similarity between the two names, and thus no likelihood of confusion among consumers. This stance aligned with RPL's position that its use of the mark "REDDY" and the associated product names were sufficiently distinctive to avoid any confusion with DRL's products.

16.21 RPL acknowledged a meeting with DRL on 10.10.2003 to address the dispute but maintained that no objections were raised by DRL regarding the use of the trademark or trade name "REDDY" During that meeting. According to RPL, the discussion focused solely on DRL's concerns about the caricature on the label of RPL's "RENIM Suspension" product and the slit on the packaging of RPL's "OMRE" product. RPL contended that both of these issues were addressed and modified to DRL's satisfaction, suggesting that the dispute did not pertain to the use of the surname "REDDY".

16.22 RPL also submitted that they did not attempt to derive any unfair advantage or tried to give any impression of connection, nexus or association or affiliation between RPL and DRL and in a way that the members of trade or consumers are likely to believe an association between them.



16.23 RPL also submitted that the trade activities cannot be considered as illegal or the same as causing loss and damage to the goodwill and business of DRL and that RPL hasn't suffered any damage therein and hence are not entitled to any reliefs prayed for and that the suit is liable to be dismissed along with an order for exemplary costs in favour of DRL.

17. THE REPLICATION

17.1 DRL asserted that it was the prior adopter and user of the mark "Dr. Reddy's" in relation to pharmaceutical preparations and that this mark had, through long and continuous use, acquired distinctiveness and secondary meaning within the pharmaceutical trade. DRL further argued that this widespread use of its mark had created an exclusive association of the mark "Dr. Reddy's" with DRL's goods, making it a well- recognized and distinctive mark in the industry.

17.2 DRL denied that RPL possessed any legitimate or statutory right to use the expression "REDDY" in relation to pharmaceutical formulations. DRL contended that RPL's adoption of the term "REDDY" in relation to pharmaceutical goods was dishonest and calculated to create a false association with DRL and its well-established mark. DRL maintained that RPL's use of "REDDY" was an attempt to unfairly capitalize on the goodwill associated with DRL's "Dr. Reddy's" mark.

17.3 DRL refuted the plea of acquiescence raised by RPL. DRL

clarified that RPL had initially been involved only in the business of supplying bulk APIs and had not engaged in the marketing of finished pharmaceutical products under the mark "REDDY", until much later. The dispute, DRL contended, arose only when RPL began to market finished pharmaceutical formulations using the mark "REDDY", which led to an infringement of DRL's rights.

17.4 DRL denied the claim that the institution of the suit was *mala fide*. DRL emphasized that the proceedings were instituted in good faith and solely to restrain RPL from misappropriating the goodwill and reputation associated with DRL's mark "Dr. Reddy's". DRL asserted that the suit was filed with the legitimate objective of protecting its intellectual property rights and preventing unfair competition by RPL.

17.5 DRL further reiterated that the adoption of the mark "REDDY" in relation to pharmaceutical preparations by any entity other than DRL was likely to cause confusion among consumers as to the source of the goods. DRL argued that this confusion was particularly detrimental in the pharmaceutical industry, where the heightened standard of care is applicable. In matters concerning pharmaceutical products, DRL contended that consumers reply on well-established brands, and any attempt to pass off similar marks could result in harm to public health and safety, in addition to the loss of goodwill.

17.6 On the basis of the above arguments, DRL reaffirmed the reliefs sought in the plaint and prayed that the suit be decreed accordingly, including a permanent injunction restraining RPL from using the mark "REDDY" in relation to pharmaceutical products, as well as other

reliefs related to damages, delivery up, and rectification of the Trade Marks Register.

IMPUGNED JUDGMENTS

18. <u>CS(OS) 2194/2003</u>

18.1 The learned Single Judge held that the adoption and use of the expression "REDDY" by RPL in relation to pharmaceutical preparations constituted passing off of its products as those of DRL.The Court granted a decree of permanent injunction, restraining RPL from using the mark "REDDY" in relation to any pharmaceutical products.

18.2 The learned Single Judge also found that the packaging adopted by RPL in respect of its OMRE formulation infringed the copyright subsisting in the artistic work embodied in DRL's OMEZ strip packaging. However, DRL claim of copyright infringement in respect of its device logo depicting a man with outstretched arms was rejected by the Court.

18.3 Upon completion of pleadings, the learned Single Judge framed the following issues for adjudication, which are reproduced below:

> 1. "*Whether the plaint has been signed and verified by a competent person*
> 2. *Whether the plaintiff is the proprietor of the trademark "REDDY" in respect of pharmaceutical products?*
> 3. *Whether the use of the trademark and also trade name "REDDY" by the defendants in relation to their pharmaceutical products is likely to cause confusion or deception amounting to passing off?*

4. *Whether the plaintiff is the proprietor of the copyright in the logo as described in paragraph 9 of the plaint? If yes, whether the use of the logo by the defendant is substantially similar to the logo of the plaintiff as described in paragraph 9 of the plaint, amounting to infringement of the said copyright?*
5. *Whether the plaintiff is the proprietor of the copyright in the get-up, lay-out and colour combination of its OMEZ strips as described in paragraph 15(iv) of the plaint? If yes, whether the use of a get-up, lay-out and colour combination by the defendants on its medical products, bearing the trademark OMRE, amounts to infringement of the copyright that vests with the plaintiff in its OMEZ strips as described in paragraph 15(iv) of the plaint?*
6. *Whether the use of the domain name, www.ReddyLimited.com by the defendant amounts to passing off?*
7. *Whether the suit is liable to be dismissed on account of delay, laches and acquiescence?*
8. *Whether the plaintiff is entitled to rendition of accounts, profits and damages? If so, how much?*
9. *Relief "*

18.4 In relation to the competence to institute the suit, the learned Single Judge held that the suit had been validly instituted on behalf of DRL. The Court noted that DRL/the plaintiff company had passed a Board Resolution authorising certain officers, including Sh. N. L. Narasimha Das, Manager (Legal), to institute and verify legal proceedings on DRL's behalf. Consequently, the objection raised by RPL regarding the competence of the plaintiff was rejected.

18.5 The learned Single Judge next addressed the defence of delay, laches, and acquiescence raised by RPL. RPL contended that DRL had long been aware of RPL's use of the name "Reddy Pharmaceuticals Ltd." and had continued commercial dealings with it, thereby acquiescing in such use. The Court rejected this defence holding that there was no real conflict between the parties so long as RPL was involved merely in the supply of active pharmaceutical ingredients. The

dispute, the Court held, arose only when RPL commenced marketing finished pharmaceutical formulations in August 2003, at which point DRL promptly initiated legal proceedings. Therefore, the learned Single Judge concluded that the defence of acquiescence was not available to RPL.

18.6 The learned Single Judge then considered whether DRL could claim proprietary rights in the expression "REDDY". Although RPL relied on its registration of the mark "REDDY" obtained in April 2003, the Court held that such registration did not defeat the superior common law rights of DRL, which has arisen from prior and continuous use of the mark. The Court relied on the certificate of incorporation and other evidence to conclude that DRL had been carrying on pharmaceutical business under the name "Dr. Reddy's Laboratories" since 1984. Consequently, the Court found that DRL had acquired substantial goodwill and reputation in the pharmaceutical industry, and therefore, DRL had established proprietary rights in the mark "Dr. Reddy's" through prior adoption and continuous use.

18.7 The learned Single Judge also addressed RPL's claim of an exclusive right over the mark "REDDY", as it was registered in its favour. The Court found no merit in RPL's contention, stating that priority in adoption and use of a trademark takes precedence over priority in registration. The learned Judge referred to several precedents, including ***Nirma Limited v Nimma International & Anr***[6]***,*** ***N.R. Dongre v Whirlpool Corporation***[7]***,*** and ***Century Traders v***

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[6] **2010 SCC OnLine Del 22: (2010) 42 PTC 307**
[7] **(1996) 5 SCC 714**

Roshan Lal Dugggar*[8]*, to affirm that the rights of DRL, arising from its long and continuous use of the mark, were superior to RPL's registration.

18.8 The learned Single Judge then considered whether RPL's use of the expression "REDDY" amounted to passing off. In applying the principles of deceptive similarity in the pharmaceutical industry, the Court referred to the Supreme Court's decision in ***Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd*[9]*.,*** which emphasised the need for a stricter approach in cases involving medicinal products. The Court found that the marks "Dr. Reddy's" and "REDDY" were phonetically identical and used in relation to similar pharmaceutical products. The Court also noted the *mala fide* intent on the part of RPL, particularly the fact that RPL, despite being based in Delhi, had listed Ameerpet, Hyderabad (the location of DRL's laboratories) as the address on its product packaging. This,the Court concluded, was likely to mislead consumers and the trade into believing that RPL's products originated from DRL. The Court therefore held that RPL's use of the mark "REDDY" amounted to passing off.

18.9 The learned Single Judge, based on the evidence presented, found that DRL's mark **"**Dr. Reddy's" had demonstrated substantial commercial use from 1997 to 2004 in the marketing of finished drug formulations. This further corroborated DRL's claim to exclusive rights over the mark.

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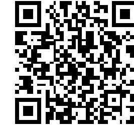
[8] **ILR (1977)2 DEL 709**
[9] **2001 5 SCC 73**



18.10 The Court observed that although RPL had been functioning under the trade name "Reddy Pharmaceutical Ltd." since 1996, there was no evidence to suggest that RPL had been involved in the manufacture of finished drug formulations prior to DRL's entry into the market. On the contrary, DRL had been engaged in the manufacture of finished pharmaceutical products since its incorporation and had established a strong presence in both the Indian and international markets.

18.11 Despite RPL holding registration for the mark "REDDY", the learned Single Judge emphasized that DRL had superior proprietary rights over the mark due to its prior and continuous use of the mark in relation to pharmaceutical preparations. The dominant element of the mark was found to be the expression **"**REDDY**"**, and by virtue of the long and extensive use, DRL had acquired common law rights that superseded the statutory registration of RPL.

18.12 The Court took note of certain circumstances that reinforced the likelihood of confusion between the parties' products. In particular, it observed that RPL had prominently used the expression "REDDY" in connection with pharmaceutical products. The learned Single Judge also highlighted that RPL had mentioned Ameerpet, Hyderabad, a location closely associated with DRL's operations, on its packaging, which the Court found to be likely to mislead consumers into believing that RPL's products originated from DRL. Furthermore, the Court observed that RPL was initially appointed as a *del credere* agent for DRL's products, reinforcing the suspicion that RPL's use of the mark "REDDY" was an attempt to exploit DRL's goodwill and reputation.

18.13 In response to RPL's defence that "REDDY" was a common Indian surname and thus could not be monopolized, the Court noted that when a common name is used in a manner that creates the impression that it is associated with an established brand, such as DRL, the use of the name is deemed to be made with *mala fide* intent. The learned Single Judge concluded that RPL's adoption of the mark "REDDY" was intended to cash in on the goodwill, reputation, and consumer base built by DRL, thereby misleading the public and infringing DRL's rights.

18.14 Regarding the copyright infringement claim concerning DRL's device logo, a depicting of a man with outstretched arms, the Court conducted a visual comparison between DRL's logo and the logo adopted by RPL, which consisted of the letter "R" enclosed within crescents. The learned Single Judge found that the two logos were not substantially similar in appearance or design. As a result, the Court rejected DRL's claim of copyright infringement concerning the logos, concluding that no infringement had occurred in this regard.

18.15 The learned Single Judge also examined the use by RPL of the domain name www.reddylimited.com. Citing precedents such as ***Satyam Infoway Ltd. v. Sifynet Solutions Pvt. Ltd.***[10] and ***Tata Sons Ltd. v. Fashion ID***[11], the Court held that domain names, like trademarks, serve as identifiers of the source of goods or services and can lead to passing off if they are confusingly similar to established marks. Given the confusion likely caused by RPL's domain name,

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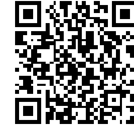
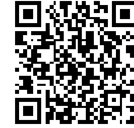
[10] **(2004) 6 SCC 145**
[11] **2005 SCC OnLine Del 72**



which was identical to DRL's "REDDY" mark, the Court ruled that RPL's use of the domain name constituted passing off.

18.16 Upon examining the packaging of the rival pharmaceutical products, the Court found substantial similarity in the colour combination, layout, and overall presentation of the packaging used by DRL for its OMEZ formulation and that used by RPL for its MORE formulation. The learned Single Judge held that the packaging used by RPL infringed the copyright subsisting in the artistic work embodied in the OMEZ strip packaging. The Court concluded that this infringement of copyright occurred due to the visual similarity between the two packaging designs, which was likely to cause confusion among consumers.

18.17 In view of the findings, the learned Single Judge decreed the suit substantially in favour of DRL. The Court granted the following relief: RPL was permanently restrained from using the mark "REDDY" in relation to pharmaceutical products and from operating the domain name www.reddylimited.com for marketing pharmaceutical products; RPL was further restrained from using the packaging that infringed DRL's copyright in the OMEZ strip packaging; DRL was entitled to the rendition of accounts of profits, and the Court ordered RPL to disclose the profits made from the infringing activities. However, DRL's claim of copyright infringement in relation to its device logo depicting a man with outstretched arms was rejected by the Court, as the logos were not substantially similar.



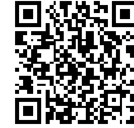
19. ORA/78/2006/TIVI/DEL

19.1 DRL initiated rectification proceedings before the IPAB seeking the removal of the trademark "REDDY" registered in favour of RPL under Registration No. 1192732 in Class 05 for medicinal and pharmaceutical preparations.

19.2 Upon hearing the parties and examining the pleadings and documentary evidence, the IPAB framed the central issue as whether the adoption and use of the mark "REDDY" by RPL was honest and justified under the law.

19.3 At the outset, the IPAB expressed its *prima facie* view that the use of the mark "REDDY" by RPL in relation to pharmaceutical preparations was likely to create the impression that RPL was an affiliate, associate or subsidiary of DRL. This observation was based on the reputation and distinctiveness that DRL had established through the longstanding use of the mark "Dr. Reddy's" in the pharmaceutical industry.

19.4 The IPAB also took note of the timeline of the applications. DRL had applied for the registration of its mark in the year 2001, whereas RPL's application for registration of the mark "REDDY" was filed subsequently in the year 2003. In this backdrop, the Board expressed concern over the Trade Marks Registry's decision to accept and proceed with RPL's application, particularly in light of DRL's prior use and reputation. The Board concluded that the Trade Mark's Registry had erred in allowing RPL's application, and the registration granted to RPL



appeared, on its face, to have been wrongly entered and should not have remained on the Register.

19.5 The IPAB then considered RPL's defence that the adoption of the mark "REDDY" was based on the surname of RPL's Managing Director, and thus was *bona fide*. While acknowledging that the use of a surname as a trademark is not inherently impermissible or fraudulent, the IPAB held that, in the specific facts of this case, RPL's adoption of the mark "REDDY" appeared to be a deliberate attempt to exploit the goodwill associated with DRL's well- established trading style. The IPAB concluded that there was insufficient evidence presented by RPL to substantiate its claim of honest adoption, and thus rejected the defence.

19.6 Proceeding further, the IPAB examined the statutory defences available under Sections 12 and 35 of the Trade Marks Act, 1999[12], which provide for honest concurrent use and the *bona fide* use of a personal name. These defences, the IPAB noted, are subject to the requirement that the applicant must establish a *bona fide* claim of proprietorship under Section 18(1) of the Act. Given that RPL failed to present credible material to establish its *bona fide* claim of proprietorship over the mark "REDDY", the Board concluded that RPL's registration was invalid and could not remain on the Register.

19.7 In view of the aforesaid findings, the IPAB concluded that the registration of the mark "REDDY" in favour of RPL had been obtained

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[12] "the Act" hereinafter

without sufficient cause and that it was wrongly remaining on the Register. Consequently, the rectification application was allowed, and an order was passed for the removal of the mark "REDDY" (Registration No. 1192732 in Class 05) from the Register of Trade Marks.

