

In the Court of Shri Ashutosh Kumar, District Judge (Commercial Court)-01, Tis Hazari Courts, West District, Delhi

CS (Com.) No. 208/2020  
CNR No. DLWT01-003192-2020

Wings Pharmaceuticals P. Ltd.  
D-6, Udyog Nagar Industrial Area,  
New Delhi 110 041

.....Plaintiff

Versus

Kirit Bhadiadra  
Trading as Rapple Health Care  
Unit No. 24, Raj Vishnu Building No. 2  
Rajhans Industrial Estate  
Chachpada, Village Gokhivare  
Vasai (East) Thane 401 208

.....Defendant

Date of Institution : 24-08-2020  
Date of hearing of arguments : 24-01-2024  
Date of decision : 04-03-2024

Plaintiff's counsel- Sh Sachin Gupta  
Defendant's counsel – Ms Kangan Roda

## **J U D G M E N T**

1. Initially the suit was filed by two plaintiffs, plaintiff no. 1 Wings Pharmaceuticals P. Ltd. and plaintiff no. 2 M/s Wings Biotech. However, vide order dated 18-07-2022 of Ld Predecessor, plaintiff no. 2 was ordered to be deleted from the array of parties and plaintiff no. 1 became the sole plaintiff as per amended memo of parties.

2. This is a suit filed by the plaintiff for permanent injunction restraining the defendants from using its registered trade mark MEDILICE, passing off, unfair competition, rendition of account and delivery of impugned goods etc. Plaintiff's case is that plaintiff is a company involved in pharmaceutical products and had authorized Sh Swapnil Mishra to file the present suit. Plaintiff has worked hard for establishing itself as a well known pharmaceutical manufacturers. It was holding a large distribution channels of more than 500000 chemists and 4800 stockists. Plaintiff adopted the trade mark **MEDILICE** in the year 1998 for producing anti-lice shampoo which contains Permethrin, which is very effective, safe and most widely used all over the world. Plaintiff was registered proprietor of the trade mark MEDILICE since 19-11-2014 under class 3 and the said registration is valid and subsisting. It had inadvertently claimed the date of use in its trademark registration application as 29-04-2011. It is further the claim of the plaintiffs that apart from the aforesaid application, the plaintiff had also filed two other applications for MEDILICE i.e. an application for registration of the trade mark MEDILICE under no. 1022531 dated 02/07/2001 for pharmaceutical preparations in Class 5, wrongly claiming proposed to be used basis, which application inadvertently could not be perused and was abandoned and the other application for registration of the trade mark MEDILICE under no. 2845530 dated 19/11/2014 for medicinal and pharmaceutical preparations in Class 5, which also claimed a wrong date of use of 11/12/2000. It is further

averred that the defendant's impugned trade mark application for MEDILICE under no. 2771629 was cited in the examination report issued by the Trade Marks Registry for the said application and plaintiff no. 2 had wrongly stated in its reply to the said examination report that the competing marks are distinct from each other. It is also stated that at that time, plaintiff no. 2 had also searched the market but could not find the defendant's product and the application was eventually refused by the Trade Marks Registry and plaintiff no. 2 did not assail the order, wrongly thinking that it may not be required in view of its class 3 application for the same trade mark MEDILICE having been got registered and plaintiff has now filed a new application in class 5. It is further claimed by the plaintiff that due to its superior quality and high efficacy of its goods bearing the trade mark MEDILICE and continuous and extensive use of the said trade mark and large sales of the said goods, plaintiffs have acquired immense reputation and goodwill in the said trade mark and the goods sold thereunder and the result of efficacy of its product is well-reflected in its sales turnover which is growing steadily every year. As per plaintiff, the statement of sales qua its said product MEDILICE for last 20 financial years is as under:

#### **STATEMENT OF SALES**

Financial Year	Sales Value (Lakhs)
2000-01	2.9
2001-02	2.1
2002-03	4.8

2003-04	8.5
2004-05	6.6
2005-06	9.2
2006-07	11.1
2007-08	21.2
2008-09	8.8
2009-10	46.8
2010-11	14.6
2012-13	141.2
2013-14	225.7
2014-15	300.7
2015-16	388.3
2016-17	478.9
2017-18	507.1
2018-19	590.0
2019-20	643.2
2020-21 (till May'20)	68

3. It is further stated that the plaintiff has also been advertising its products under the said trade mark MEDILICE on satellite television channels, in newspapers, trade journals, internet and other promotional literature which have been extensively viewed and distributed to a large number of traders, purchasers, intending purchasers, shops and the general public at large throughout the country and abroad and therefore plaintiff is the proprietor of the trade mark MEDILICE, which has acquired formidable goodwill, reputation and distinctiveness vis-à-vis such goods. It is claimed that the plaintiff has the exclusive right to use the said trade mark and ought to be protected against imitation, confusion, deception, dilution and unfair competition by competitors in

trade. It is further averred in the plaint that on account of long, continuous, exclusive use and painstaking quality control, the plaintiff's trade mark MEDILICE has acquired enviable goodwill and reputation amongst the members of trade and public at large and has acquired a status of well-known mark under Section 2(zb) of the Trade Marks Act, 1999, which entitles itself to be granted registration and statutory protection against similar and dissimilar goods. It is further the case of the plaintiff that defendant filed an application for registration of the mark MEDILICE LICE KILLER under application no. 4062424 dated 21-01-2019, which was published on 16-03-2020 in Journal no. 1945-0, wherein defendant has falsely claimed the use of impugned mark since 13-03-2000 with respect to ayurvedic medicines and pharmaceuticals in class 5 and the earliest of the documents filed by the defendant pertains to the year 2011 and no documents from the year 2000 has been filed by the defendant. It is further stated that plaintiff for the first time came to know about the said publication in first week of July, 2020 and filed an opposition to the same. It is further claimed by the plaintiff that apart from the said application, defendant had also filed two other applications for MEDILICE under no. 909334 dated 13.03.2000 and MEDILICE LICE KILLER under no. 2771629 dated 10.07.2014 both in class 5, which stand abandoned and objected by the Trade Mark Registry respectively. It is further averred that upon discovery of the abovementioned applications, the plaintiff conducted an on-line search and came across the defendant's product under the impugned mark on a

third-party e-commerce website namely, [www.rajved.in](http://www.rajved.in), which claims to supply the product all over India and from the same platform, the plaintiff also came to know that the product under the impugned mark is an anti-lice shampoo making the competing products identical. It is further stated that defendant has unethically and unlawfully adopted the impugned mark MEDILICE and being in cosmetics/pharmaceutical business, the defendant is well aware of the plaintiff's use of the trade mark MEDILICE and having seen the success of the plaintiff's product under the said mark, defendant started using the impugned mark, which amounts to infringement of plaintiff's registered trade mark, passing off, unfair trade practice, unfair competition and dilution and also amounts to misrepresentation and misappropriation of Plaintiff's goodwill in the trade mark MEDILICE. It is claimed that the defendant's act thus constitutes infringement of trade mark which is visually, structurally as well as phonetically identical to the plaintiff's well known registered trade mark MEDILICE registered under No. 2845531, which is likely to cause confusion and deception and any unauthorized use of similar mark by any unauthorized trader would also inevitably lead to erosion of distinctiveness of the registered trade mark of the plaintiff, which constitutes a violation of the plaintiff's statutory right of exclusive use and infringement of registered trade mark MEDILICE under Section 29 of The Trade Marks Act, 1999. Further, plaintiff has claimed that since the year 1998, plaintiff has used MEDILICE extensively and commercially in the course of trade, on account of which it has acquired

formidable goodwill and reputation as a badge of quality products originating from the Plaintiffs and on account of prior and extensive use, voluminous sales, coupled with extreme quality control maintained by the plaintiff, the trade mark MEDILICE has acquired substantial goodwill and reputation in the trade and amongst consumers at large and thus, on account of such extensive use, plaintiff's trade mark MEDILICE has acquired distinctiveness as a symbol of trade origin and source of the plaintiff and thus entitled to be recognized as well-known mark. It is further claimed that the use of the impugned trade mark by the defendant constitutes acts of misrepresentation, misappropriation and passing off of the defendant's goods for those of the plaintiffs and the use of the impugned marks by the defendant being an actionable tort, is liable to be injuncted under the provision of Section 135 of the Trade Marks Act. It is also the case of the plaintiff that the use of the impugned mark MEDILICE by the defendant is malafide, constitutes acts of misrepresentation as well as misappropriation of goodwill and reputation built-up by the plaintiffs by their own effort and investment amounting to passing off of the defendant's goods for those of the Plaintiff and also amounts to unfair competition and therefore, plaintiff is entitled to an order of injunction restraining the defendant from continuing with their unlawful, unfair and unethical acts of passing off and unfair competition. It is also claimed that the defendant is taking advantage of all financial and human resource invested by the plaintiffs without incurring any cost themselves and defendant is competing with the plaintiff taking

advantage of brand equity and goodwill built up by the plaintiffs in the trade mark MEDILICE. It is further the case of the plaintiff that the defendant through the impugned adoption are trying to ride piggy back on the goodwill and reputation of the plaintiff in its trade mark. The Defendant wants to pass off their goods as those of the Plaintiffs by practicing confusion and deception among the consumers and traders and the profits earned by the defendant by misappropriating intellectual property rights belonging to the plaintiff, are liable to be reimbursed to the plaintiffs. Plaintiff has further averred that apart from the injury to the plaintiff, it is the injury to the purchasing public, which is being misled into purchasing the goods of the defendant thinking them to be originating from the plaintiff and expecting them to be of highest quality and further that the injury to the goodwill and reputation of the plaintiff and to the members of the purchasing public, can in no way be assessed, quantified or compensated and, therefore, the illegal trade activities of the defendant ought to be restrained immediately. Hence, the present suit is filed by the plaintiff with the following prayers:

“(a) A decree for permanent injunction restraining the Defendant, its assignees in business, its distributors, dealers, stockists, retailers/chemists, servants and agents from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in cosmetics / medicinal preparations under the impugned mark MEDILICE and its variants or any other trade mark as may be deceptively similar to the Plaintiff’s trade mark MEDILICE amounting

to infringement of registered trade mark No. 2845531 of the Plaintiffs;

(b) A decree for permanent injunction restraining the Defendant, its partners, proprietors (as the case may be), its assignees in business, distributors, dealers, stockists, retailers/chemists, servants and agents from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in cosmetics/medicinal preparations under the impugned mark MEDILICE and its variants or any other trade mark as may be deceptively similar with Plaintiff's trade mark MEDILICE amounting to passing off of the Defendant's goods and business for those of the Plaintiffs;

(c) An order for delivery of the infringing goods of the Defendant including impugned packaging, promotional materials, stationery, dyes, blocks etc. bearing the impugned trade mark MEDILICE and its variants to an authorized representative of the Plaintiff for destruction/erasure;

(d) A decree for rendition of accounts may be passed in favour of the Plaintiff and against the Defendant;

(e) An order for costs in the proceedings;

(f) Any further orders as this Hon'ble Court may deem fit and proper under the facts and circumstances of the present case."

4. The case of the defendant in the written statement as per preliminary objections is that the suit was not maintainable and is liable to be dismissed as the plaintiff has not approached the court with clean hands and is prima facie guilty of concealment of true facts and gross misrepresentation in as much as the plaintiffs have repeatedly stated that plaintiffs adopted the mark MEDILICE in the year 1998 but have