20. <u>PROCEEDINGS BEFORE THIS COURT</u>

SUBMISSIONS ON BEHALF OF THE APPELLANT/ DEFENDANT

20.1 Mr. C M. Lall, learned Senior Counsel, appeared on behalf of the defendant in RFA(OS) 138/2013 and the petitioners in W.P.(C) 654/2014.

20.2 Mr. Lall argued that the impugned judgment was liable to be set aside, as the findings therein were contrary to the pleadings, documentary evidence, and admissions made by the witnesses of the plaintiff. He further contended that the judgment was inconsistent with the settled principles governing actions for trademark infringement and passing off, which were not adequately applied to the facts of the case.

20.3 The Senior Counsel submitted that the defendant had honestly and *bona fidely* adopted the trade name "Reddy Pharmaceuticals Limited" upon the incorporation of the defendant company on 05.01.1996. It was submitted that the name had been openly and continuously used since its incorporation in connection with their business in medicinal and pharmaceutical preparations.

20.4 Mr. Lall further submitted that the adoption of the word "REDDY" was derived from the surname of the Managing Director and promoter of the defendant company, Mr. K. Raghuram Reddy. It was argued that this adoption was never intended to exploit the reputation of the plaintiff, and no intent existed to create confusion regarding the source of goods.

20.5 It was submitted that the plaintiff had been fully aware of the existence and business activities of the defendants since at least 1997, as the parties had commercial dealings during which the defendant had been purchasing bulk pharmaceutical ingredients from the plaintiff and supplying the same in the market. Further, Mr. Lall pointed out that the plaintiff's admissions (specifically, paragraph 12 of the plaint) indicated that the plaintiff had never considered the use of the trade name "Reddy Pharmaceuticals Limited" as detrimental or infringing upon their rights.

20.6 Mr. Lall highlighted that the defendants had issued prominent advertisements in leading newspapers on an all-India basis, announcing the launch of their Generic Pharmaceutical Formulation Division. He argued that these advertisements further demonstrated the transparency of the defendant's business activities, and there was no intent to conceal or mislead consumers.

20.7 It was submitted that the plaintiff had approached the Court without disclosing material facts related to its alleged trademark rights. Specifically, Mr. Lall pointed out that the plaintiff had applied for

registration of the device mark "Dr. Reddy's", which was examined by the Trade Marks Registry in February 2003. The examination report indicated that the word "Dr." was non-distinctive and that "REDDY" was a common surname lacking inherent distinctiveness. Despite this, the plaintiff failed to respond to the examination report, and the application was treated as abandoned in September 2003. Mr. Lall argued that the plaintiff's failure to disclose this abandonment to the Court was misleading and improper.

20.8 Mr. Lall further submitted that the word "REDDY" was a common surname, especially prevalent in the State of Andhra Pradesh, and therefore could not be monopolised by any single trader. In the absence of evidence demonstrating exclusive goodwill or acquired distinctiveness, the word "REDDY" could not be exclusively attributed to the plaintiff. He contended that the Act does not allow the monopolization of common surnames without sufficient evidence of distinctiveness.

20.9 The Senior Counsel argued that the defendant had continuously used the name "Reddy Pharmaceuticals Limited" since their incorporation, and this use was *bona fide* in connection with their pharmaceutical business. The use of the surname was justified and legitimate under the law and did not cause any confusion or passing off.

20.10 Mr. Lall also placed reliance on Section 35 of the Act which protects the *bona fide* use of a personal name as a trademark. He referred to the following cases to support this position, ***Vasundhara***

Jewellers Pvt. Ltd. vs. Vasundhara Fashion Jewellery LLP & Anr*[13]*.*, *Jindal Industries Pvt. Ltd. vs. Jindal Sanitaryware Pvt. Ltd. & Anr*[14]*. In these cases, the Courts recognized the *bona fide* use of personal names as statutorily protected, even if the names were common. Mr. Lall argued that the use of the word "REDDY", being the personal name of the Managing Director of the defendant company, was thus protected under Section 35 and did not infringe the plaintiff's rights.

20.11 Mr. Lall also contended that the defendant's transition from selling APIs to pharmaceuticals formulations represented a legitimate commercial expansion and did not retroactively invalidate the *bona fide* adoption of the trade name. The change in the nature of the business should not be used to invalidate the earlier legitimate adoption of the name. He relied on the case of ***Laxmikant V. Patel** v **Chetanbhai Shah***[15] and ***Leayan Global Pvt. Ltd. v. Bata India Ltd***[16]***,*** where Courts acknowledged the natural expansion of business into new categories.

20.12 Mr. Lall submitted that the plaintiff had failed to establish any exclusive proprietary right in the word "REDDY". The plaintiff did not provide sufficient evidence to demonstrate that the word "REDDY" had acquired distinctiveness or reputation exclusively in relation to its goods. The plaintiff's failure to prove the exclusivity of its trademark rights further undermined its claim for infringement.

20.13 Mr. Lall contended that the plaintiff had failed to establish the

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[13] **FAO(OS) (COMM) 232/2023 & CM. APPL. 55117/2023**
[14] **CS(COMM) 251/2023, I.A. 888/2023 & I.A. 13154/2023**
[15] **(2002) 3 SCC 65**
[16] **2025 SCC OnLine Del 9128**

goodwill or reputation specifically attached to the mark "Dr. Reddy's". The plaintiff did not produce any documentary evidence of advertising expenditure, certified sales figures, or market recognition related specifically to the mark. Without such evidence, Mr. Lall argued, the plaintiff's passing off claim could not be substantiated. He referred to the cases of ***Ms. Anuradha Sharma & Anr. vs. Jiva Ayurvedic Pharmacy Ltd. & Ors***[17] order dated 01.12.2025 and ***Vishal Gupta & Ors. vs. Rahul Bansal***[18], to support the need for tangible evidence of goodwill and reputation in passing off claims**.**

20.14 Mr. Lall also pointed out that the use of Ameerpet address in Hyderabad did not make the adoption of the name "REDDY" dishonest. He argued that the geographical reference to Ameerpet in Hyderabad could not be grounds for claiming dishonesty unless the plaintiff could prove exclusivity over the geographical name. The adoption of the surname "REDDY" could at best be restricted if the plaintiff proved such exclusivity.

20.15 Finally, Mr. Lall argued that the plaintiff had acknowledged the defendant's trade name "Reddy Pharmaceuticals Ltd." in the *Del Credere* agreement between the parties. The agreement recognized the defendant as "Reddy Pharmaceuticals Ltd." under Clause 2.7, which was consistent with Recital No.2 of the agreement, which acknowledged the use of the name. This, he argued, demonstrated the plaintiff's recognition of the defendant's legitimate use of the name.

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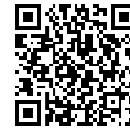
[17] **FAO (COMM) 334/2025**
[18] **2025:DHC:3685-DB**



20.16 It was submitted by learned Senior Counsel that the Memorandum of Association of the defendant company also confirms the fact that the company was incorporated to engage in pharmaceutical business, which included both bulk drugs and final formulations. It was further contended that the plaintiff contractually recognised defendant's incorporated name and its independent commercial operations, without imposing any restrictions on the use of the corporate name "Reddy Pharmaceuticals Ltd.". This recognition further reinforced the legitimacy of the defendant's business operations under the name "Reddy Pharmaceuticals Ltd." and demonstrated that there was no prior objection or restriction by the plaintiff regarding its use.

20.17 It was further submitted that the evidence relied upon by the plaintiff to establish its prior use of the mark "Dr. Reddy's" had not been proved in accordance with law. Several of the documents relied upon by the plaintiff were subsequent to the incorporation of the defendant company in 1996 and thus did not substantiate the plaintiff's claim of prior use before the defendant's incorporation.

20.18 Learned Senior Counsel highlighted that the admissions made by the plaintiff's witnesses, particularly regarding the evidence of prior use, showed that the plaintiff failed to produced material evidence establishing the actual use of the mark "Dr. Reddy's" as a trademark for the years preceding the suit. The evidence presented by the plaintiff mainly consisted of trademark applications and assignment deeds, none of which establishes actual commercial use.

20.19 Learned Senior Counsel argued that the facts admitted by the

plaintiff in its pleadings constituted the best evidence and therefore did not require further proof. The Court should have given significant weight to the plaintiff's admissions, which undermined its own claims.

20.20 Further, it was pointed out that PW-3, a witness for the plaintiff, admitted that only annual reports for the years 2002-03 and 2005-06 had been produced, and that the complete set of annual reports from the inception of the plaintiff's business had not been placed on record. This undermines the plaintiff's claim to continuous and consistent use of the mark.

20.21 Learned Senior Counsel submitted that PW-3 had admitted in cross-examination that the name of the plaintiff company and that of the defendant company were entirely different, further distancing the parties and negating the likelihood of confusion between the two companies. This admission significantly weakened the plaintiff's claim of passing off and likelihood of confusion.

20.22 Learned Senior Counsel also submitted that PW-1, another key witness for the plaintiff, admitted in cross-examination that the plaintiff had no evidence on record to establish use of the trade name "Dr. Reddy's" for the previous 13-14 years. This lack of evidence for continuous use prior to 1997 undermined the plaintiff's case for prior rights over the mark.

20.23 It was further submitted that the annual reports relied upon by the plaintiff, which dated to the years 2002-03 and 2005-06, were subsequent to the adoption and use of the mark by the defendants in

1997. This indicated that the plaintiff had failed o provide evidence establishing the continuity of use before the defendant's entry into the market.

20.24 Learned Senior Counsel also submitted that the learned Single Judge had erred in holding that the plaintiff possessed proprietary rights in the mark "REDDY". The document relied upon by the Court, particularly those from the year 1997, were subsequent to the incorporation of the defendant company in 1996 and thus could not have established prior use or rights over the mark.

20.25 It was contended that the learned Single Judge had failed to consider the evidence on record adequately and had returned findings based on insufficient evidence. The documents produced by the plaintiff did not prove the priority of adoption or use of the mark "REDDY", especially in the context of the defendant's admitted use of the mark since 1997.

20.26 Learned Senior Counsel emphasized that the plaintiff had itself admitted that the defendant had been conducting business under the name "Reddy Pharmaceuticals Ltd." since 1997 and that prior to 2003, the relationship between the parties was on a principal-to-principal basis. This admission of independence further undermined the plaintiff's claim that the defendant was trying to pass off its products as those of DRL.

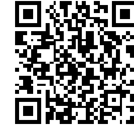
20.27 Learned Senior Counsel also submitted that the dispute raised by the plaintiff was actually confined to the defendant's entry into the

Generic Formulation Division, not to the pharmaceutical trade as a whole. However, the learned Single Judge had proceeded with findings as though the defendant was to be restrained from carrying on their pharmaceutical business altogether, which was an overreach.

20.28 Learned Senior Counsel argued that the findings on passing off and the likelihood of confusion were contrary to the admissions made by the plaintiff's witnesses during cross-examination. It was pointed out that PW-3 admitted that the names of the plaintiff and defendant companies were completely different, and PW-1 admitted that there was no visual similarity between the packaging of the respective products.

20.29 Mr. Lall submitted that the defendants had consistently and continuously maintained a distinctive saffron color packaging and trade dress across all their pharmaceutical products. This packaging style had remained uniform and was clearly distinguishable from the plaintiff's packaging. The consistent use of this distinct packaging further undermined the plaintiff's claim of passing off and likelihood of confusion.

20.30 Learned Senior Counsel emphasized the Classical Trinity Test in actions for passing off, which requires the establishment of misrepresentation, deception, and the likelihood of damage to goodwill. Mr. Lall contended that the defendant's consistent use of a distinctive saffron coloured trade dress effectively negated any claim of misrepresentation or an attempt to ride on the goodwill of the plaintiff. He argued that the distinctiveness of the defendant's trade dress



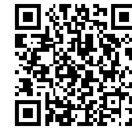
rendered any confusion or deceptive practices unlikely.

20.31 Learned Senior Counsel also relied on the testimony of PW-2, who admitted that the plaintiff company would have no objection to Mr. Raghu Rami Reddy carrying on business under the name "Reddy Pharmaceuticals Ltd" for bulk drugs. This, Mr. Lall argued, reinforced the defence that the use of the name had not been objectionable to the plaintiff in the context of the defendant's pharmaceutical operations.

20.32 It was contended that these admissions by the plaintiff's witnesses clearly demonstrated that the use of the trade name "Reddy Pharmaceuticals Ltd." had never been considered detrimental by the plaintiff. Yet, the learned Single Judge failed to consider these material admissions, which should have weighed heavily in favour of the defendant's when arriving at the conclusions in the judgment.

20.33 Learned Senior Counsel also submitted that PW-1 testified that physicians generally prescribe medicines by brand names and not by the trade name "Dr. Reddy's". Mr. Lall argued that this admission showed that the possibility of confusion arising merely from the similarity of corporate names in the pharmaceutical industry was extremely remote. Prescriptions are made based on established brand names and generic names, not the corporate identity of the manufacturer.

20.34 Building on the testimony of PW-1, Mr. Lall further argued that the possibility of confusion in the pharmaceutical trade was minimal. Given that prescriptions are made based on brand names and generic



names, the similarity of corporate names would not likely mislead medical professional or patients into confusing the two entities.

20.35 Learned Senior Counsel further pointed out that PW-1 had admitted during cross-examination that when terminating the agreement, no prohibition had been imposed on the defendant's from using the word "REDDY" as part of their corporate name, trade name or trademark. This admission suggested that the plaintiff had actively allowed the defendants to use the name without raising any objections at the time of contract termination.

20.36 It was further submitted that there was no document or evidence showing that the plaintiff raised any objection to the defendant's use of the word "REDDY" in the meeting held on 10.10.2003. The plaintiff's failure to raise an objection during this meeting, despite the opportunity, supported the argument that the plaintiff had acquiesced in the use of the name "Reddy Pharmaceuticals Ltd.".

20.37 Learned Senior Counsel argued that the plaintiff had allowed the defendants to continue using the name "Reddy Pharmaceuticals Ltd." for several years without objection, leading to the defence of acquiescence and delay. Mr. Lall contended that the plaintiff's failure to object to the defendant's use of the name from 1997 to 2003 meant that the plaintiff had waived its right to challenge the use of the name after several years of commercial acceptance.

20.38 It was further argued that the learned Single Judge failed to apply the correct principles governing passing off actions, as outlined by the

Supreme Court in ***Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories***[19]**.** The principles of misrepresentation, deception, and damage to goodwill were not properly considered, which led to the incorrect findings of passing off.

20.39 Mr. Lall contended that the learned Single Judge had ignored the nature of pharmaceutical trade, where products are typically identified by brand names or generic names rather than by the corporate name of the manufacturer. This is a fundamental distinction in the industry, and the corporate name would not be a primary identifier for consumers or medical professionals in the context of pharmaceuticals.

20.40 Learned Senior Counsel relied on the *del credere* Agency Agreement dated 01.04.2003 between the plaintiff and the defendant, which expressly recognised the defendant as "Reddy Pharmaceuticals Ltd.". The agreement further acknowledged the defendant's engagement in the pharmaceutical trade and appointed them as commercial *del credere* agents for promoting the plaintiff's APIs. Mr. Lall argued that the agreement did not impose any restrictions on the use of the corporate name "Reddy Pharmaceuticals Ltd.".

20.41 It was pointed out that the *del credere* agreement did not contain any covenants preventing the defendant from carrying on their independent pharmaceutical business under the name "Reddy Pharmaceuticals Ltd.". The plaintiff's failure to challenge the use of the name at the time of entering into the agreement further supported the

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[19] **(1965) 1 SCR 737**

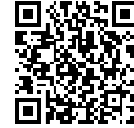
defendant's case that their use of the name had been acknowledged and accepted by the plaintiff.

20.42 Mr. Lall emphasized that the plaintiff, having knowingly entered into the *del credere* agreement recognising the defendants' corporate identity, could not subsequently challenge the use of the name "Reddy Pharmaceuticals Ltd.". The plaintiff's knowledge of the defendant's business activities since 1997 and its failure to object during this period amounted to acquiescence in the use of the name.