conveniently kept silent as to which of the plaintiffs adopted the mark MEDILICE in the year 1998. It is further claimed that registered trade mark based on which plaintiffs are claiming their rights is registered in the name of Sh RK Arora and plaintiffs have not disclosed the relation between the plaintiff no. 1 and 2 and even not furnished any iota of documentary evidence to show the plaintiff's right over the registered trade mark MEDILICE in class 3 under number 2845531 in respect of shampoos. It is further claimed that there has been no assignment of registered trade mark MEDILICE from Sh RK Arora to the plaintiffs. Further, the user details of the mark MEDILICE in all the prior applications for registration of trade mark filed by the plaintiffs were inadvertently claimed to be from the wrong dates. In application number 1022531 dated 2-07-2001, plaintiff no. 1 claimed user of the mark as "proposed to be used" while in application number 2845530 dated 19-11-2014, Sh RK Arora claimed user from 11-12-2000, which application was ultimately refused by the Trademark Registry and in application number 2845531 dated 19-11-2014, which application was accepted and the trade mark MEDILICE was registered in class 3, Sh RK Arora claimed user from 29-11-2011. Defendant has further claimed that in the examination search report to plaintiff no. 1's application no. 1022531, the mark MEDILICE as cited was the mark applied by the defendant. Plaintiffs have not produced any document to show their user of the trade mark MEDILICE since the year 1998 or prior to the use of the defendant. The earliest invoice filed by the

plaintiff is of the year 2004 while the sales figures are claimed from the year 2000. The registered trade mark on which the plaintiff were claiming the rights were registered in the name of Sh R.K. Arora but have not disclosed the relationship between plaintiff no. 1 and 2. There was no assignment of the registered trade mark MEDILICE from R.K. Arora to the plaintiffs. Plaintiff's claim of the mark as well known mark was false and do not qualify under section 2 (1) (zg) of Trade Mark Act. Plaintiff has filed the suit with mala fide intentions. There was no cause of action. Plaintiff is engaged in the business of manufacturing pharmaceutical products while defendant was engaged in manufacturing of ayurvedic medicines and healthcare products. Plaintiff's product is a shampoo while defendant's product is an ayurvedic hair oil. The products of the parties are totally different and are not allied or cognate to each other and sales counters / outlets and trade channels of both the products are also different. Defendant had been bona fide using the trade mark MEDILICE since 13-03-2000. The trademark MEDILICE is registered in the name of defendant in class 16 under number 4290825 as on 12-09-2019 in respect of labels, bags, articles for packaging, wrapping and storage of paper of plastics including in class 16 vide certificate of registration of Trade Mark, Section 23 (2) rule 56 (1) Trade Marks Act, 1999. Plaintiff was aware of the defendant's product under the trademark MEDILICE since 13-03-2000 as was evident from the Examination Search Report to the plaintiff no. 1's application dated 02-07-2001, where the mark MEDILICE was cited as applied by the

defendant. The picture of the packaging / wrapping material was also different. Plaintiff has malafidely stated that for the first time in first week of July, 2020, it came to know about the publication of application no. 4062424 dated 21-01-2019 for registration of the mark MEDILICE LICE KILLER by the defendant and plaintiff was aware of the user, goodwill, reputation and rights of the defendant in respect to the above mark much prior to July, 2000 as evident from the examination search report to plaintiff no. 1's application no. 1022531 dated 2-07-2001. Defendant has not indulged in infringing or passing off. Defendant is a prior user of the said trade mark. They also denied that Mr Swapnil Mishra was competent to file the present suit.

5. On merits, the defendant denied that it was using the plaintiff's identical mark MEDILICE, amounting to infringement by stating that their products are completely different and defendant had been bonafidely using the same since 13-03-2000. Defendant denied that the plaint has been signed and verified by Mr Swapnil Mishra, who is the authorized signatory of both the plaintiffs and duly authorized to do so on their behalf. Defendant submitted that the plaintiff is not the proprietor of the trademark MEDILICE and also not entitled to any protection. Defendant denied the plaintiff's claim of having acquired reputation of the trade mark and stated that they were registered trade mark holder of the trade mark MEDILICE under class 16 and had applied under class 5 & 35 which was objected to / opposed / pending. Defendant denied that plaintiff came to know about defendant's product

on a third party e-commerce website namely www.rajved.in and stated that their products were completely different. Defendant further claimed that it was using ayurvedic product which are safe for children and made from jadibuties and oils. Defendant denied that plaintiff is entitled for any relief.

6. Plaintiff filed replication denying the contents of written statement and reiterating the contents of its plaint. Plaintiff clarified that plaintiff nos. 1 & 2 were sister concern of Wings Group and had common stake holders. They had clearly explained the relationship between the original plaintiffs but claimed that defendant is trying to confuse the court. Plaintiff denied that defendant was manufacturing products under ayurvedic oil and stated that line of business and targeted customers of both the parties are similar. The products are falling under class 3 and class 5 and the intended purpose was getting rid of lice and, therefore, the intended customers are also similar. Defendant is a junior adopter and is diminishing and weakening the plaintiff's identification / trade mark MEDILICE. Defendant's act is causing confusion to ordinary customers.

7. On the pleadings, following issues were framed on 04-05-2022:

1. Whether the plaintiff is entitled for permanent injunction restraining the defendant / its agents, etc. from infringing the plaintiff's trade mark MEDILICE as alleged.?(OPP)
2. Whether the plaintiff is entitled for

decree for permanent injunction restraining the defendant for passing off their goods as plaintiff's goods by using trademark MEDILICE?(OPP)

3. Whether the plaintiff is entitled for rendition of accounts?(OPP)

4. Whether the plaintiff is entitled for order against defendant regarding delivery of infringing goods using the trade mark MEDILICE?(OPP)

5. Whether there is no cause of action? (OPD)

6. Whether the plaintiff has concealed material facts? (OPD)

7. Whether the AR of the plaintiff is not a authorized person to file the present suit? (OPD)

8. Relief.

8. An additional issue no. 7-A was framed on 13-09-2022, which is as under:

“7-A. Whether the present suit is not maintainable on the grounds of undue delay and acquiescence as alleged? OPD.”

9. Plaintiff has examined three witnesses viz PW-1 Sh Rajinder Prasad, PW-2 Sh Shailender Kumar Singh and Sh PW-3 Sh Vipin Verma on its behalf and thereafter closed its evidence. Defendant examined DW-1 Sh Kirit Bhadiara as its sole witness and thereafter closed its evidence.

10. PW-1 has broadly deposed on the lines of plaint in his affidavit of evidence Ex. PW-1/A and has proved the following documents:

1. Board Resolution dt. 04.04.2022 issued by Plaintiff namely, Wings Pharmaceuticals P. Ltd. in favour of Mr. Rajinder Prasad Arora, Director – **Ex. PW-1/1**

2. Board Resolution in favour of Mr. Swapnil Mishra - **Ex. PW-1/Y** (Ex. PW - 1/2 as per Evidence Affidavit and MARK A as per order sheet dated 31.10.2022)

3. Authority letter issued by the original plaintiff No. 2 (M/s Wings Biotech) in favour of Mr. Swapnil Mishra – **Ex. PW-1/3**

4. Internet downloaded incorporation details of the Plaintiff as downloaded from the Ministry of Corporate Affairs – **Ex. PW-1/4**

5. Affidavit dated 16.07.2022 under Section 65B of the Indian Evidence Act, 1872 – **Ex. PW-1/5**

6. Partnership deed dated 01.04.2014 of original Plaintiff No. 2 (Wings Biotech) comprising of partners Sh. Kamal Krishan Arora, Sh. Rajinder Prasad Arora, Sh. Rakesh Kumar Arora & Sh. Anil Arora - **Ex. PW-1/Z** Ex. PW - 1/6 as per Evidence Affidavit - MARK B as per order dt. 31.10.2022)

7. Written memorandum of family settlement dated 30.04.2022 (recording oral settlement dated 31.03.2022) - **Ex. PW-1/Y-1** (Colly) (Ex. PW - 1/7 as per Evidence Affidavit - MARK C as per order dt. 31.10.2022)

8. Internet downloaded copy of the order dated 05.05.2022, passed in FAO (OS) (COMM.) No. 182 of 2021 (Suit between Wings Group entities and family members) - **Ex. PW-1/8**

9. Plaintiff's letter dated 14.07.1998 addressed to the licensing authority, requesting grant of permission to manufacture PERMETHRIN being the main component of Plaintiffs' trade mark MEDILICE anti-lice shampoo – **Ex. PW-1/9**

10. FORM 30 for license to manufacture the drug Permethrin Shampoo dated 14.07.1998 – **Ex. PW-1/10**

11. Challan N. 773 & 774 dated 13.07.1998 qua covering fees for test analysis of Permethrin – **Ex. PW-1/11**

12. Drugs Controller Department's correspondence letter dated 17.8.1998 regarding grant of permission on FORM 29 to manufacture PERMETHRIN Shampoo – **Mark D & Ex. PW - 1/12** as per Evidence Affidavit
13. Manufacturing license dated 24.4.2001 for grant of permission to manufacture MEDILICE shampoo issued by Drugs Control Department, Government of National Capital Territory of Delhi giving reference to letter dated 11.12.2000 - **Ex. PW-1/13**
14. Registration details of Plaintiff's trade mark MEDILICE under no. 2845531 dated 19.11.2014 in class 3 for shampoos, claiming use from 29.04.2011 as downloaded from the official website of Trade Mark Registry – **Ex. PW-1/14**
15. Affidavit dated 31.07.2020 under Section 65B of the Indian Evidence Act, 1872- **Ex. PW-1/15**
16. Deed of assignment dated 25.03.2022 between Wings Pharmaceuticals P. Ltd. and Wings Biotech LLP - **Ex. PW-1/ DX1** (Ex. PW - 1/16 as per Evidence Affidavit MARK E as per order dt. 31.10.2022)
17. Deed of Partnership and supplementary deed dated 1.04.2014 – **Ex. PW-1/DX-2.**
18. Request dated 13.07.2022 on Form TM-P by Plaintiff to be recorded as the subsequent proprietor for trade mark application under no. 2845531 -**Ex. PW-1/17**
19. Sample sales invoices qua the Plaintiff's products from the year 2004 till 2019 – **Ex. PW-1/18**
20. Defendant's impugned application for the mark MEDILICE LICE KILLER under no. 4062424 dt. 21.01.2019, which has been opposed by the Plaintiff - **Ex. PW-1/19**
22. Defendant's trade mark application for the mark MEDILICE under no. 909334 dated 13.03.2000 which stands Abandoned - **Ex. PW-1/20**
23. Defendant trade mark application for the mark MEDILICE LICE KILLER under no. 2771629 dated 10.07.2014 which is currently OBJECTED- **Ex. PW-1/21**
24. Screenshots from the website namely [www.rajved.in](http://www.rajved.in) indicating Defendant's product being sold in Delhi – **Ex. PW-1/22**

25. Plaintiff's trade mark application for the mark MEDILICE under no. 1022531 dated 02.07.2001 – **Ex. PW-1/DX-3**

26. Examination report issued in Plaintiff's trade mark application for the mark MEDILICE under no. 1022531 dated 02.07.2001- **Ex. PW-1/DX-4**

27. Reply to Examination report issued in Plaintiff's trade mark application for the mark MEDILICE under no. 2845530 dated 13-05-2016 – **Ex. PW-1/DX-5**

28. Examination report dated 12-01-2016 in application no. 2845530 in class 5 – **Ex. PW-1/DX-6.**

11. PW-2 tendered his evidence by way of affidavit vide Ex. PW-2/A wherein he stated that he joined Wings Pharmaceuticals Pvt Ltd as Assistant Manufacturing Chemist in the year 1998 and currently designated as DGM-Production with Wings Biotech LLP. During his cross examination dated 15-11-2022 he stated that in September / October, 1998 he was asked to manufacture first batch of MEDILICE. That in 1998 the company had obtained the license to manufacture the product under the brand MEDILICE. The product was sent to various doctors for trial in September / October, 1998.

12. PW 3 is a Physician and tendered his evidence by way of affidavit Ex. PW-3/A in which he stated that since the year 1990 the representative of Wings Group used to regularly visit his clinic for the purpose of promotion of their products and that in the year 1998, Wings Group handed over about 90 bottles of Medilice anti-lice as free samples to him which he had given to his patients and received positive feedback and further that he was regularly prescribing MEDILICE to his

patients.