20.43 Learned Senior Counsel further submitted that the plaintiff's failure to raise an objection to the use of the name "Reddy Pharmaceuticals Ltd." From 1997 to 2003 was a clear instance of acquiescence and delay. The plaintiff had knowingly allowed the defendant to conduct their business without raising any objection for several years, and this delay in challenging the name amounted to waiver of any legal rights.

20.44 Learned Senior Counsel also contended that the learned Single Judge had failed to consider the defence of acquiescence despite the admissions made by PW-1 during cross-examination, which revealed the longstanding commercial relationship between the parties. The defence of acquiescence should have been properly applied in this case, and the learned Single Judge's failure to consider this defence led to an erroneous conclusion.

20.45 It was also argued that the learned Single Judge had ignored the principles laid down by the Supreme Court in ***Power Control***



Appliances v. Sumeet Machines Ltd[20], which related to acquiescence and delay in passing off actions. These principles were directly applicable to the facts of the case and should have been properly considered in determining whether the plaintiff's claim was barred by acquiescence and delay.

20.46 Learned Senior Counsel further submitted that the learned Single Judge had erred in deciding Issue No.4 relating to the assignment and ownership of copyright. The assignment deed had not been proved in accordance with law, as neither the execution nor the contents of the said document had been established. Merely exhibiting the document without proving its authenticity was insufficient to substantiate the plaintiff's claim of copyright ownership.

20.47 Learned Senior Counsel further submitted that the findings on Issue No.5 regarding copyright were erroneous, as the plaintiff had failed to establish the subsistence and ownership of copyright in accordance with the provisions of the Copyright Act, 1957[21]. The absence of documentary evidence supporting the plaintiff's claim of copyright ownership rendered the judgment on this issue incorrect.

20.48 Learned Senior Counsel argued that the plaintiff had failed to produced evidence regarding the originality of the work, the identity of the author, or the date of first publication, all of which are mandatory requirements under Sections 13, 14, 17 and 18 of the Copyright Act. Without satisfying these legal requirements, the plaintiff's claim for

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[20] **(1994) 2 SCC 448**
[21] "Copyright Act" hereinafter

copyright infringement could not stand, as it had not proven its copyright ownership or the validity of its copyright in the work.

20.49 Learned Senior Counsel further submitted that the documents relied upon by the plaintiff, including Assignment Deed and Assignment Deed for OMEZ artwork had not been proved in accordance with the Indian Evidence Act, 1872. The legal requirements for the admissibility of such documents were not met, and as such, these documents could not be considered valid evidence to support the plaintiff's claims.

20.50 Learned Senior Counsel argued that the learned Single Judge had erred in deciding Issue No.6 concerning domain names. The plaintiff had been communicating with the defendant using the same domain name since 1997, and there was no similarity between the domain names of the parties. Since the plaintiff had actively engaged with the defendant using the same domain name, it could not claim that the defendant's domain name constituted passing off. This, according to the Senior Counsel, undermined the plaintiff's claim.

20.51 Learned Senior Counsel also submitted that the plaintiff had failed to establish ownership of the alleged domain name in accordance with the law. Without properly demonstrating its ownership of the domain name or proving that it had established exclusive rights, the plaintiff could not invoke the principles relating to domain name disputes. This constituted another reason why the passing off claim relating to the domain name should be dismissed.

20.52 Learned Senior Counsel further contended that the learned Single Judge had erred in deciding Issue No.7, which concerned acquiescence and delay. The plaintiff had admitted in the plaint that it had knowledge of the defendant's business activities since 1997, and that the defendant had been selling bulk APIs of the plaintiff as a distributor from that time. The relationship had been on a principal-to-principal basis prior to 2003, which clearly demonstrated that the plaintiff had known of and implicitly accepted the defendant's use of the name "Reddy Pharmaceuticals Ltd."

20.53 It was admitted by the plaintiff that it had never attempted to ascertain the nature or extent of the pharmaceutical business carried on by the defendants under the name "Reddy Pharmaceuticals Ltd.". This omission on the plaintiff's part further reinforced the argument that the plaintiff had knowingly permitted the defendants to continue their business under the name, thereby disentitling the plaintiff from seeking equitable relief such as an injunction.

20.54 Given the above, learned Senior Counsel argued that the plaintiff had acquiesced in the defendant's use of the name "Reddy Pharmaceuticals Ltd." for several years. As such, the plaintiff was disentitled from seeking injunctive relief after allowing the defendant to build their business under the said name. This principle of acquiescence barred the plaintiff from seeking to restrain the defendant at this stage.

20.55 It was further contended that the learned Single Judge had erred in deciding Issue No.8, which dealt with damages and rendition of

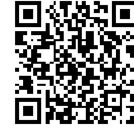
accounts. It was pointed out that none of the plaintiff's witnesses had claimed any such relief in their examination-in-chief, and as a result, the claim for damages and accounts should not have been entertained. Moreover, the learned Single Judge itself had recorded that the plaintiff had not produced any evidence regarding the pecuniary loss allegedly suffered by it, which further weakened the plaintiff's claim.

20.56 Given that the plaintiff had failed to provide evidence demonstrating any financial loss caused by the defendant's actions, learned Senior Counsel argued that the relief of damages and rendition of accounts could have been granted. Without documentary evidence of actual loss, there was no basis for granting relief for damages or profits.

20.57 Mr. Lall argued that the conclusions recorded by the learned Single Judge in para 61 of the judgment regarding the relief were based on no evidence or incorrect appreciation of the evidence on record. These findings were erroneous and should be set aside, as the Court had failed to consider the lack of evidence and had relied on inadequate grounds to grant the reliefs sought by the plaintiff.

20.58 Learned Senior Counsel further emphasized that the defendant's mark "REDDY" had been duly registered after advertisement in the Trade Marks Journal without opposition. Under the Act, such registration carries a statutory presumption of validity, which could not be lightly disregarded. The learned Single Judge had failed to give due regard to this presumption of validity while deciding the case.

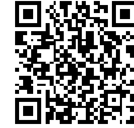
20.59 Learned Senior Counsel further contended that the learned Single



Judge had relied on certain judicial precedents which were distinguishable on the facts. Specifically, reliance on ***Nirma Limited*** (supra) was misplaced, as that case involved a temporary injunction based on a registered trademark and an assignment agreement, which were not present in the current case. Similarly, the reliance on ***N.R. Dongre*** (supra) was erroneous, as that decision dealt with a temporary injunction involving an internationally reputed mark, and the observation regarding Sections 27 and 28 of the Act had been subsequently clarified by the Supreme Court.

20.60 It was further submitted that the reliance placed on ***Century Traders*** (supra) was misplaced, as that judgment merely addressed the grant of interim relief based on a *prima facie* finding of prior user. The facts in ***Century Traders***(supra) were distinguishable as it did not deal with the full merits of trademark infringement and passing off, as in the current case. Mr. Lall argued that the principles applied in ***Century Traders*** (supra) did not justify the findings in the present case, especially given the substantial differences between the marks, packaging, and business operations of the parties.

20.61 Further, Mr. Lall pointed out that even if the principles laid down in the ***Cadila Health Care Ltd.*** (supra) were applied, the marks, packaging, colour scheme, and overall presentation of the parties' products were clearly distinct. Moreover, the company names themselves, "Dr. Reddy's" and "Reddy Pharmaceuticals Ltd.", were entirely different, thereby reducing the likelihood of confusion in the market. Thus, even under the stricter scrutiny no passing off or likelihood of confusion could be substantiated against the defendant.



20.62 Learned Senior Counsel argued that, based on the above submissions, the defendant had demonstrated that their marks and packaging were sufficiently distinct from the plaintiff's. The defendant's use of the name "Reddy Pharmaceuticals Ltd." did not lead to any likelihood of confusion or passing of, and therefore, the plaintiff's claim of trademark infringement were without merit.

20.63 Regarding the appeal against the order passed by the IPAB, Mr. Lall contended that the IPAB erred in law in holding that the defendant's registration of the mark "REDDY" contravened Section 158 of the Act. He argued that Section 158 of the Act only amends provisions of the Companies Act and does not provide an independent ground for the cancellation of a registered trademark. The IPAB's decision to cancel the defendant's trademark registration was, therefore, inconsistent with the statutory framework under Sections 47 and 57 of the Act, which govern the removal of trademarks from the register.

20.64 Mr. Lall further argued that the IPAB's reliance on the subsequent amendment of the Companies (Amendment) Act, 2003 to retrospectively invalidate a pre-existing corporate name and trademark was contrary to the settled legal principle against retroactive impairment of vested rights. The defendant's company had been incorporated on 05.01.1996, and the IPAB's approach of applying a later amendment to invalidate the corporate name and trademark was unjust and against established legal principles protecting vested rights.

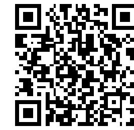
20.65 Learned Senior Counsel also pointed out that the IPAB had

ignored the statutory framework of Sections 20 and 22 of the Companies Act, which govern objections to company names. Under these provisions, any objections to a corporate name must be raised within five years of incorporation. since the defendant company was incorporated in 1996, any challenge to its corporate name was barred by the limitation period.

20.66 Mr. Lall further contended that the plaintiff's alleged trademark rights arose only pursuant to an assignment deed dated 18.12.2002, and therefore, the plaintiff's claim of having used the mark since the year 2001 was false and inconsistent with the assignment document. This inconsistency in the plaintiff's claim further undermined its case for trademark infringement and passing off.

20.67 Mr. Lall further submitted that during the hearing before the IPAB on 20.08.2013, the defendant had raised several objections regarding the maintainability and evidentiary insufficiency of the rectification petition. These objections, he noted, were recorded by the IPAB itself. Specifically, it was pointed out that the rectification petition had not been supported by affidavit evidence as required under Rule 8 of the IPAB (Procedure) Rules, 2003. The lack of affidavit evidence rendered the petition legally deficient.

20.68 According to the defendants, the findings made by the IPAB were directly contradicted by the documentary record and that there was a complete non-application of mind by the IPAB. The material facts and objections raised by the defendants were not duly considered by the IPAB, and this failure led to an erroneous and unjust decision.



20.69 Learned Senior Counsel further submitted that in paragraphs X to XIV of the impugned order, the IPAB had failed to refer to the material facts and objections raised by the defendant, which were crucial for adjudication. The omission to consider these material facts made the order non-speaking and arbitrary, and Mr. Lall argued that such omissions rendered the IPAB's decision legally flawed.

20.70 On the basis of the aforesaid submissions, Mr. Lall contended that the findings of both the learned Single Judge and the IPAB were liable to be set aside. He argued that the factual inconsistencies, the failure to properly consider evidence, and the misapplication of legal principles by both authorities warranted a reversal of the decisions and a favourable ruling for the defendant.

SUBMISSIONS ON BEHALF OF THE RESPONDENT/ PLAINTIFF

21. Ms. Swathi Sukumar, learned Senior Counsel, appeared on behalf of the plaintiff in both the matters.

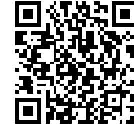
21.1. Ms. Sukumar opposed the appeal and submitted that the judgment and decree dated 13.09.2013 passed by the learned Single Judge, granting a permanent injunction against the defendant, was rendered after a thorough and meticulous examination of the pleadings, documentary evidence and settled principles governing trademark law and the law of passing off. She contended that the present appeal seeks to re-agitate issues that have already been conclusively adjudicated by

the learned Single Judge and, therefore deserves to be dismissed.

21.2. Ms. Sukumar submitted that the present dispute arises from the defendant's adoption and use of the mark "REDDY" as the essential and dominant element of its trade name, trademark and domain name in relation to pharmaceutical products. Such use is inherently deceptive and is likely to create confusion in the marketplace, thereby resulting in the passing off of the defendant's goods as those of the plaintiff. The defendant was, therefore, rightly restrained from using the mark "REDDY" in relation to pharmaceutical preparations and from operating the domain name www.reddylimited.com.

21.3. Learned Senior Counsel submitted that the plaintiff has been engaged in pharmaceutical business since 1984 and has built substantial goodwill and reputation under the trade name and house mark "Dr. Reddy's". The plaintiff has achieved significant recognition in pharmaceutical research and development, with an annual turnover of approximately USD 380 million (INR 18,070 million) in the financial year 2002-03. Through long, continuous and extensive use, the mark Dr. Reddy's has acquired distinctiveness and has become exclusively associated with the plaintiff in the pharmaceutical industry.

21.4. It was further submitted that the plaintiff operates in two principal segments of the pharmaceutical industry, namely (i) APIs supplied in bulk to pharmaceutical manufacturers, and (ii) Finished Formulations sold to end consumers in the form of tablets, capsules, and other medicinal preparations. Both segments are marketed under the trade name and house mark "Dr. Reddy's Laboratories", which



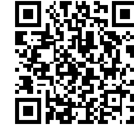
signifies the source and quality of the plaintiff's pharmaceutical products.

21.5. Learned counsel submitted that by virtue of its extensive, continuous and uninterrupted use, the plaintiff has acquired enormous goodwill and reputation in the mark "Dr. Reddy's", which has also been recognised as a well-known mark by this Hon'ble Court in the injunction order dated 26.08.2004. Reliance was placed on Section 2(1)(zg) of the Act, which defines a well-known mark and recognizes the exclusive rights of a proprietor over such marks.

21.6. It was further submitted that the plaintiff had placed on record extensive documentary evidence establishing its goodwill and reputation in the mark, including annual reports, sales invoices since 1997, advertisement invoices, and newspaper publications, all demonstrating substantial commercial use and promotional expenditure. This documentary evidence strongly corroborates the plaintiff's claim of exclusive rights over the mark "Dr. Reddy's".

21.7. Learned Counsel further pointed out that even in the written statement filed before the learned Single Judge, the defendant did not seriously dispute the goodwill and reputation enjoyed by the plaintiff. On the contrary, there were categorical admissions acknowledging the plaintiff's established presence in the pharmaceutical industry.

21.8. It was submitted that the defendant initially operated merely as a supplier of third-party pharmaceutical products and used to procure APIs in bulk from manufacturers and distribute the same to



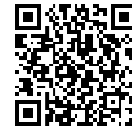
pharmaceutical companies. However, the adoption and use of the mark "REDDY" by the defendant was in clear violation of the plaintiff's proprietary rights, and such use amounts to passing off under Section 27 of the Act.

21.9. Learned counsel further submitted that the evidence produced by the plaintiff to establish its goodwill and reputation remained unchallenged and unrebutted during the trial. The plaintiff produced, inter alia, newspaper publications, sales invoices since and advertisement invoices, all of which demonstrated the long, continuous, and extensive commercial use of the mark. This evidence was not disputed by the defendant, who failed to undertake meaningful cross-examination regarding these documents.

21.10. As per settled law, when documentary evidence is not challenged in cross-examination, such evidence is deemed to have been accepted and cannot be subsequently disputed. Reliance was placed on ***Muddasani Venkata Narasaiah (Dead) through LRs v. Muddasani Sarojana***[22] and ***State of U.P. v. Nahar Singh (Dead) & Ors.***[23], which established that unchallenged evidence stands admitted.

21.11. It was further submitted that newspaper publications, sales invoices, and advertisement material constitute valid evidence of goodwill and reputation of a trademark and must be considered while determining proprietary rights in a passing off action. In this regard, reliance was placed on the case ***S. Syed Mohideen v. P. Sulochana***

[22] **(2016) 12 SCC 288**
[23] **(1998) 3 SCC 561**



Bai[24] and ***Satyam Infoway Ltd.*** (supra), which confirm that the reputation of a trademark, even based on advertising, is significant in passing off actions.

21.12. Learned counsel submitted that the present case is clearly distinguishable from ***Brihan Karan Sugar Syndicate Pvt. Ltd. v. Yashwantrao Mohite Krushna Sahakari Sakhar Karkhana***[25], where the proof of goodwill was disputed. In the present matter, the plaintiff's evidence of goodwill remains substantially uncontroverted, and the defendant has not put forth any valid arguments or evidence to dispute the plaintiff's established reputation.