13. DW-1 in his evidence by way of affidavit Ex. DW-1/A has broadly relied upon the contents of his written statement and has proved the following documents:-

1. Status page of Plaintiff's registered TM MEDILICE in class 3 under no. 2845531 – **Ex. DW-1/1**
2. Copy of computer generated TM Search Report of the trade marks containing the word 'MEDILICE' in class 5 as on 24.9.2020 – **Ex. DW-1/2**
3. Copy of trade mark status application details of Plaintiff's mark bearing application under no. 1022531 dated 2.7.2001, 2845530 dated 19.11.2014 & 4617829 dated 20.8.2020 for the mark MEDILICE in class V -**Ex. DW-1/3**
4. Copy of Udyog Aadhar Registration Certificate in the name of the M/s Rapple Healthcare - **Ex. DW-1/4**
5. Copies of Certificate of renewal of License No. KD/AYU/184 issued by Food & Drugs Administration (M.S., Thane) in favour of Defendant in the year 2001 and in favour of Rapple Healthcare in the year 2018 - **Ex. DW-1/5 (Colly)**
6. Copies of Certificate of renewal of License No. KD/AYU/184 issued by Food & Drugs Administration (M.S., Thane) in favour of defendant in the year 2001 to 2023 -**Ex. DW-1/6** De-Exhibited vide order dt. 27.2.2023
7. Copy of Tax invoices issued by the Defendant- **Ex. DW 1/7.**
8. Copy of Tax invoices issued by the Defendant for the sale of his products in the year 2021 – 2023 - **Ex. DW-1/8** (De-Exhibited vide order dt. 27.2.2023)
9. Registration Certificate of the TM MEDILICE is registered in the name of the Defendant in Class 16 under no. 4290825 - **Ex. DW-1/9** (Colly) Objected to the mode of proof & admissibility
10. Packaging/ Wrapping labels of the products/ goods of the Plaintiffs

& Defendant under the mark 'MEDILICE' - **Ex. DW-1/10**

11. Copies of newspaper containing advertisements given by the defendant for promotion of sale of its products under the mark MEDILICE/ MEDILICE LICE KILLER - **Ex. DW-1/11**

12. Status Page of TM MEDILICE in the name of the Defendant in class 5 under no. 909334 dt. 13.3.2000, 2771629 dt. 10.7.2014 & 4062424 dt. 21.1.2019 - **Ex. DW-1/12 (Colly)**

13. Status Page of the application no. 4062425 dated 21-01-2019 - **Ex. DW-1/13**

14. Representation table comparing the dis-similarities between the Plaintiff's and Defendant's use of the mark MEDILICE- **Ex. DW-1/14**  
De-Exhibited vide order dt. 27.2.2023

15. New Packaging/ Wrapping labels of the products/ goods of the Plaintiffs under the mark 'HAIR SHIELD' previously known as MEDILICE' - **Ex. DW-1/15** - De-Exhibited vide order dt. 27.2.2023

14. I have heard the arguments of Ld Counsels for the parties and have gone through the written submissions alongwith judgments filed by the parties and the case file.

15. Ld Counsel for the plaintiff has relied upon the following judgments:

1. Syed Mohideen v. Sulochana Bai, 2015 SCC OnLine SC 1084
2. Centaury Traders vs. Roshan Lal Duggar & Ors. MANU/DE/0153/1977
3. Midas Hygiene Industries (P.) Ltd. & Anr. Vs. Sudhir Bhatia & Ors. (2004) 3 SCC 90
4. Laxmikant v. Patel vs. Chetanbhai Shah AIR 2002 SC 275
5. Pratima Chawdhury vs. Kalpana Mukherjee AIR 2014 SC 1304
6. Anil Verma vs R.K. Jewellers SK Group, 2019 SCC OnLine Del 8252
7. Glaxosmithkline Pharmaceuticals Ltd. vs. Horizon Bioceuticals Pvt. Ltd. & Anr. 2023 SCC OnLine Del 2065

8. Corn Products v. Shangrila Food Products, AIR 1960 SC 142
9. Sun Pharma Industries Ltd. vs Cipla Ltd. 2009 (108) DRJ 207
10. Allergan v. Chetana Pharma, 2007 (34) PTC 267 (Cal) (SJ)
11. Hindustan Pencils (P) Ltd. v. India Stationery, AIR 1990 Del 19
12. Shri Pankaj Goel v. Dabur 2008 (38) PTC 49 (Del)

**16.** Ld Counsel for the defendant has relied upon the following judgments:

1. Premier SPG and WVG Mills Pvt. Ltd. Vs. Football Association Premier League Ltd. & Anr, C.A.(COMM.IPD-TM) 15/2023 & I.A. 12418/2023
2. Vasundhara Jewellers Pvt. Ltd. v. Kirat Vinodbhai Jadvani, 2022 SCC OnLine Del 3370
3. S. K. Sachdeva v. Sh. Educare Ltd. 2016 SCC OnLine Del 473
4. Anil Verma v. R.K. Jewellers SK Group MANU/DE/1435/2019
5. Astrazeneca UK Ltd and Ors. V. Orchid Chemicals and Pharmaceuticals Ltd. MANU/DE/1621/2012
6. Nagubai Ammal and Ors. V. Orchid Chemicals and Pharmaceuticals Ltd. MANU/SC/0089/1956
7. Essel Propack Ltd v. Essel Kitchenware Ltd. Manu /MH/0355/2016
8. NNE Pharmaplan India Ltd v. CGMP Pharmaplan Pvt Ltd MANU/DE/0612/2010
9. Three-N-products vs Emami Limited MANU/WB/0011/2010
10. Valvoline Cummins Limited v. Apar Industries Limited MANU/DE/4370/2013
11. Nandhini Deluxe v. Karnataka Co-Operative Milk Producers Federation Ltd. MANU/SC/0779/2018
12. Mittal Electronics v. Sujata Home Appliances (P) Ltd. And Ors. MANU/DE/1695/2020
- S.B.L. Ltd. V. Himalaya Drug Co. MANU/DE/0311/1997

**17.** My issue-wise findings are as under:-

## ISSUE NO. 1

**1. Whether the plaintiff is entitled for permanent injunction restraining the defendant / its agents, etc. from infringing the plaintiff's trade mark MEDILICE as alleged. ?(OPP)**

The onus to prove this issue was on the plaintiff.