21.13. It was further submitted that in 1997, the defendant was appointed as a distributor of the plaintiff for distribution of APIs, and subsequently, by an Agency Agreement dated 01.04.2003, the defendant was appointed as a *del credere* agent of the plaintiff for promotion of its pharmaceutical products. Despite this agency relationship, the defendant's subsequent actions in using the mark "REDDY" and operating the domain "www.reddylimited.com" clearly infringe upon the plaintiff's rights.

21.14. In conclusion, it was submitted that the learned Single Judge had rightly granted the permanent injunction, having regard to the overwhelming evidence of the plaintiff's goodwill, the defendant's deceptive use of the mark "REDDY", and the principles governing passing off under Indian law.

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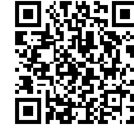
[24] **(2016) 2 SCC 683**
[25] **(2024) 2 SCC 577**



21.15. Learned counsel relied upon the Agency Agreement dated 01.04.2003 and submitted that the said agreement clearly acknowledged the plaintiff's goodwill and proprietary rights in the pharmaceutical business. In particular, Recital 1 recognised the plaintiff's goodwill in the business of pharmaceutical products; Clause 1.1 identified the scope of the agreement as the promotion of the plaintiff's APIs; Clause 2.7 prohibited the defendant from dealing in competing products or acting prejudicially to the plaintiff's interests; and Clause 2.8 required the defendant to keep the plaintiff informed about market conditions and competitive activities. These provisions clearly indicate the acknowledgment of the plaintiff's exclusive rights and goodwill.

21.16. It was therefore submitted that the defendant, having entered into such an agreement, is estopped from denying the plaintiff's goodwill and reputation in the mark "Dr. Reddy's". The doctrine of estoppel arises from the facts that the defendant acknowledged the plaintiff's proprietary rights in the agreement and cannot now seek to deny or challenge the goodwill it previously recognized.

21.17. In support of the principle of estoppel arising from contractual acknowledgment of goodwill, reliance was placed on ***Rob Mathys India Pvt. Ltd. v. Synthes AG Chur***[26] and ***Morgardshammar India Ltd. v. Morgardshammar AB***[27]. In these cases, the courts held that parties are estopped from asserting contradictory claims when they have

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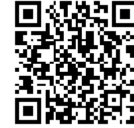
[26] **(1997) 17 PTC 669**
[27] **2012 SCC OnLine Del 4945**



previously acknowledged or represented certain facts, including goodwill and proprietary rights in trade names and marks.

21.18. Despite such commercial association, the defendant subsequently began using the mark "REDDY" for its own pharmaceutical products, thereby attempting to trade upon the goodwill and reputation of the plaintiff. This act of adopting a mark that is so similar to the well-known mark of the plaintiff constitutes a classic case of passing off, as it is likely to mislead the public into believing that the defendant's goods originate from the plaintiff.

21.19. Learned Counsel submitted that until August 2003, the defendant was not engaged in the business of finished drug formulations and merely supplied bulk drugs to pharmaceutical formulators. However, in August-September 2003, the defendant began marketing finished pharmaceutical formulations under the mark "REDDY", prominently displaying the mark on packaging so as to create an association with the plaintiff, thereby infringing upon the plaintiff's exclusive rights in the mark.

21.20. It was submitted that the defendant's adoption of the mark "REDDY" was dishonest and *mala fide*, intended to take unfair advantage of the enormous goodwill and reputation enjoyed by the plaintiff in the pharmaceutical market. This constitutes a dishonest misrepresentation under the law of passing off, as it misleads the public into believing the defendant's goods are associates with the plaintiff.

21.21. Learned counsel further submitted that the defendant had no

manufacturing facility or research and development infrastructure in Hyderabad, yet it mentioned a Hyderabad address at Ameerpet on the packaging of its products, creating a deceptive association with the plaintiff, whose actual business operations were based in Hyderabad. It was further submitted that while the defendant's invoices from August 2003 continued to mention its Delhi office, the packaging displayed a Hyderabad address, thereby misleading consumers to believe the defendant's products were associated with the plaintiff.

21.22. It was submitted that such conduct amounted to passing off, as purchasers encountering pharmaceutical products bearing the mark "REDDY" would naturally assume that the goods originated from the plaintiff. The defendant's intention to deceive consumer from the fact that it displayed the word "REDDY" more prominently than the actual product name, thereby attempting to appropriate the plaintiff's reputation and goodwill.

21.23. It was submitted that the defendant demonstrated a pattern of dishonest adoption of marks, including the adoption of OMRE in relation to the plaintiff's mark OMEZ, and RECOLITE in relation to the plaintiff's mark MUCOLITE. Such instances further demonstrate the defendant's *mala fide* intent and repeated attempts to trade on the goodwill of the plaintiff.

21.24. It was further submitted that the defendant itself admitted in its written statement that "REDDY" constitutes the key and distinguishing feature of its trade name, while simultaneously seeking to claim that the word is merely a common surname. Such contradictory positions render

the defence untenable and highlight the defendant's deceptive practices aimed at misleading consumers.

21.25. It was contended that the defendant cannot claim protection under Section 35 of the Act while simultaneously seeking to monopolise the use of the mark "REDDY" for pharmaceutical products, thereby excluding others. The defendant's attempt to claim the mark as a common surname does not negate the fact that it is being used in a manner that amounts to passing off, as outlined under Section 27 of the Act.

21.26. In support of this proposition, reliance was placed upon ***Chhavi Poplai & Anr. v. Rajesh Chugh & Anr***[28] and ***Modi-Mundipharma Pvt. Limited v Speciality Meditech Pvt. Ltd. & Anr***[29], where the courts held that the defendant's actions of attempting to use marks identical or deceptively similar to well-known trademarks amount to passing off, even if the defendant claims to have prior usage or adoption of the mark.

21.27. Learned counsel further submitted that the defendant's dishonesty is evident from the fact that, within 16 days of the Agency Agreement, the defendant applied for registration of the mark REDDY under TM No.1192732 in Class 5 on a "proposed to be used" basis on 17.04.2003. This was clearly done with the intent to appropriate the plaintiff's goodwill and reputation by registering a mark that was virtually identical to the plaintiff's well-established mark.

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[28] **2019 SCC Online Del 7165**
[29] **2025 SCC Online Del 4627**

21.28. It was submitted that under Sections 2(1)(m), 2(1)(zb), and 2(2)(c) of the Act, even the use of a name in relation to goods can constitute use as a trademark, provided that the name distinguishes the goods of one trader from another. Reliance was placed on ***Mahendra & Mahendra Paper Mills Ltd. v. Mahindra & Mahindra Ltd.***[30], and ***KRB Enterprises v. KRBL Ltd.***[31], which recognized that use of names or marks, even without registration, may be protected if they have become distinctive and are associated with a particular trader.

21.29. Learned counsel submitted that the plaintiff was the prior adopter and user of the mark "Dr. Reddy's" and, therefore, its common law rights in the mark were superior to any subsequent registration obtained by the defendant. The plaintiff's prior use and recognition of the mark in the marketplace establishes its exclusive rights, which supersede the defendant's later adoption and registration of the mark "REDDY".

21.30. In this regard reliance was placed on ***Century Traders*** (supra), which held that trademark rights arise from the actual use of the mark in commerce and not merely from registration. The Supreme Court in this case affirmed that prior use of a mark confers proprietary rights, irrespective of registration, emphasizing that use, rather than registration, is the cornerstone of trademark rights in India.

21.31. Learned counsel further relied upon ***Cadila Health Care Ltd.*** (supra), ***Mahendra & Mahendra Paper Mills Ltd.*** (supra), ***Laxmikant***

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[30] **(2002) 2 SCC 147**
[31] **2025 SCC OnLine Del 4064.**

Patel (supra), ***T.V. Venugopal v. Ushodaya Enterprises Ltd.***[32], ***MAC Personal Care v. Laverana***[33]***, N.R. Dongre*** (supra), ***Bajaj Electricals Ltd. v. Metals & Allied Products***[34], and ***Montari Overseas Ltd. v. Montari Industries Ltd.***[35] to submit that passing off occurs where a trader dishonestly adopts a mark or trade name so as to deceive or confuse the public and trade upon the goodwill of another.

21.32. Ms. Sukumar submitted that the defendant's adoption of the domain name incorporating the word "REDDY" also amounted to passing off, as a domain name performs the same function as a trademark in the digital environment. Reliance was placed upon ***Satyam Infoway Ltd*** (supra), wherein the Supreme Court held that domain names are entitled to protection under the law of passing off, as they function as identifiers of source in the online marketplace and can mislead the public into believing that the goods or services are associated with a particular source.

21.33. Learned counsel further submitted that the defence of delay, laches, and acquiescence raised by the defendant was misconceived. The plaintiff became aware of the defendant's misrepresentation only in September 2003, after which the plaintiff promptly terminated the Agency Agreement on 12.12.2003 and filed the present suit on 18.12.2003. Therefore, there was no undue delay or acquiescence, and the defendant cannot derive benefit from its own dishonest conduct. Delay and acquiescence cannot be used as a shield by a defendant when

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[32] **(2011) 4 SCC 85**
[33] **2016 SCC OnLine Del 530**
[34] **1987 SCC OnLine Bom 225**
[35] **1995 SCC OnLine Del 865**

the plaintiff acts promptly upon discovering a dishonest act.

21.34. Learned counsel also submitted that the order passed by the IPAB removing the defendant's mark from the Register of Trade Marks further reinforced the plaintiff's claim of prior rights and the defendant's dishonest adoption of the mark. The decision of the IPAB to remove the defendant's mark is an important factor in establishing the plaintiff's superior rights in the mark "REDDY".

21.35. It was submitted that Sections 33 and 35 of the Act, apply only to injunction claims and not to trademark registration proceedings. Section 33 provides protection to a registered proprietor of a trademark in proceedings related to infringement and passing off, while Section 35 pertains to defences against claims for infringement based on honest use. These provisions are not applicable to challenges regarding registration where the issue at hand concerns the dishonest adoption of a mark.

21.36. Learned counsel submitted that the IPAB rightly relied upon the defendant's dishonest conduct in adopting the mark REDDY. The inference of dishonesty drawn by the IPAB is based on the defendant's conduct, which clearly demonstrated an attempt to appropriate the plaintiff's goodwill. This finding cannot be faulted, as the IPAB's findings were based on a thorough examination of the facts and evidence.

21.37. Further, the defendant concealed the filing of a RTI[36] application and the receipt of a response from the Trade Marks Registry, which confirmed that the plaintiff's trademark TM No. 1020533 in Class 5 would continue to subsist until the year 2021. This act of concealment further demonstrates the defendant's intention to deceive the public and the registry.

21.38. Learned counsel lastly submitted that the scope of appellate interference with discretionary orders is extremely limited. Where the trial court has exercised its discretion based on a proper appreciation of the evidence, an appellate court cannot substitute its own view merely because another conclusion is possible. Reliance was placed upon ***Skyline Education Institute (Pvt.) Ltd. v. S.L. Vaswani & Ors***[37] and ***Wander Ltd. & Ors. v. Antox India Pvt. Ltd.***[38], where the Supreme Court held that appellate courts should not interfere with discretionary orders unless there is a clear error of law or a miscarriage of justice.

21.39. It was therefore submitted that the judgment and decree dated 13.09.2013 did not suffer from any legal infirmity and the present appeal deserved to be dismissed with costs. The learned Single Judge had correctly applied the legal principles of passing off and trademark protection, and the appeal raised no substantial grounds for interference.

FINDINGS AND ANALYSIS

22. We have carefully considered the present *lis* in its entirety, heard extensive submissions advanced by learned Senior Counsels on both

[36] Right to Information
[37] **(2010) 2 SCC 142**
[38] **1990 Supp SCC 727**

sides, undertaken a detailed scrutiny of the record placed before us, and engaged in a careful and holistic evaluation of the decision of the IPAB and learned Single Judge.

23. As noted earlier, the present dispute has given rise to two parallel proceedings before this Court. The first is W.P.(C) 654/2014, instituted by the defendant challenging the order dated 29.10.2013 passed by the IPAB directing the removal of the trademark "REDDY" registered in the defendant's name from the Register of Trade Marks. The second is RFA(OS) 138/2013, preferred by the defendant against the judgment and decree dated 13.09.2013 passed by the learned Single Judge in CS(OS) 2194/2003, whereby the plaintiff's suit alleging passing off and related reliefs was substantially decreed.

24. The two proceedings arise out of the same underlying controversy, namely the competing claims of the parties over the use of the expression "REDDY" in relation to pharmaceutical products. The appeal challenges the decree of permanent injunction granted in favour of the plaintiff restraining the defendant from using the mark "REDDY", whereas the writ petition challenges the order passed by the IPAB as regards to the removal of mark "REDDY", which was granted in favour of the defendant.

25. The defendant's registration of the mark "REDDY" under Registration No. 1192732 in Class 05 constituted an important element of the defendant's defence in the civil proceedings. The subsequent removal of that mark from the Register by the IPAB therefore has a direct and material bearing upon the rights asserted by the parties in the

civil suit. In these circumstances, we must carefully examine the legal implications of the removal of the mark from the Register in the context of the plaintiff's passing off claim.

26. It is therefore necessary, at the outset, to determine the sequence in which these two matters ought to be addressed. The statutory scheme governing trademark disputes makes it clear that questions concerning the validity of a trademark registration occupy a foundational position and must ordinarily be determined before adjudicating upon claims of infringement or passing off which rely upon or are affected by such registration. This sequence ensures that disputes concerning the use of a mark are properly evaluated in light of the trademark's registration status, which effects the legal rights of the parties.

27. Further, the Supreme Court has explained the legislative design underlying this principle in ***Patel Field Marshal Agencies v. P.M. Diesels Ltd***.[39]. The Court held that questions relating to the validity of the registration of a trademark must be adjudicated by the statutory forum entrusted with maintaining the Register of Trade Marks under the Act. It emphasized that the outcome of such proceedings binds the civil court adjudicating an infringement or passing off dispute. The Court, while recognizing the primacy of the statutory forum, reaffirmed the principle that registration of a trademark confers certain rights, but those rights can be subject to challenge on the grounds of invalidity, including on the grounds of passing off.

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[39] **(2018) 2 SCC 112**

28. Thus, as the IPAB has already determined the invalidity of the defendant's trademark registration and given the implications this has on the civil proceedings, it is appropriate for this Court to first address the findings of the IPAB regarding the registration status of the mark "REDDY", as it directly affects the validity of the defendant's defence in the passing off action.

29. The removal of the trademark "REDDY" from the Register by the IPAB, due to its dishonest adoption by RPL and the findings regarding their conduct, is a critical factor in determining the defendant's rights to the mark. In light of these findings, it is imperative that the claim of passing off be evaluated based on the true status of the defendant's rights to the mark.

30. We are therefore of the considered view that the challenge raised in W.P.(C) 654/2014 to the IPAB's order should be addressed first. The determination of the writ petition will clarify the legal standing of the defendant's trademark registration, thereby providing a framework for adjudicating the issues raised in RFA(OS) 138/2013, which is grounded in the same dispute over the use of the mark "REDDY".

31. With that, we now turn to the writ petition filed before us.

<u>W.P.(C) 654/2014</u>

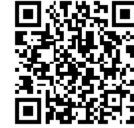
32. The present writ petition challenges the order passed by the IPAB which directed the removal of the defendant's mark "REDDY" from the Register of Trade Marks.

33. The resolution of this petition is critical to determining whether the defendant can continue relying on the statutory registration of the mark or if the dispute should be evaluated purely on the basis of common law rights, which have a distinct legal framework.

34. In these circumstances, the validity of the IPAB's rectification order assumes foundational significance for the determination of the rights asserted by the parties in the connected appeal arising from the civil suit. If the IPAB's order is upheld, it would mean that the defendant's registered rights are effectively invalidated, thereby altering the basis on which the defendant can defend itself in the passing off action.

35. Needless to say, this Court, exercising jurisdiction under Article 226 and 227 of the Constitution, does not sit as an appellate authority over the IPAB's findings. Interference in writ jurisdiction is permissible only where the impugned order suffers from manifest illegality, perversity, non-application of mind, or disregard of material evidence A writ petition does not provide forum to re-assess the facts or evidence but serves to examine whether the decision impugned suffers from a legal error or is perverse.

36. The Court may only intervene where the IPAB's order is found to suffer from a clear misapplication of statutory provisions, failure to consider material evidence, or conclusions which are manifestly perverse. The test for interference in a writ petition is well-established that, judicial review in writ jurisdiction is limited to examining whether



the statutory authority has followed the correct procedure or misapplied the law.

37. Bearing the principles in mind as to the scope of interference in exercise of writ jurisdiction, we now proceed to examine whether the order dated 29.10.2013, passed by the IPAB directing the removal of the defendant's mark "REDDY" from the Register of Trade Marks, warrants interference by this Court.

38. Before delving into the merits of the case, we deem it relevant to highlight the statutory provisions governing the removal of trademarks from the register, specifically under Section 57 of the Act. This Section empowers the High Court or the Registrar to remove or rectify entries in the Register of Trade Marks when they are found to be incorrect, either due to error or contravention of the Act. As per Section 57(2), the procedure allows for the expunction of a mark when the entry on the Register is deemed to have been made without sufficient cause, or where it is found that the mark ought not to remain on the Register.

39. Section 9 of the Act stipulates the absolute grounds for refusal of registration of a trademark, including, (a) Trademarks that are devoid of any distinctive character, meaning they cannot distinguish the goods or services of one person from those of another, (b) Trademarks consisting exclusively of signs that may serve to describe the goods or services (e.g. kind, quality, geographical origin), (c) Trademarks that have become customary in the trade or in everyday language. These grounds are fundamental in ensuring that trademarks serve their core

function of distinguishing goods or services in the marketplace. The section reads as follows:

> *9. Absolute grounds for refusal of registration.—(1) The trade marks—*
> *(a) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person;*
> *(b) which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service;*
> *(c) which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade, shall not be registered:*
> *Provided that a trade mark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trade mark.*
> *(2) A mark shall not be registered as a trade mark if—*
> *(a) it is of such nature as to deceive the public or cause confusion;*
> *(b) it contains or comprises of any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India;*
> *(c) it comprises or contains scandalous or obscene matter;*
> *(d) its use is prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950 (12 of 1950).*
> *(3) A mark shall not be registered as a trade mark if it consists exclusively of—*
> *(a) the shape of goods which results from the nature of the goods themselves; or*
> *(b) the shape of goods which is necessary to obtain a technical result; or*
> *(c) the shape which gives substantial value to the goods.*
>
> *Explanation.—For the purposes of this section, the nature of goods or services in relation to which the trade mark is used or proposed to be used shall not be a ground for refusal of registration.*

40. Section 11 of the Act outlines the relative grounds for refusal of registration, including situation where, (a) A trademark is identical or similar to an earlier registered trademark, which could result in

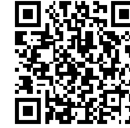
confusion or association, (b) The use of a later mark could take unfair advantage of or harm the reputation of a well-known trademark. The section is reproduced as below:

> *11. Relative grounds for refusal of registration.—(1) Save as provided in section 12, a trade mark shall not be registered if, because of—*
> *(a) its identity with an earlier trade mark and similarity of goods or services covered by the trade*
> *mark; or*
> *(b) its similarity to an earlier trade mark and the identity or similarity of the goods or services covered by the trade mark,there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.*
> *(2) A trade mark which—*
> *(a) is identical with or similar to an earlier trade mark; and*
> *(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered in the name of a different proprietor,shall not be registered if or to the extent the earlier trade mark is a well-known trade mark in India and the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.*
> *(3) A trade mark shall not be registered if, or to the extent that, its use in India is liable to be prevented—*
> *(a) by virtue of any law in particular the law of passing off protecting an unregistered trade mark used in the course of trade; or*
> *(b) by virtue of law of copyright.*
> *(4) Nothing in this section shall prevent the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration, and in such case the Registrar may register the mark under special circumstances under section 12.*

41. This Court, in ***Mr. Sumit Vijay & Anr. vs. Major League Baseball Properties Inc. & Anr***[40]**,** speaking through one of us (C. Hari Shankar, J.) had observed the following with regards to removal of trademark under Section 57:

> *"5. The statutory scheme*
> *5.1 Sections 47 and 57 are the only provisions, in the Trade Marks Act, under which a registered trade mark of one person can be*

[40] **2026:DHC:6-DB**



removed from the Register of Trade Marks at the instance of another. Section 47 allows the mark to be removed on the ground of continuous disuse. Section 57(1) allows removal of a registered trade mark if any condition, in relation to the mark and entered in the Register, is contravened or not observed.

5.2 These provisions do not concern us. We are concerned with Section 57(2).

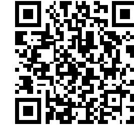
5.3 Section 57(2) can be invoked by any person who is aggrieved
(i) by the absence from the Register of any entry, or
(ii) by any entry made without sufficient cause, or
(iii) by any entry which wrongly remains on the Register, or
(iv) by any error or defect in any entry in the Register,
and empowers the Registrar, or the High Court, to make, expunge or vary the entry. Circumstances (ii) and (iii), if accepted, would naturally result in expunction of the entry, as has happened here.

5.4 <u>The circumstances in which a trade mark can be said to be "wrongly remaining" on the Register are not elucidated in Section 57. Nor are they to be found elsewhere in the Trade Marks Act. In the circumstances, one has to refer, for the purpose, to Sections 9 and 11, which set out the grounds on which registration of a trade mark can be refused. If a mark ought not to have been registered in the first place, as it breached the proscriptions contained in Section 9 or Section 11, the sequitur is, naturally, that it ought not to remain on the Register either.</u>

5.5 The circumstances in which the Registrar can refuse to register a trade mark, as envisaged in Sections 9 and 11, are many and varied. Of these, Section 9 contains "absolute" grounds of refusal, whereas Section 11 contains "relative" grounds of refusal. Section 9 does not concern us, as the respondent has not invoked any clause thereof.

5.6 The impugned judgment has removed the appellants' BLUE-JAY trade mark from the Register under Section 11(10)(ii). However, the grounds urged by the respondent in its Section 57 petition would also require us to address Section 11(3)(a).

5.7 In order to avoid any confusion, we may observe, here, that though the main grievance of the respondent, against the appellants' BLUE-JAY trade mark, was its similarity to the respondent's BLUE JAYS trade mark, neither Section 11(1) nor Section 11(2) would apply in the present case, in view of the definition of "earlier trade mark" provided in the Explanation following Section 11(4), which covers only marks which are registered, or in respect of which an application for registration is pending. Neither on 19 August 1998, when the appellants applied for registration of the BLUE-JAY mark, nor even at any later point of time till the date of institution of CO (Comm IPD-TM) 279/2023, was the respondent the proprietor of any registered trade mark, nor was any application for registration of any trade mark, filed by it, pending. We refer, of course, to India.

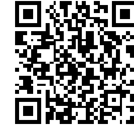


5.8 Of the various circumstances outlined in para 5.3 supra, CO (Comm IPD-TM) 279/2023 was instituted by the respondent invoking circumstance (iii). The respondent's contention, which the learned Single Judge has accepted, is that the appellants' BLUE-JAY mark ought not to be permitted to remain on the Register. This contention has found favour with the learned Single Judge, to the chagrin of the appellants.
5.9 Ergo, the present appeal".

42. Upon the plain reading of the above, it could be understood that rectification of the Register under Section 57(2) is a broad and independent remedy that allows any "aggrieved person" to challenge a registered trademark not only on technical errors but also on substantive grounds.

43. Although, the Act does not define the circumstances under which a trademark can be said to be "wrongly remaining" on the Register, it is clear that such a term must be understood in light of the refusal provisions under Sections 9 and 11. If a mark was registered in violation of these provisions, it can later be removed through rectification under Section 57. The Act provides that if a trademark should not have been registered initially because it violated the prohibitions under Sections 9 or 11, it logically follows that it should not continue to remain on the Register. Consequently, Section 9(which deals with absolute grounds for refusal) and Section 11(which deals with relative grounds for refusal) are crucial in determining whether a mark should remain on the Register.

44. Thus, having under understood the statutory framework, we now proceed to examine the impugned order passed by IPAB. In doing so, we reiterate that this court, exercising powers under Articles 226 and

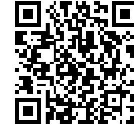


227 of the Constitution, does not sit as an appellate court. Judicial review in writ proceedings is limited to examining errors of law apparent on the face of record and does not extend to factual findings. As held in ***Syed Yakoob v. K.S Radhakrishnan***[41] interference under writ jurisdiction is only permissible when there is a manifest error of law or flagrant miscarriage of justice, not merely to correct errors of fact.

45. The IPAB while allowing rectification in the impugned order observed as follows:

> *XI. We in the Board at first got the impression that the respondent was an affiliate or subsidiary company of the applicant and not a competing business rival. There is little doubt in our mind that the presence of the respondent mark 'Reddy' is bound to cause material confusion and deception in the market. It clearly indicates a 'connection with the applicants company name Dr. Reddy's Laboratories. The subject rectification application is a classic sample of how even big companies and business house neglect and ignore to seek statutory brand protection on timely basis.*
>
> *XII. In our judgement the registration of the respondent trade mark was in contravention of Section 158 of the Act. Section 158 consists of a Schedule to amend Section 20 and 22 of the Companies Act, 1956 in the following terms:*
>
> *Sub-section (2) of Section 20 of the Companies Act has been amended and the law inter-alia seeks to prohibit the use of someone else's trade mark as a part of corporate name or name of business concern. Consequently, two kinds of objections would arise under the law:-*
>
> *(a) when the name of the company is identical with or nearly resembles the name by which a company in existence has been previously registered:*
>
> *(b) when the name of the new company is identical with or nearly resembles a registered trade mark, or a trade mark which pending for registration by any other person.*
>
> *XIII. 'The first offence is within the domain of Registrar of Companies. But the second situation is clearly attracted in the*

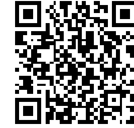
[41] **AIR 1964 SC 477**



> *instant case.* *The applicant were the first to apply for registration in 2001.* *'The respondent applied for a similar mark subsequently in 2003. The registry erred in accepting the respondent's subsequent application. Therefore, the respondent's trade mark ex-facie is wrongly registered and wrongly remaining on the register. The applicant company headed by a scientist/technocrat have indulged in benign neglect of not seeking timely protection for their brand name and are now ruing its decision. The respondent are seeking to justify adoption and use of 'Reddy' by virtue of the owners name coincidently carrying the same surname. It is true law recognizes and preserves the right which every man has to use his own name including for carrying on trade or business provided such use is not fraudulent.* *In the instant case, everything points to the fact that the respondent has deliberately adopted the impugned mark to deceive the public and is in every way a willful misrepresentation to the customer. Thus, there is not even a prima-facie arguable case to support the contentions of the respondent that his adoption and use is honest*. *Both Section 12 and 35 are subject to the test of bona fide claim of proprietorship of the mark under Section 18(1). if he fails to prove ownership under Section 18(1), his mark cannot remain on the register. Hence, it should go.*

46. Thus, it is clear that while the IPAB did not expressly cite Sections 9 and 11 of the Act its reasoning clearly aligns with the principles embodied in these provisions. Section 9 prohibits the registration of marks that are devoid of distinctiveness or are likely to deceive or cause confusion, while Section 11 deals with the refusal of marks that are identical or similar to existing trademarks, thus creating a likelihood of confusion, The IPAB's findings are substantively based on these grounds.

47. The IPAB has categorically held that the defendant's mark "REDDY" was bound to cause "material confusion and deception in the market" and falsely suggest a connection with the plaintiff. This finding directly corresponds to the inquiry under Section 11 regarding



deceptive similarity and the likelihood of confusion or association with an earlier mark.

48. Furthermore, the IPAB's finding that the defendant's adoption of the mark was deliberate, dishonest, and intended to deceive the public invokes the statutory framework of Section 9(2)(a), which prohibits the registration of marks that are liable to deceive or cause confusion. In such cases, the mark should not remain on the register.

49. Accordingly, we have no doubt that, even without express citations of Sections 9 and 11, the grounds for refusal contained in these provisions were effectively applied by the IPAB in concluding that the respondent's mark was invalidly registered and should be removed from the Register.

50. At this stage, it is also relevant to note that, as per the principles laid down in ***Syed Yakoob*** (supra), we are bound by the factual findings of the IPAB, which are based on its appreciation of the evidence. This Court, in its writ jurisdiction, cannot reopen or re-evaluate these factual findings unless there is a manifest error of law.

51. Upon examination the IPAB's order in light of the above statutory framework under Section 57 of the Act, we find no error of law apparent on the face of the record. The IPAB has properly applied the relevant legal principles, and we agree with its conclusion that the respondent's trademark was wrongly registered and should be removed from the Register.

52. The learned Senior Counsel for the petitioner submitted that the IPAB erroneously relied on Section 158 of the Companies Act, 1956, and travelled beyond its statutory remit Sections 47 and 57 of the Act. However, even assuming arguendo that Section 158 was incorrectly invoked, the IPAB's findings regarding confusion, false trade connection, dishonest adoption, and absence of *bona fide* proprietorship independently justify the removal of the defendant's mark from the Register. These factors are directly relevant to whether the entry was wrongly made or continues to wrongly remain on the Register under Sections 9 and 11.

53. Furthermore, the submissions made by the petitioner, being based on disputed questions of fact, are not appropriate for adjudication in writ proceedings. It is well-settled that writ courts are not the appropriate forums for resolving factual disputes, which must be addressed by the relevant statutory authorities or tribunals. This Court cannot re-evaluate evidence or resolve factual issues within the scope of writ jurisdictions. Therefore, the submissions raised by the petitioner on these grounds do not merit consideration.

54. Accordingly, we are not persuaded to allow the present writ petition.

55. The writ petition is, accordingly, dismissed.

<u>RFA(OS) 138/2013</u>

56. Having upheld the order dated 29.10.2013 passed by the IPAB, which affirmed the removal of the defendant's mark "REDDY" from

the Register of Trade Marks, the statutory foundation upon which the defendant sought to assert its rights has been effectively nullified.

57. In light of this, the dispute between the parties must now be examined purely on the touchstone of common law principles governing passing off, prior use, and the protection of goodwill, independent of statutory rights.

58. The present appeal arises from the judgment and decree dated 13.09.2013 passed by the learned Single Judge in CS(OS) 2194/2003, wherein the plaintiff's suit was decreed, and the defendant was restrained from using the mark "REDDY" in relation to pharmaceutical products.

59. Before proceeding to examine the merits of the rival contentions, it is necessary to delineate the scope of interference in an appeal of this nature, particularly in the light of the established principles.

60. The present proceedings arise out of a RFA under Section 96 of the CPC. It is well settled that in a first appeal, the appellate court is primarily tasked with reviewing the factual findings of the lower court. However, it is also entitled to independently assess and re-appreciate the entire evidence on record, provided the conclusions drawn are based on a sound evaluation of the facts.

61. Further, in accordance with Order XLI, Rule 31 of CPC, we proceed to address the points of determination in the present dispute, which are as follows:

I. Whether the learned Single Judge was correct in holding that the plaintiff was not acquiesced to the adoption of the impugned trademark as per Issue No. 7?

II. Whether the use or adoption of the trademark "REDDY" by the defendant amounts to passing off?

III. Whether the adoption of the trademark "REDDY" is protected under Section 35 of the Act?

IV. Whether the learned Single Judge erred in deciding the Issue No.6 relating to domain name in favour of plaintiff?

V. Whether the learned Single Judge was correct in holding Issue no.5 in favour of plaintiff?

VI. Whether the learned Single Judge erred in deciding Issue no. 8 relating to damages and rendition of accounts in favour of plaintiff?

Issue No.I. - Whether the learned Single Judge was correct in holding that the plaintiff was not acquiesced to the adoption of the impugned trademark?