(i) Ld Counsel for the defendant had claimed that MEDILICE is a disjunctive and descriptive mark and hence no monopoly can be claimed by the plaintiff. In support of her argument she had relied upon *NNE Pharmaplan India Ltd v. CGMP Pharmaplan Pvt Ltd MANU/DE/0612/2010*. However, in the said case the injunction was refused on the ground that there are distinctive prefix used by both the parties before the use of the work PHARMAPLAN, the Court had also observed that there are two other parties using PHARMAPLAN, there was no registered trade mark in question and the Court was dealing with a suit of passing off. However in the present case, firstly there is no prefix used by the parties, secondly there is no one else in the market using MEDILICE, thirdly defendant having applied for registration itself cannot argue that the mark is descriptive and fourthly the present case is for the relief of injunction also. Ld Counsel for the plaintiff has placed reliance on **Automatic Electrical Ltd Vs I L K Dhwani (1999) 19 PTC 81 (Dimmerdot)** to argue that defendant having applied for registration, cannot argue that the mark is descriptive. There is weight in his said arguments. Furthermore, I find force in the arguments of Ld counsel for the plaintiff who has relied upon judgment reported as **Midas Hygiene**

**v. Sudhir Bhatia (2004) 3 SCC 90**, where it was held that in case of infringement injunction needs to follow.

(ii) Ld Counsel for the defendant has also relied upon the case titled as ***S.B.L. Ltd. V. Himalaya Drug Co. MANU/DE/0311/1997***, to submit that there is no likelihood of confusion or deceptive similarity between the trade marks. In the cited case the competitive marks were Liv.52 and LIV-T. The Hon'ble Division Bench post trial allowed the suit and enjoined the defendant from using the impugned mark LIV-T **2012 SCC OnLine Del 5701 : (2013) 53 PTC 1 (DB)**. In the present case, plaintiff is using identical mark, which is phonetically, visually and structurally similar. Ld Counsel for the plaintiff has relied upon the case of ***Midas Hygiene v. Sudhir Bhatia (2004) 3 SCC 90***, in support of his arguments. I find substance in his argument.

(iii) Ld Counsel for the defendant has also submitted that defendant is honest and concurrent adopter and user and relied upon the case titled as ***Three-N-products vs Emami Limited MANU/WB/0011/2010***. In the said case plaintiff was using AYUR and AYU and defendant was using AYURDHARA and AYUCARE and the court permitted the defendant to use the mark along with their respective names on the ground that AYUR / AYU describes Ayurveda and was used with other additional words. However, in the present case, firstly there is no counter claim, secondly there is no concurrent use as plaintiff has claimed its usage from 2004 (as per invoices) and defendant has claimed its usage since 2007 (as per invoices) and thirdly plaintiff is registered (for class III)

and defendant has no registration (for class III). Ld Counsel for the defendant had also relied upon *Valvoline Cummins Limited v. Apar Industries Limited MANU/DE/4370/2013*. However, the said judgment was appealed before the Double Bench of the Hon'ble Delhi High Court under FAO (OS) 71/2014, where it was disposed of vide order dated 26.03.2014 in terms of the settlement arrived at between the parties. Furthermore, the cited judgment is silent on injunction being disallowed on the pretext of the defendant being an honest and concurrent adopter and user.

(iv) Ld Counsel for the defendant has also argued that the rival goods in question are different and relied upon *Nandhini Deluxe v. Karnataka Co-Operative Milk Producers Federation Ltd. MANU/SC/0779/2018*. However, the cited case arose from (1) Opposition or rectification proceedings, (2) both parties held registration, (3) there was estoppel in as much as one of the mark proceeded for registration and it was not challenged by the opponent, and (4) the mark used was the name of the cow worshiped under Hindu mythology. However, in the present case there is no opposition or rectification proceedings, plaintiff holds registration (for class III), defendant has no registration (for class III), there is no estoppel, and the mark is distinctive.

(v) Ld Counsel for the defendant had submitted that the registration of the trade mark MEDILICE in class 3, was in the name of the original plaintiff no. 2 Wings Biotech and there was no valid assignment of the said trade mark in favour of original plaintiff no. 1 i.e. Wings

Pharmaceuticals Private Limited (plaintiff only as per amended memo of parties). However, PW-1 has deposed that the plaintiff's trade mark application for MEDILICE under no. 2845531 was originally filed by the partnership firm i.e. M/s Wings Biotech (Ex. PW-1/14). In 2014, PW-1 joined the partnership firm (Ex. PW-1/Z), thereafter the said partnership firm underwent a change in April 2021, wherein partnership firm (M/s Wings Biotech) was converted into Wings Biotech LLP as recited in Ex. PW-1/ DX1. PW-1 has further deposed that the abovementioned registration stands assigned along with all right, title, interest & goodwill to the plaintiff (namely Wings Pharmaceutical P. Ltd.) vide assignment deed dated 25.3.2022 vide **Ex. PW-1/ DX1**. PW-1 has confirmed the date on which the assignment deed was signed in the presence of Notary Public. PW-1 has also claimed that all the aforementioned entities are part of the family owned group entities. Ld Counsel for the plaintiff had submitted that requisite request dated 13-07-2022 was filed by the plaintiff before the Registrar of Trade Mark for its name to be recorded as subsequent proprietor vide Ex. PW 1/17. Ld Counsel for the defendant had submitted that the same was not valid assignment as the record of Registrar Trade Mark still mentions the said trade mark to be registered in the name of original plaintiff no. 2 M/s. Wings Biotech and not in the name of original plaintiff no. 1 (now plaintiff only as per amended memo of parties). Ld Counsel for the defendant had relied upon the judgment in the case of M/s Sambhu Nath & Brothers Vs Jai Rajendra Impex Private Ltd & Ors 2011 SCC OnLine