62. We consider it appropriate, as done by the learned Single Judge, to first address the issue of delay, laches, and acquiescence, as this issue goes to the very root of the plaintiff's entitlement to equitable relief. The doctrine of acquiescence is crucial, as it determines whether the plaintiff, having full knowledge of the defendant's use of the mark, had waived its right to seek judicial relief.

63. The defendant has strenuously maintained the stance that it has been using the name "Reddy Pharmaceuticals Limited." since its incorporation in the year 1996, and that the plaintiff was fully aware of such use at least since 1997, when the commercial dealings between the parties commenced. The defendant has argued that despite this knowledge, the plaintiff raised no objection for several years. Furthermore, the plaintiff continued to engage with the defendant, even appointing it as a *del credere* agent under the Agreement dated 01.04.2003. The defendant, therefore, claims that the plaintiff is guilty of acquiescence and, as a result, is disentitled from seeking the equitable relief of an injunction.

64. The plaintiff, on the other hand, has submitted that until August-September 2003, the defendant was merely engaged in the business of distribution of bulk pharmaceutical ingredients (APIs) and was not in the business of finished drug formulations. It was argued that since there was no overlap in the activities of the parties, there was no risk of confusion or deception at that time. The plaintiff further contends that the cause of action only arose when the defendant expanded its business into finished pharmaceutical formulations and began marketing pharmaceutical products under the impugned mark "REDDY". Upon this expansion, the plaintiff acted promptly by raising objections, terminating the Agreement, and filing the suit in December 2003.

65. The learned Single Judge, after considering the pleadings and evidence, rejected the defendant's plea of acquiescence and held that there was no delay attributable to the plaintiff. The Court found that

there was no conflict of interest between the parties prior to 2003, and that the threat to the plaintiff's goodwill only emerged when the defendant entered the field of finished pharmaceutical formulations. The Court also highlighted the observation made at the interim stage of the suit. The same merits production:

> "*27.At this juncture, it is pertinent to take note of the Order dated August 26, 2004, wherein this Court had looked into the defendant's contention regarding acquiescence and laches by the plaintiff, at the preliminary stage of this suit, before granting the interim injunction in favour of the plaintiff. This Court observed:*
>
> *"This plea of the defendant is also prima facie untenable for the reason that till August 2003, there was no clash u/interest between the plaintiff and the defendant company and in fact, the defendant was engaged in advancing and promoting the business of the plaintiff company by acting as its agent for the sale of bulk drugs. The threat came in August 2003, when the defendant introduced in the market, its pharmaceutical preparations and thereby threatened the business interest of the plaintiff company. This move of the defendant was mala fide on the face of it as it was not manufacturing pharmaceutical preparations earlier but now is trying to market the pharmaceutical preparations manufactured by others under the trademark "REDDY". The plaintiff immediately raised objections, meetings were held, and when nothing came out, the plaintiff rushed to the Court. As such, there was neither any acquiescence nor any laches on the part of the plaintiff to object to the impugned action of the defendant. <u>It cannot be said that the plaintiff has allowed the defendant to build a reputation of goodwill in trade name "REDDY" for use on pharmaceutical preparations. Moreover, the owners of trademarks or copyrights are not expected to run after every infringer and thereby remain involved in litigation at the cost of their business time. if the impugned infringement is too trivial or insignificant and is not capable of harming their business interests, they may overlook and ignore petty violations till they assume alarming proportions. If a roadside dhaba puts up a board of 'Taj Hotel', the owners of Taj Group are not expected to swing into action and raise objections forthwith. They can wait till the time the user of their name starts harming their business interests and start misleading _. and confusing their customers."</u>*
>
> (emphasis supplied).
>
> *28.It is also pertinent to note that the Division Bench of this Court vide Order dated October 12, 2007 has observed that the Order of*

the Ld. Single Judge dated August 26, 2004 was '1egally unexceptionable and based on sound principles of law and a correct appreciation of the factual matrix that was presented before him.' (emphasis supplied). Therefore, I do not find any reason to decide otherwise. In light of the abovementioned observations, I find this issue in favour of the plaintiff. I shall now proceed to decide the remaining Issue on Merits. 1 shall now proceed to decide the issues regarding passing off."

66. Upon a careful reappraisal of the material on record, we find no infirmity in the learned Single Judge's finding. It is undisputed that the defendant was primarily engaged in the business of supplying bulk drugs until 2003 and was, in fact, associated with the plaintiff in a commercial capacity.

67. The plaintiff's tolerance of the defendant's use of the corporate name "Reddy Pharmaceuticals Ltd." in a non-competing segment cannot, in our view, be construed as acquiescence to its subsequent use in a directly competing line of business. There was no likelihood of confusion or deception before 2003, when the defendant was engaged in bulk drug distribution. The situation changed only when the defendant began to market pharmaceutical formulations, which directly conflicted with the plaintiff's interest.

68. The doctrine of acquiescence is not to be applied in a mechanical or rigid manner. Mere delay or knowledge of the defendant's activities does not, by itself, constitute acquiescence. It must be shown that the plaintiff, with full knowledge of its rights and the defendant's infringing conduct, deliberately stood by and allowed the defendant to build its business to such an extent that granting relief would be inequitable. This is not the case here.

69. The defendant has placed considerable reliance on the fact that it issued newspaper advertisements across India announcing the launch of its pharmaceutical formulations, claiming that these advertisements prove openness and negate any allegation of dishonesty. The defendant further argues that these publications were within the plaintiff's knowledge, and yet the plaintiff took no immediate action.

70. We are unable to accept this contention. The fact that the defendant published advertisements does not establish a waiver of the plaintiff's rights. The plaintiff was not required to act immediately upon each advertisement, especially when the defendant was not in direct competition with the plaintiff at that time. It was only when the defendant entered the market for finished pharmaceutical formulations that the plaintiff's rights were directly threatened, prompting the plaintiff to take legal action without undue delay.

71. The mere issuance of advertisements or public announcements regarding business activities does not, by itself, constitute a valid defence of acquiescence. What is required to be established is not mere knowledge of use, but conscious encouragement or assent to a use that is legally objectionable and would be detrimental to the plaintiff's rights.

72. The law in this regard stands authoritatively settled by the Supreme Court in ***Power Control Appliances*** (supra) where the Court held that acquiescence involves a positive act of encouragement or assent and is distinct from mere delay. Mere inaction or delay does not,

by itself, amount to acquiescence unless it is accompanied by conduct that supports the defendant's position.

73. Similarly, in ***Midas Hygiene Industries v. Sudhir Bhatia***[42] it was held that where the adoption of a mark is dishonest or tainted with *mala fide* intent, delay or laches cannot defeat the grant of an injunction, particularly in cases of passing off.

74. More importantly, the Supreme Court emphasised that the cause of action in a passing off action arises not merely from the adoption or use of a mark but from misrepresentation that leads to deception or the likelihood of confusion in the minds of the public. This principle squarely applies to the present case.

75. Applying the aforesaid principle, it becomes evident that the defendant's initial adoption of the corporate name "Reddy Pharmaceuticals Ltd." in 1996, and its use in relation to the business of bulk pharmaceutical ingredients, did not, by itself, give rise to a cause of action in passing off. At that point, both parties were engaged in commercial dealing in a non-competing segment, and there was no actionable misrepresentation or deception.

76. The cause of action arose only when the defendant expanded its business into finished pharmaceutical formulations and began marketing products under the impugned mark "REDDY" in a manner capable of creating a false association with the plaintiff's established

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[42] **(2004) 3 SCC 90**

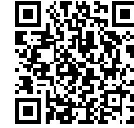
business. This marked a significant transformation in the nature of the defendant's use.

77. It is at this stage that the defendant's use crossed the threshold into misrepresentation, thereby attracting the law of passing off. The relevant point for examining acquiescence, therefore, is not the initial adoption in 1996, but rather the point when the defendant's conduct became legally objectionable due to the introduction of competing products under a similar mark.

78. In such circumstances, the defendant's newspaper publications announcing its entry into the formulation business do not advance its defence of acquiescence. At best, these publications indicate an intention to expand the defendant's business. However, they do not establish that the plaintiff consented to or acquiesced in the defendant's use of the "REDDY" mark in a manner that misrepresents the defendant's goods as those of the plaintiff.

79. The material on record clearly indicates that the plaintiff acted with reasonable promptitude once it became aware of the defendant's expansion into the formulation segment.

80. The sequence of events, as noted by the learned Single Judge, demonstrates that upon becoming aware of the defendant's entry into the formulation segment, the plaintiff immediately raised objections, engaged in discussions with the defendant, and when these efforts failed, the plaintiff instituted the present suit without undue delay.



81. In such circumstances, the defendant cannot invoke the equitable doctrine of acquiescence to avoid liability. The delay in raising objections must be reasonable, and the plaintiff acted within a reasonable time once the risk to its business became apparent.

82. The defendant's contention that the plaintiff had acknowledged its corporate name in the Agreement dated 01.04.2003 is also unsubstantiated. The acknowledgment of the defendant's corporate name in the context of a commercial arrangement concerning a non-competing segment cannot be construed as consent to the defendant's subsequent use of the impugned mark in a competing line of business, especially when such use is likely to cause confusion in the market

83. The doctrine of acquiescence must therefore be applied with reference to the point of actionable misrepresentation and not merely the initial inception of use. When applied in this manner, it becomes evident that the plaintiff is not guilty of any delay or acquiescence, as the cause of action only arose when the defendant's conduct became legally objectionable.

84. In view of the aforesaid discussion, we concur with the finding of the learned Single Judge that there was neither delay, nor laches, nor acquiescence on the part of the plaintiff in challenging the defendant's actions. The defendant's defence of acquiescence is accordingly rejected.

85. We now turn to the issue of passing off.

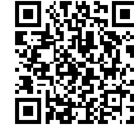
Issue No.II. <u>Whether the use or adoption of the mark "REDDY" by the defendant amounts to passing off?</u>

86. The issue at hand pertains to whether the plaintiff has sufficiently established prior adoption, goodwill, and usage of the mark "Dr. Reddy's", to be entitled to protection under an action for passing off, notwithstanding the absence of statutory registration.

87. At the outset, before delving into the merits of the case, it is important to first outline the principles relating to passing off actions.

88. In ***Cadila Health Care Ltd*** (supra), the Supreme Court laid down the essential ingredients for determining a claim of passing off, which are as follows:

> *"35. Broadly stated, in an action for passing-off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors are to be considered:*
> *(a<u>) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.</u>*
> *<u>(b) The degree of resembleness between the marks, phonetically similar and hence similar in idea.</u>*
> *<u>(c) The nature of the goods in respect of which they are used as trade marks.</u>*
> *<u>(d) The similarity in the nature, character and performance of the goods of the rival traders.</u>*
> *<u>(e) The class of purchasers who are likely to buy the goods bearing the marks they</u>*
> *<u>require, on their education and intelligence and a degree of care they</u>*
> *<u>are likely to exercise in purchasing and/or using the goods.</u>*
> *<u>(f) The mode of purchasing the goods or placing orders for the goods.</u>*
> *<u>(g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.</u>*
> *36. Weightage to be given to each of the aforesaid factors depending upon facts of each case and the same weightage cannot be given to each factor in every case."*



89. Additionally, the Division Bench of this Court, speaking through one of us (C. Hari Shankar, J) in ***VIP Industries Ltd v Carlton Shoes Ltd & Anr***[43], has clearly identified and summarised the essential ingredients of passing off. The same merits reproduction:

> *"**94**. Following the judgments of the Supreme Court in **Wockhardt Ltd v Torrent Pharmaceuticals Ltd, Satyam Infoway** and **Cadila Health Care Ltd v Cadila Pharmaceuticals Ltd**, this Court, speaking through one of us (C. Hari Shankar J.), had identified the following ingredients of passing off, in **FDC Ltd v Faraway Foods (P) Ltd:***
> *"(i) Passing off, though an action based on deceit, does not require the establishment of fraud as a necessary element to sustain the action. Imitation or adoption, by the defendant, of the plaintiffs trade mark, in such manner as to cause confusion or deception in the mind of prospective customers, is sufficient.*
> *(ii) The principles for grant of injunction, in passing off actions, are the same as those which govern the grant of injunctions in other cases, i.e. the existence of a prima facie case, the balance of convenience, and the likelihood of irreparable loss in issuing to the plaintiff, were injunction not to be granted.*
> *(iii) Proof of actual damage is not necessary, to establish passing off. However, proof of misrepresentation is necessary, even if intent to misrepresent is not approved. The question of intent may, nevertheless, be relevant, when it comes to the ultimate relief to be granted to the plaintiff.*
> *(iv) Passing off may be alleged by a claimant who owns sufficient proprietary interest in the goodwill associated with the product, which is really likely to be damaged by the alleged misrepresentation.*
> *(v) Grant of injunction, in cases where passing off is found to exist, is intended to serve two purposes, the first being preservation of the reputation of the plaintiff, and the second, safeguarding of the public against goods which are "passed off as those of the plaintiff.*
> *(vi) The ingredients/indicia of the tort of passing off are the following:*
> *(a) There must be sale, by the defendant, of goods/services in a manner which is likely to deceive the public into thinking that the goods/services are those of the plaintiff.*
> *(b) The plaintiff is not required to prove long user to prove established reputation. The existence, or otherwise, of reputation,*

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[43] **2025:DHC:5042-DB**

would depend upon the volume of the plaintiffs sales and the extent of its advertisement.
(c) The plaintiff is required to establish
(i) misrepresentation by the defendant to the public, though not necessarily mala fide,
(ii) likelihood of confusion in the minds of the public (the public being the potential customers/users of the product) that the goods of the defendant are those of the plaintiff, applying the test of a person of "imperfect recollection and ordinary memory",
(iii) loss, or likelihood of loss, and
(iv) goodwill of the plaintiff, as a prior user.
Elsewhere, the five elements of passing off have been identified as (a) misrepresentation, (b) made by the trader in the course of trade, (c) to prospective customers or ultimate consumers of the goods or services supplied by him, (d) calculated to injure the business or goodwill of another (i.e. that such injury is reasonably foreseeable) and (e) actual damage, or the possibility of actual damage, to the business or goodwill of the plaintiff.

*****

(x) Passing off differs from infringement. Passing off is based on the goodwill that the trader has in his name, whereas infringement is based on the trader's proprietary right in the name, registered in his favour. Passing off is an action for deceit, involving passing off the goods of one person as those of another, whereas an action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for vindication of its exclusive right to use the trade mark in relation to the goods in respect of which registration has been granted. Use of the trade mark by the defendant is not necessary for infringement, but it is a sine qua non for passing off. Once sufficient similarity, as is likely to deceive, is shown, infringement stands established. Passing off, however, may be resisted on the ground of added material, such as packing, procurement through different trade channels, etc., which would distinguish the goods of the defendant from those of the plaintiff and belie the possibility of confusion or deception."

90. Thus, the enquiry in the present case shall be governed by the principles and ingredients of passing off, as identified in the aforementioned judgments.

91. The learned Single Judge, on the aspect of passing off, returned the following findings:

"*43. In light of the abovementioned discussion, it is amply clear to me that the class of purchasers who are likely to buy the drugs bearing the marks "REDDY" are likely to be deceived and mistake it to be the drugs originating from the plaintiffs reputed pharmaceutical laboratory viz. "Dr. REDDY's" Laboratories. Moreover, as noted in the Sun-Pharma Case (supra), the likely hood of deception is all the more not only since the composition of the drugs are the same, but also because there is a common field of activity between the parties, in the sense that the defendant has now expanded its business to sale and marketing of finished drug formulations. The common field of activity also fulfills the requirement in placitum (f) of the test in the Cadilla Case (supra).*

44. With regard to placitum (g) of the test in the Cadila Case (supra), this Court is required to consider the surrounding circumstances which maybe relevant. For instance, the defendant has strongly contended that its adoption of the trademark/trade name "REDDY" was bona fide because it merely adopted the surname of its Managing director. At this juncture, it is necessary to carefully consider this submission to determine if the adoption was merely an honest and concurrent use, or was it made with the intention to cash-in upon the plaintiff's pre-existing goodwill.