Cal 5457, to submit that since no steps were taken to perfect the trade mark assignment, same may dis-entitle the plaintiff from proceeding on the ground of infringement. In rebuttal, Ld Counsel for the plaintiff has relied upon the judgment of **Sun Pharma Industries Ltd. vs. Cipla Ltd. 2009 (108) DRJ 207 (para 8, 11 & 23)**, to submit that a third party cannot challenge an assignment between the plaintiffs. He had further submitted that in terms of the said judgment, a dispute as to assignment can be raised by the assignor or by some person claiming prior assignment and not by strangers or by persons claiming adversely to the assignor. I find force in the said argument of Ld Counsel for the plaintiff. Furthermore, the said assignment in favour of plaintiff no. 1 was permitted by the Trade Mark Registry vide **Ex. PW1/DX1**. In view of the same and in view of the aforesaid discussion, it is held that the said assignment was validly done in favour of the plaintiff and the plaintiff is having trade mark MEDILICE since 19-11-2014 under class 3 and the said registration is valid and subsisting. Thus, as per section 28 of the Trade Marks Act, 1999, the plaintiff has the exclusive right to use the said trade mark MEDILICE in respect to its “shampoo” falling under class 3. Admittedly, the defendant is not manufacturing any product qua its purported trade mark MEDILICE registered under class 16 Ex. DW-1/9 (although registration not duly proved) pertaining to stationary etc. The claim of the defendant is that its MEDILICE Lice Killer Oil (ayurvedic) falls under class 5. Although in the written statement the defendant had not claimed itself to be the prior user under

class 3 i.e. for MEDILICE LICE KILLER for lice treatment but in its written submissions defendant has taken a plea that it is prior user in respect of the same under class 3. Ld Counsel for the defendant had relied upon judgment reported as *Mittal Electronics v. Sujata Home Appliances (P) Ltd. And Ors. MANU/DE/1695/2020*, to claim that competing goods are not allied and cognate. However, Ld Counsel for the plaintiff has stated that the competing goods are allied and cognate in as much as they have same purpose. Furthermore, if the plea of the defendant is accepted then it would lead to an anomaly as the infringers would start using famous marks for goods that proprietors don't use, while claiming that they are prior user. I find force in the arguments of the Ld Counsel for the plaintiff.

(vi) Normally the Trade Mark Registry in a particular class gives exclusive right to use the said trade mark to the person having the said trade mark in that particular class only except when any other party is a prior user. As per Nice Classification, the products falling in class 3 & 5 of Trade Marks Act are mentioned below:

*“Class 3 Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; non-medicated soaps; perfumery, essential oils, non-medicated cosmetics, non-medicated hair lotions; non-medicated dentifrices”*

*“Class 5 Pharmaceuticals, medical and veterinary preparations; sanitary preparations for medical purposes; dietetic food and substances adapted for medical or veterinary use, food for babies; dietary supplements for humans and animals; plasters, materials for*

*dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides*”.

(vii) Thus, it is clear from the aforesaid that shampoo and oils whether normal or medicated will fall under class 3 and medicated shampoos and essential oils will fall under class 5. From the same, it is clear that there is overlapping qua the products of the parties i.e. MEDILICE shampoo of the plaintiff in class 3 and MEDILICE Lice Killer oil in class 5 of the defendant, as both have the same purpose of killing lice. Defendant is also using MEDILICE as part of its trade mark MEDILICE Lice Killer. DW-1 in his cross-examination has admitted that the competing goods are used for the same purpose and are being sold from the same counter i.e. chemist shops. Further, DW-1 did not specifically deny that the competing goods are sold at cosmetic shop, thereby admitting the sale of the competing products from the cosmetic shops also. From above, it is also clear that the distinctive trade mark of the plaintiff being used by the defendant purportedly for class 5 product of manufacturing oil (ayurvedic), will create confusion in the minds of consumers having average intelligence and imperfect recollection that the product of the defendant is also manufactured by the plaintiff. Ld Counsel for the plaintiff has also relied upon **Midas Hygiene v. Sudhir Bhatia (2004) 3 SCC 90**, to submit that since plaintiff is registered proprietor of the trade mark, injunction has to follow and that delay if any is no defence to the defendant. I agree with the submissions of Ld Counsel for the plaintiff.

As regards prior user of the said trademark in class 3, the Plaintiff has given audited sales figures for the period 2000 – 2021 with annual sales of over 6 crores in the year 2019-20. The Plaintiff has produced sample sales invoices of MEDILICE from the year 2004-2019 (Ex. PW-1/18), which pertains to the several districts of states like Jammu and Kashmir, Himachal Pradesh, Haryana, Punjab, Maharashtra, Gujarat, Chhattisgarh, Madhya Pradesh, Chennai, Kerala, Assam etc. Furthermore, in view of the sales figure of the plaintiff for the period 2000 - 2021 which have grown manifolds in past and the sample sales invoices Ex. PW-1/18 from 2004 till 2019, which have not been disputed by the defendant, as no denial suggestion qua the same was given in the cross-examination of PW-1 and hence the said invoices are deemed to be admitted. Hence, plaintiff has been able to prove its usage of said trademark from 2004 onwards on the basis of invoices proved from 2004 onwards. Thus, the plaintiff's claim that wrong user dates were mentioned in its trademark registration application, stands substantiated. Vide Ex. PW-1/18, the plaintiff has been able to prove its goodwill and reputation and that it is a well known trade mark meant for use of killing lice since 2004 and thus the plaintiff is prior user since defendant has claimed its invoices from 2007 onwards although the said invoices have not been duly proved. Therefore defendant though claiming its product being manufactured under class 5, which is medicated ayurvedic oil, is trying to ride on the goodwill and reputation of the plaintiff for gain. Accordingly, from the sales figures of the plaintiff at different

geographical locations, it is held that the product of the plaintiff is very popular and hence the defendant could not have used the said trade mark for selling similar products. In view of the above, the plaintiff has been able to substantiate its claim and entitlement for permanent injunction restraining the defendant / its agents, etc. from infringing the plaintiff's trade mark MEDILICE. Issue no. 1 is accordingly decided in favour of plaintiff and against defendant.