45. From the evidence led by both the parties, it is apparent that the plaintiff has been in the business many years before the defendant actually decided to start marketing and selling its finished drug formulations: Besides, the reputation and goodwill which the plaintiff has earned over a long period of time, owing to its extensive focus on research and development as well as international partnerships, is something that has been conceded by the defendant witness during his cross examination.

46. It is also pertinent to note that the defendant was initially engaged as a delcredere agent who used to supply the plaintiffs drugs until 2003. Viewing the abovementioned in light of the fact that the defendant chose to use a trademark/trade name identical to the plaintiff's and also mention Ameerpet, Hyderabad on its packaging despite having its Registered Office at Patparganj, Delhi only goes to show the mala fides. Moreover, the defendant witness has stated during his cross examination that the defendant does not have any facilities in Hyderabad. This only goes to show that the defendant has mentioned Ameerpet, Hyderabad on its packaging to deceptively lead consumers to believe that its products arise from the plaintiffs labs, which are located in Ameerpet.

47. It is also reasonable to infer that by adopting an identical trademark /trade name, procuring finished drugs, from other manufacturers and marketing the same drug formulations as the

plaintiff, the defendant is only trying to target those consumers of the drug who were once purchasing the plaintiffs drug from the defendant in its capacity as the plaintiffs del credere agent.

48. Moreover, the position of law regarding use of common Indian names as trademarks is well-settled in a catena of precedents such as ***Mahendra and Mahendra and Mahendra Paper Mills Ltd. v. Mahindra and Mahindra Ltd., 2002(24) PTC 121 (SC), Manju Monga v. Manju Mittal, 2012 (51) PTC 293 (Del.), Kirloskar Diesel Precon (P) Ltd. & Ors. v. Kirloskar Proprietory Ltd. & Ors., 1997 PTC (17), Baja] Electricals Ltd. v .Metals & Allied Products & Anr., AIR 1988 Born 167, B. K. Engineering Company v. U. B. H. I. Enterprises (Regd.), Ludhiana, AIR 1985 Del 210.*** *In fact, interim injunction granted in the instant case vide Order dated August 26, 2004 was relied upon in the* ***Manju Monga Case****, where this Court succinctly summarized the position of law on adoption of common names as the trademark/trade name:*

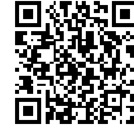
"In ***Parker v. Parker****, (1965) RPC 323, the Court held - The question is not simply whether the defendant 'can be prevented from using his own name, but whether the defendant can be prevented from garnishing that name in such a way that it looks as lithe name were being used not by him but by the plaintiff's."*

49.Therefore, by considering the surrounding circumstances, it is evident that the defendant has adopted the impugned trademark with the malafide intention of cashing-in upon the goodwill, reputation and consumer base of the plaintiff. Having regard to the test in the ***Cadila Case*** *(supra). I find that the plaintiff has been able to make out a clear case of passing off. issue No. 3 is therefore decided in favour of the plaintiff.*"

92. The learned Senior Counsel for the defendant has challenged the findings of impugned order and raised the following grounds:

(i) The plaintiff has failed to file a Chartered Accountant's[44] certificate and has not provided contemporaneous evidence to substantiate the goodwill tied to "REDDY" mark.

[44] "CA" hereinafter



(ii) The defendant uses a distinctive saffron trade dress, which renders it clearly distinguishable from the plaintiff's packaging.

(iii) The plaintiff has failed to show any misrepresentation on the part of the defendant.

(iv) The plaintiff has failed to establish any exclusive proprietary right in the word "REDDY" or demonstrate that the word has acquired distinctiveness exclusively in relation to its goods.

(v) The evidence relied upon by the plaintiff to establish prior use has not been properly proven in accordance with the law, and several of the documents relied upon by the plaintiff are subsequent to the incorporation of the defendant company in 1996.

(vi) The admissions made by the plaintiff's witnesses clearly demonstrate that the plaintiff has not produced any material to establish the use of the mark "Dr. Reddy's" as a trademark for the years preceding the defendant's incorporation, and the plaintiff's evidence mainly consists of trademark applications and assignment deeds, which do not establish actual commercial use.

93. In light of the submissions made, we now proceed to examine whether the plaintiff has succeeded in establishing goodwill as a prior user of the mark.

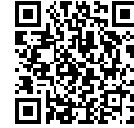
94. It is a settled law that at the final stage of the suit, the court moves beyond the *prima facie* standard of proof and requires a higher standard of proof than that applicable at the interim stage.

95. The plaintiff's case, as set forth in the plaint, is that they commenced their business in 1996, and that the defendants have been aware of their business since 1997, yet chose to adopt the infringing trademark and are now passing off their goods as those of the plaintiff.

96. On the other hand, the defendant contend that they adopted the impugned trademark in 1996 and that the plaintiff has been aware of their adoption of the mark since 1997, when their commercial dealing began.

97. It is undisputed that in the year 2003, the defendant, in order to expand their business, entered the field of finished pharmaceutical formulations i.e., the business of the plaintiff. Until 2003, it is undisputed that the defendant was merely in the business of distributing the plaintiff's products and were not directly competing with the plaintiff.

98. In these circumstances, it is pertinent to note that it is well settled law that an action for passing off and infringement are distinct in their scope and requirements. While an action for infringement is founded on a statutory right and is primarily concerned with the unauthorised use of the registered trademark, an action for passing off is a common law remedy directed against misrepresentation in the course of trade and is to be assessed on the basis of the defendant's goods. The mere fact that



defendant is using a trademark which is deceptively similar to that of the plaintiff is not sufficient to establish a claim for passing off.[45]

99. Furthermore, needless to say, a passing off action is based on the principle that no one is entitled to misrepresent their goods as if they were the goods of another. In other words, a person cannot, by way of misrepresentation, create an impression that their goods originate from or are associated with another. In this backdrop, it is incumbent upon the plaintiff to establish that it had acquired goodwill and reputation in the relevant market prior to the defendant's adoption and use of the impugned mark. In the present case, where the defendant commenced use of the mark on finished goods and began direct engagement with consumers from 2003, the relevant enquiry would be whether the plaintiff had acquired protectable goodwill in the market prior to such use."

100. Upon examination of the record placed before us, the plaintiff has relied upon several documents to demonstrate its goodwill as a prior user. These documents include: (i) Newspaper publications, (ii) Various sales invoices, (iii) Advertisement invoices, (iv) a review of the plaintiff's company in *Business Line*, (v) A printout from the plaintiff's website showing unaudited financial results for the half-year ending 30.09.2003, and (vi) Coloured photocopies of various products of the plaintiff.

[45] **Kaviraj Pandit Durga Dutt Sharma v Navaratna Pharmaceuticals Laboratories, AIR 1965 SC 980**

101. According to the plaintiff, all these documents, when considered collectively, establish the goodwill attributed to the plaintiff's company as of 2003.

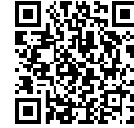
102. The defendant has sought to challenge the evidentiary value of these documents on the ground that the sales figures are not supported by CA certificates and that the data reflects composite corporate activity, which may not be entirely reflective of the specific goods in question.

103. In reply to this argument, our attention was rightly drawn to the cross-examination of DW-1, where he categorically accepted that the plaintiff company enjoys a reputation in the market and unequivocally stated: "*I am aware that the plaintiff company enjoys a reputation in the market.*"

104. Thus, the position is placed beyond any doubt by the categorical admission of the defendant's own witness, DW-1.

105. This admission is of decisive significance. It constitutes a clear and unambiguous acknowledgment, made under oath, of the plaintiff's reputation and goodwill in the relevant trade. Such an admission, emanating from the defendant's own witness, carries substantial evidentiary weight and binds the defendant.

106. It is a settled principle of evidence that admissions are the best evidence against the party making them. Unless satisfactorily explained, admissions dispense with the need for further proof. In the



present case, the defendant has made no attempt to qualify, retract or explain away the said admission.

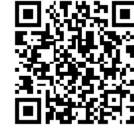
107. This admission must also be read in conjunction with the recitals and clauses of the Agency Agreement dated 01.04.2003, which expressly acknowledge the plaintiff's business and market presence.

108. The oral admission of DW-1 thus corroborates the documentary evidence and reinforces the conclusion that the defendant had full knowledge of the plaintiff's goodwill.

109. Additionally, in our view, the plaintiff has produced primary, contemporaneous and exhibited material, including newspaper publications, sales invoices dating back to at least 1997, and advertisement invoices. These are direct commercial records reflecting continued trading activity and promotional efforts under the mark.

110. In ***S. Syed Mohideen*** (supra), while affirming the decree, the Supreme Court relied on the plaintiff's "plethora of evidences" to hold that long use had generated distinct reputation and goodwill. Thus, newspaper publications and invoices are not only relevant but are among the very categories of evidence that the Supreme Court has treated as relevant to establish reputation and public association.

111. Furthermore, no cross-examination was directed against the authenticity or relevance of the exhibited documents in establishing goodwill. The law is well settled that where a witness is not cross-



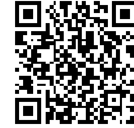
examined on a material part of their testimony, that part remains unchallenged and ordinarily must be accepted.

112. In ***State of U.P.*** (supra), the Supreme Court held that the un-cross-examined portion of a witness's statement remains unchallenged and should be accepted as true.

113. Similarly, in ***Muddasani Venkata Narsaiah*** (supra), the Supreme Court held that failure to challenge a witness's testimony in cross-examination leads to the presumption that the witness's account has been accepted. Consequently, matters sworn to and not challenged in pleadings or cross-examination must ordinarily be taken as established.

114. While it is true that these records are not CA certified, the law on passing off does not require goodwill to be proved solely through CA certified records. What is required is proof that the mark has generated reputation and public association in the market, which may be established through a mosaic of evidence showing actual trade, promotion, and public recognition.

115. Unlike ***Brihan Karan Suhar Syndicate(P) Ltd***.(supra), where the plaintiff relied on unproved CA-certified summaries, the plaintiff in the present case has presented primary and contemporaneous evidence of use, sales, advertising, and market recognition, which largely went unchallenged in cross-examination. ***Brihan Karan Suhar Syndicate(P) Ltd.***(supra) is therefore distinguishable on facts and does not assist the defendant's contention that goodwill fails for want of a CA certificate.



116. Therefore, on the basis of preponderance of evidence, the plaintiff has successfully established goodwill.

117. Having established goodwill as a prior user, we now turn to the other ground raised by learned Senior Counsel for the defendant, namely, that no misrepresentation has taken place by the use of the impugned trademark.

118. It was submitted that in an action for passing off, misrepresentation leading to deception is a necessary ingredient. The defendant asserted that its consistent and distinctive saffron trade dress negates any allegation of misrepresentation or an attempt to capitalize on the plaintiff's goodwill.

119. The defendant further contended that no confusion could arise due to the dissimilarity in packaging, colour scheme, and overall trade dress, the difference in corporate names, and the fact that pharmaceutical products are prescribed by brand names rather than by the name of the manufacturer.

120. Before delving into the facts, it is apposite to refer to the judgment of the Supreme Court in ***Cadila Health Care Ltd***(supra) wherein the Court laid down that the degree of scrutiny in examining passing off and infringement in pharmaceutical matters is considerably higher because of the element of public interest. In para 27, the Court observed as under:

"As far as the present case is concerned, although both the drugs are sold under prescription but this fact alone is not sufficient to prevent confusion which is otherwise likely to occur. In view of the varying infrastructure for supervision of physicians and pharmacists of medical profession in our country due to linguistic, urban, semi-urban and rural divide across the country and with high degree of possibility of even accidental negligence, strict measures to prevent any confusion arising from similarity of marks among medicines are required to be taken."

121. On the issue of misrepresentation, the Supreme Court in ***Satyam Infoway Ltd***(supra) set out the elements of misrepresentation, which shall guide us in the effective adjudication of the present matter:

"14. The second element that must be established by a plaintiff in a passing-off action is misrepresentation by the defendant to the public. The word misrepresentation does not mean that the plaintiff has to prove any mala fide intention on the part of the defendant. Of course, if the misrepresentation is intentional, it might lead to an inference that the reputation of the plaintiff is such that it is worth the defendant's while to cash in on it. An innocent misrepresentation would be relevant only on the question of the ultimate relief which would be granted to the plaintiff [Cadbury Schweppes v. Pub Squash, 1981 RPC 429 : (1981) 1 All ER 213 : (1981) 1 WLR 193 (PC); Erven Warnink v. Townend, 1980 RPC 31 : (1979) 2 All ER 927 : 1979 AC 731 (HL)] . ***What has to be established is the likelihood of confusion in the minds of the public (the word "public" being understood to mean actual or potential customers or users) that the goods or services offered by the defendant are the goods or the services of the plaintiff. In assessing the likelihood of such confusion the courts must allow for the "imperfect recollection of a person of ordinary memory****" [Aristoc v. Rysta, 1945 AC 68 : (1945) 1 All ER 34 (HL)]."*

122. Adverting to the facts of the present case, the impugned mark "REDDY" is, on its face, a common surname. The defendant itself has pleaded that the mark is derived from the surname of its Managing Director and is widely prevalent in Andhra Pradesh. However, as established above, the plaintiff's corporate name "Dr. Reddy's

Laboratories", by virtue of long, continuous, and extensive use, has acquired substantial goodwill.

123. At this juncture, it is instructive to refer to the decision of the Division Bench of this Court in ***Montari Overseas Limited***(supra), where the Court held that where a defendant adopts a corporate name similar to that of an established entity, and no satisfactory explanation is forthcoming, the Court is entitled to infer a lack of *bona fidenes* and the likelihood of deception. The same principle is directly applicable to the present case.

124. Furthermore, it is established above that the plaintiff's corporate name has transcended its primary function of mere identification and has acquired trademark significance through consistent commercial use.

125. It is also well settled law that a common surname is *prima facie* non-distinctive and cannot ordinarily be monopolised. However, it is equally established that a surname, through long, continuous and extensive use, may acquire distinctiveness and secondary meaning. The decision in ***Mahendra & Mahendra Paper Mills Ltd***. (supra) recognises that even a common name may become distinctive of a particular source if it is shown to have acquired a reputation in trade.

126. Applying the test of imperfect recollection, it is evident that the impugned mark "REDDY" is deceptively similar to the plaintiff's mark "Dr. Reddy's". The dominant and essential feature of both marks is the word "REDDY", which is likely to leave a lasting impression on the

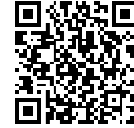
average consumer. The likelihood of confusion is further heightened by the fact that the marks are used in relation to medicinal products, where even a remote possibility of confusion must be avoided, as held in ***Cadila Health Care Ltd***. (supra)

127. In terms of visual, phonetic and structural similarity, the marks are deceptively similar. Phonetically, the marks are identical in their dominant component. Structurally, the defendant's mark is wholly subsumed within the plaintiff's mark. Visually, the impression conveyed is such that an average consumer would likely associate one with the other.

128. Thus, while assessing likelihood of confusion, and adopting the perspective of a person of average intelligence and imperfect recollection, and not that of a meticulous or discerning observer, the similarity between the marks is such that it would inevitably lead to confusion or deception.

129. The surrounding circumstances further reinforce the likelihood of confusion. The plaintiff has established a significant market presence and goodwill associated with the mark "Dr. Reddy's". The adoption of the mark "REDDY" by the defendant, within the same field of activity, is likely to create an impression of association, affiliation, or continuation with the plaintiff's business.

130. The argument based on dissimilarity of corporate names is equally unpersuasive. The use of the common element "REDDY" in the



same field of activity is sufficient to give rise to a likelihood of association, particularly in light of the plaintiff's established reputation.

131. In view of the above discussion, we find that the use of impugned trademark by the defendant would lead to misrepresentation, and the submission that the defendant's distinctive saffron trade dress makes it clearly distinguishable from the plaintiff's packaging cannot be accepted.

132. The essential elements of a passing off action, namely goodwill, misrepresentation, and likelihood of damage, are satisfied based on the material on record.

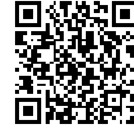
133. The reasoning of the learned Single Judge reflects a proper application of settled principles and does not suffer from perversity.

134. The question of *bona fide* adoption must next be considered.

Issue-III- Whether the adoption of the trademark "REDDY" is protected under Section 35 of the Act?

135. The defendant has taken a defence of *bona fide* use.

136. According to the defendant, the onus of proving dishonesty lies on the person asserting it, and since the corporate name was derived from the surname of the Managing Director, the use was *bona fide*.



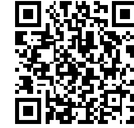
137. It was further urged that the plaintiff was well aware of the defendant's *bona fide* adoption of the mark since 1997, and that the defendant's transition from being a distributor of APIs to selling formulations represents a legitimate commercial expansion, which does not retroactively invalidate the initial *bona fide* adoption.

138. It is necessary to first understand the contours of Section 35 of the Act. The provision reads as under:

> *35. Saving for use of name, address or description of goods or services.—Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any bona fide use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any bona fide description of the character or quality of his goods or services.*

139. A reading of the above Section reveals that the defence under Section 35 is contingent on the use being "*bona fide*". Thus, the issue for consideration is whether the defendant's use and adoption of the mark "REDDY" was *bona fide*.

140. It is a trite law that the honesty of adoption must be assessed at the inception of use since 1997. In ***Midas Hygiene Industries*** (supra), the Supreme Court held that where the adoption is dishonest, delay or laches is of no consequence.



141. Similarly, in ***Hindustan Pencils Pvt. Ltd. v. India Stationery Products Co***[46]**.**, it was held that if the adoption of a mark is tainted at its origin, subsequent use cannot cleanse it.

142. Adverting to facts of the present case, it is now clear that the defendant had full knowledge of the plaintiff's goodwill. This is further corroborated by the clauses of the Agency Agreement dated 01.04.2003, which expressly acknowledge the plaintiff's business and market presence.

143. Additionally, the oral admission of DW-1 supports the documentary record and reinforces the conclusion that the defendant was aware of the plaintiff's goodwill.

144. Upon examining the material on record, it is evident that the defendant was fully aware of the plaintiff's business and reputation.

145. Furthermore, the parties were engaged in a commercial relationship, and it is undisputed that the defendant had full knowledge of the plaintiff's operations in the pharmaceutical sector.

146. Further, the Agency Agreement dated 01.04.2003, coupled with the admissions regarding prior dealings, demonstrates that the defendant was not an innocent adopter but had direct exposure to the plaintiff's goodwill and trademark.

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[46] **AIR 1990 Delhi 19**

147. The defence of the defendant that "REDDY" is a common surname must be examined in context of its own conduct. The defendant itself applied for registration of the mark "REDDY" in Class 5 and has asserted proprietary rights over it. Such conduct is fundamentally inconsistent with the plea that the mark is *publici juris*.

148. A party cannot simultaneously claim exclusivity over a mark and deny its distinctiveness. This position attracts the principle of approbate and reprobate, which disentitles the defendant from invoking the defence of commonality.

149. The defendant was fully aware of the plaintiff's goodwill and reputation in the pharmaceutical market. The parties were engaged in a subsisting commercial relationship, and the defendant had direct knowledge of the plaintiff's business operations.

150. The subsequent adoption of the impugned mark "REDDY" in the same field of activity, coupled with the use of the Ameerpet address on its packaging despite having no manufacturing facility in Hyderabad, clearly points towards a lack of *bona fide*s.

151. Additionally, it was pointed out that within 16 days of the Agency Agreement, the defendant filed Trade Mark No. 1192732 in Class 5 on a '<u>proposed to be used</u>' basis. This filing is wholly inconsistent with any case of long, honest, natural or inherited use of the name in the relevant trade.

152. The defendant claimed to have manufacturers in Hyderabad but failed to provide any supporting evidence to justify the use of the Ameerpet address as its 'head office' or as a legitimate business location.

153. On the contrary, PW-1's visit disclosed the nameplate of an altogether different individual, and the defendant still failed to produce contemporaneous proof of actual operations from that premises

154. Therefore, the defendant has failed to establish the foundational requirement of *bona fide* adoption and use. Therefore, the defendant's use of the mark is not protected under Section 35 of the Trade Marks Act, as the requirement of *bona fide* use has not been met.

155. The defendant's conduct reveals not an honest use of a personal name but an attempt to create market association and secure exclusivity over the disputed name.

156. The adoption and use of the trademark "REDDY" by the defendant are tainted from the outset and cannot be save by subsequent use or by claiming that "REDDY" is a common surname. The defendant's actions indicate an attempt to capitalize on the plaintiff's established goodwill in the pharmaceutical sector, and as such, it cannot claim protection under Section 35.

ISSUE IV - Whether the learned Single Judge erred in deciding the issue no.6 relating to domain name in favour of plaintiff?

157. This issue pertains to the plaintiff's claim relating to the defendant's use of a domain name incorporating the expression "REDDY" and whether such use is liable to be restrained.

158. The defendant has contended that there exists no similarity between the domain names of the parties and that the plaintiff has failed to establish ownership of any exclusive right in respect of the impugned domain name.

159. It is further urged that the principles governing trademark law have been incorrectly applied to the domain name in question.

160. We are unable to accept the aforesaid submissions.

161. The legal position relating to domain names is clear. The Supreme Court in ***Satyam Infoway Ltd***.(supra) has authoritatively held that a domain name is not merely an internet address but serves the same function as a trademark, namely, identifying and distinguishing the source of goods or services.

162. The Court further recognised that the internet has become a significant platform for commercial activity, and that a domain name, being the primary means by which consumers locate a business online, carries with it the goodwill and reputation of the enterprise.

163. Consequently, the misuse of a domain name is capable of resulting in the diversion of business and deception of consumers, thereby attracting the principles of passing off.

164. The essential test, therefore, is whether the impugned domain name is likely to cause confusion or deception by leading internet users

to believe that the website of the defendant is associated with or originates from the plaintiff.

165. It must also be borne in mind that internet users often rely upon imperfect recollection and may access websites by recalling the dominant part of a name.

166. The adoption of the word “REDDY” in the domain name is, therefore, sufficient to attract users seeking the plaintiff’s website, thereby resulting in diversion of traffic.

167. The contention of the defendant that the plaintiff has failed to establish ownership of the domain name is misplaced.

168. In an action for passing off, it is not necessary for the plaintiff to demonstrate ownership of an identical domain name. What is required is the existence of goodwill and the likelihood of misrepresentation. Once these elements are established, protection follows.

169. The learned Single Judge had also taken into consideration the status of plaintiff’s domain name at that time and accordingly granted relief, as the plaintiff’s website was dysfunctional.

170. Thus, in view of the above discussion, we find no infirmity with the findings of the learned Single Judge in Issue No.6.

ISSUE V – **Whether the learned Single Judge was correct in holding issue no.5 against defendant?**

171. This issue pertains to the plaintiff's claim of copyright in the artistic work forming part of its packaging and label, and the correctness of the findings returned by the learned Single Judge regarding ownership and alleged infringement thereof.

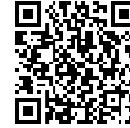
172. The findings of the learned single judge is challenged on the following grounds:

> *"(i) The plaintiff has failed to establish subsistence and ownership of copyright in accordance with the provisions of the Copyright Act,1957.*
> *(ii) The plaintiff had not produced any evidence regarding the originality of the work, identity of the author, or the date of first publication, as required under Sections 13, 14, 17 and 18 of the Copyright Act.*
> *(iii) Documents relied upon by the plaintiff, including Ex. PW-1/7 and Ex. PW-1/8, have not been proved in accordance with the provisions of the Evidence Act."*

173. We do not agree with the submissions advanced by the learned Senior Counsel for the defendant.

174. The defendant's contention that the plaintiff failed to establish the subsistence and ownership of copyright is untenable, both on pleadings and the evidence adduced.

175. At the outset, we note the findings of the learned Single Judge on copyright infringement, the same reads as under:



"57.With regards to the copyright of the plaintiff in the get-up and lay-out of its OMEZ strips, in paragraph I 5(iv) of the plaint, the plaintiff has described the distinctive and artistic features of its OMEZ strip. The strip is said to he made up of silver foil, with pink (magenta) coloured stripes on it bearing the registered trademark OMEZ at equal intervals. in between two consecutive pink strips, towards the centre, appears a pink block bearing the aforesaid trademark. Right above the trade mark, appears the words 'Omeprazole Capsules I.P printed in black. Towards the left side of the trademark, appear directions for consumption of the drug, followed by storage and dosage instruction along with the "warning" box. Towards the right side of the trademark OMEZ, appears the plaintiffs trading name, Dr. Reddy's, followed by M.L. No. along with the plaintiffs address. <u>The plaintiff has stated that initially, the artwork for the OMEZ getup was developed by M/s. Script Services. The copyright in the said artwork vests with the plaintiff through an Assignment Deed dated August 28, 2002, which is placed on record as Ex. PW1/8. A specimen of the plaintiffs OMEZ strip is also placed on record as EX. D4.</u> From the specimen of the strip, it is also seen that there is a logo of a stomach enclosed in a pink (magenta) rhombus.

58.A specimen of the defendant's OMRE strip is also placed on record as EX. D2. Upon a visual comparison, it is seen that the defendant's packaging is also made up of silver foil with the name OMRE written in pink (magenta) colour. Right above the trademark OMRE, the words 'Omeprazole Capsules I.P.' is printed in black. Towards the left side of the trademark, appear directions for consumption of the drug, followed by storage and dosage instruction along with the "warning" box, similar to that of the plaintiffs, towards the right side of the trademark OMRE appears the defendant's trading name, REDDY, followed by the address of the defendant, at Ameerpet, Hyderabad. It is also seen, that the defendant's strip also contains a logo of a stomach enclosed within a pink (magenta) square, similar to that of the plaintiffs strip. From an overall visual co11parison, I am of the opinion that the get-up, lay-put and colour combination of the defendant's drug OMRE is in infringement of the plaintiffs copyright over its OMEZ strip. Hence, Issue No .5 is decided accordingly in favour of the plaintiff."

176. We agree with the findings of the learned Single Judge.

177. Clearly, the OMEZ strip packaging, including its overall trade dress, get-up, layout, and colour scheme, qualifies as an "artistic work" within the meaning of Section 2(c) of the Copyright Act.

178. The plaint itself specifically pleads the distinctive artistic features of the OMEZ strip in para 15(iv), and these features were reiterated in the evidence of PW-1.

179. The learned Single Judge, in paras 57-58 of the judgment, records these very features in detail and expressly finds that the plaintiff's strip possesses a distinctive visual arrangement, comprising silver foil, pink/magenta stripes, repeated use of the mark "OMEZ", a central pink block, black descriptive matter above the mark, left-side dosage and warning material, right-side trading name and address, and a stomach logo within a pink rhombus.

180. As to ownership, the plaintiff's case was never that PW-1 personally authored the artwork.

181. The pleaded case, accepted in para 57 of the impugned judgment, is that the artwork was initially developed by M/s Script Services and that the copyright vested in the plaintiff by virtue of the Assignment Deed dated 28 August 2002, exhibited as Ex. PW1/8. That directly answers the objection under Sections 17 and 18. Section 17 deals with first ownership, while Section 18 permits assignment by the owner.

182. Once the plaintiff proved that the artwork originated with the Script Services and that the rights therein had been assigned to the

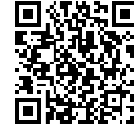
plaintiff under Ex. PW1/8, and since the contents of the said document, namely, the *factum* that such assignment had in fact taken place, were never denied by the defendant, the plaintiff successfully established the chain of title.

183. The objection regarding originality is equally misconceived. In the case of artistic works, such as packaging artwork, originality lies in the author's selection, arrangement, layout, colour combination and visual presentation. It does not necessarily require novelty in the patent sense.

184. The plaintiff's case is precisely that the original expression resides in the combination and arrangement of the visual elements making up the OMEZ strip.

185. The learned Single Judge accepts this by undertaking a visual comparison between Ex. D4 and Ex. D2 and recording that the defendant adopted the same silver foil base, the same pink/magenta lettering, the same black descriptive text placement, the same left-right distribution of dosage/warning and trading particulars, and even a similar stomach logo device. That finding necessarily proceeds on recognition of a protectable artistic expression in the plaintiff's get-up and layout.

186. Thus, we find no satisfactory ground to set aside the findings of the learned Single Judge.



Issue VI- **Whether the learned Single Judge erred in deciding issue no. 8 relating to damages and rendition of accounts in favour of plaintiff?**

187. This issue pertains to the plaintiff's claim for damages and rendition of accounts, and the correctness of the findings returned by the learned Single Judge in that regard.

188. The defendant has contended that the plaintiff failed to lead any evidence to establish actual loss or damage suffered on account of the alleged acts of passing off, and that none of the witnesses for the plaintiff deposed to any quantifiable loss or unlawful gain attributable to the defendant.

189. It is further urged that, in the absence of such evidence, no relief by way of damages or rendition of accounts could have been granted.

190. The findings pertaining to this issue by the learned Single Judge are as follows:

> *"60. In accordance with Section 135 of the Act, the plaintiff is either entitled to a relief of damages or an account of profits. In the prayer, the plaintiff has prayed for an Order of rendition of accounts, delivery of infringing products and labels, and damages to the tune of Rs. 20 Lakhs. Since the plaintiff has not led any evidence regarding the pecuniary harm caused to it by the defendant's action of passing off. there is no parameter for this Court to determine the damages to be awarded. Similarly, there is no parameter to deduce the damages to be paid for the infringement of the plaintiffs copyright in its OMEZ strip. Therefore, the plaintiff is entitled to an Order on rendition of accounts and delivery up of the impugned products and labels."*

191. It is well settled that a claim for damages in an action for passing off requires proof of actual loss or, at the very least, a reasonable basis for the assessment of such loss.

192. Similarly, a decree for rendition of accounts is an equitable remedy, which is ordinarily granted where it is shown that the defendant has made profits by the wrongful use of the plaintiff's mark.

193. It is settled law that under Section 135(1) of the Trade Marks Act, the plaintiff may, at its option, seek either damages or an account of profits**.** Once infringement or passing off is established, the absence of proof of quantifiable loss may defeat a money decree for compensatory damages, but it does not, by itself, extinguish the alternative relief of rendition of accounts or delivery up.

194. In ***Titan Industries Ltd. v. Nitin P. Jain***[47], the Court held that damages and an account of profits are alternative remedies, and that the plaintiff may claim both in the alternative and make an informed election at the conclusion of the trial. Crucially, the Court observed that this is because a successful plaintiff may not have sufficient knowledge of the defendant's activities unless disclosure is first made.

195. Thus, the defendant is right only to the limited extent that, without evidence of pecuniary harm, the Court may not be able to

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quantify compensatory damages. However, that does not mean that no order for rendition of accounts could be passed.

196. Hence, the absence of quantified evidence of loss could at best disentitle the plaintiff to compensatory damages. However, it could not defeat the grant of an order for rendition of accounts and delivery up, once infringement, passing off, and copyright violation have been established.

197. Therefore, we concur with the conclusion reached by the learned Single Judge and find no grounds to set aside the same.

CONCLUSION

198. In view of the foregoing discussion, we find no ground to interfere with the appeal.

199. This Court concurs with the conclusion of the learned Single Judge that a case for grant of a permanent injunction against the defendant/appellant has been made out.

200. Consequently, RFA (OS) 138/2013 is dismissed.

201. Furthermore, for the reasons outlined above, this Court finds no reason to set aside the order rendered by the IPAB. Hence, W.P. (C) 6461/2018 is dismissed.

202. Accordingly, both W.P. (C) 6461/2018 and RFA (OS) 138/2013, along with the pending application(s), are disposed of in the above terms.

OM PRAKASH SHUKLA, J.

C.HARI SHANKAR, J.

MAY 18, 2026/pa/ss