### ***ISSUE NO. 2***

***“2. Whether the plaintiff is entitled for decree for permanent injunction restraining the defendant for passing off their goods as plaintiff's goods by using trademark MEDILICE?(OPP)”***

(i) The onus to prove this issue was on the plaintiff. For deciding this issue, reasoning of overlapping given in the issue no. 1 is valid and not repeated herein for the sake of brevity. On the basis of testimony of PW-1 to PW-3, Ld Counsel for the plaintiff has claimed that plaintiff is prior and continuous user of the trade mark MEDILICE since 1998. Ld Counsel for the plaintiff has relied upon Ex. PW-1/9 which pertains to the permission from Drugs Controller Department qua the mark MEDILICE containing its core ingredients permethrin. However, PW-1 has admitted that the mark MEDILICE does not find mention on the said document as it was not required by the Licensing Authority to be mentioned during the relevant period. Hence it cannot be said on the

basis of the said document Ex. PW-1/9 that plaintiff was using the said trade mark MEDILICE since 14-07-1998. Ld Counsel for the plaintiff has relied upon the judgment in the case of **Glaxosmithkline Pharmaceuticals Ltd. vs. Horizon Bioceuticals Pvt. Ltd. & Anr. 2023 SCC On-Line Del 2065**, to submit that the dates of the aforesaid defendant's three applications for trade mark registration on behalf of the defendant, will not amount to actual usage from the dates of usage mentioned in the said applications as common to register does not prove that they are common to trade. I agree with the said submissions. The plaintiff has claimed sales figures from the year 2000 but the earliest invoices filed by the plaintiff is of 2004 and the date of user has to be inferred from the date of invoice and sale of the product in the market and not on the basis of the claim. The applications for registration of trade mark claiming particular dates of usage of its products, will ipso facto not prove the dates of usage of the products, in the absence of any invoices to the said effect. Further the testimony of PW-2 Assistant Manufacturing Chemist that in the year 1998 the company obtained manufacturing license for MEDILICE and he got the first batch containing 500 bottles of Medilice manufactured and the same was sent to various doctors for trial in September & October of 1998 and the testimony of PW-3 Physician that in the year 1998 the plaintiff handed over 90 bottles of MEDILICE anti-lice as free samples, which were distributed by him as free samples to his patients, is of no consequence as admittedly no invoices qua the usage of the said product from the

year 1998 have been proved on record and hence the usage from 1998 does not stand proved. However, on the basis of the sample sales invoices of the plaintiff's product from the year 2004 till 2019 Ex. PW-1/18 (which was not disputed by the defendant), it can be inferred that the plaintiff's product is in usage since the year 2004. Thus, the plaintiff's claim that wrong user dates were mentioned in its trademark registration application, stands substantiated. Defendant has claimed usage of its products since 11-12-2000. Admittedly, defendant had filed an application for registration of the mark MEDILICE Lice Killer on 21-01-2019 and it is plaintiff's claim that for first time, it came to know about the same in July, 2020 and immediately filed an opposition. Defendant had claimed usage since 13-03-2000 under class 5 but there is no document for its claimed use since 2000. Defendant had also filed two other applications for MEDILICE and MEDILICE Lice Killer filed in the year 2000 and 2014, which stood abandoned and objected. The application filed in the year 2000 by the defendant was on proposed to be used basis and subsequent applications claimed date of first application as date of use. Admittedly, no sales invoices qua the said user dates have been proved by the defendant. Furthermore, the defendant has failed to show usage of its products since the year 2000. Defendant has also not given any sales figures of its product. Also the certificate of renewal of license issued by Food & Drugs Administration in favour of the defendant for the year 2001 Ex. DW-1/5, does not prove use of MEDILICE since 2000. Ld Counsel for the plaintiff had placed

reliance on *Allergan v. Chetana Pharma, 2007 (34) PTC 267 (Cal) (SJ), Para 11*, to substantiate his contention that mere manufacturing license does not prove usage and I find force in his submission. With respect to the defendants sales invoices Ex. DW 1/7 (Colly), DW-1 admitted that he only handled production & marketing and that the bills were not prepared by him but by the billing clerk. The sales invoices from 2007 -2010 of the defendant were objected by the plaintiff in the cross-examination of DW-1 on the grounds of mode of proof & admissibility. DW-1 in his cross-examination dated 17.03.2023, had admitted that the said bills were not prepared by him but were prepared by the billing clerk namely, Sh. Murli Swain. The said billing clerk was not produced for evidence despite his availability and hence the said invoices also could not be proved by the defendant. As regards the remaining invoices for period 2010-2020, which is also part of Ex. DW 1/7 (Colly), DW-1 stated that he cannot identify the person who had signed the said invoices. Hence, the said invoices could not be proved by the defendant. Purported copy of tax invoices issued by the defendant for the sale of his products in the year 2021 – 2023 mentioned as Ex. DW-1/8, was de-exhibited vide order of Ld Predecessor dated 27-02-2023. In view of the aforesaid discussion and reasoning given in the previous issue qua similarity in the trade marks and the deception and confusion it is likely to cause, it is held that plaintiff is the prior user of the said trade mark MEDILICE for shampoo and the defendant could not have used the said trade mark MEDILICE Lice Killer in its oil

(ayurvedic) in class 5. The defendant had not placed original of Ex. DW-1/12 (Colly) and the said issue was kept open to be decided during final disposal as per order dated 27-02-2023 of the Ld Predecessor. Since the defendant had neither placed the originals of said documents, nor lead secondary evidence qua the said documents and the plaintiff had disputed the said documents, accordingly, Ex. DW-1/12 does not stand proved. Furthermore for the reasons that defendant is trying to ride on the goodwill and reputation of the plaintiff and its use of the said trademark for its products is harmful to the prior user's goodwill, a case of passing off is also made out in favour of the plaintiff. Accordingly, the present issue is therefore decided in favour of the plaintiff and against the defendant.

### ***ISSUE NO. 3***

#### ***“3. Whether the plaintiff is entitled for rendition of accounts?(OPP)”***

(i) The onus to prove this issue was on the plaintiff. Plaintiff has prayed for rendition of accounts of profits earned by the defendant. Ld Counsel for the plaintiff had submitted that vide order dated 24-02-2022 of Ld Predecessor, defendant was directed to file their documents i.e. statement of account in regard to product in question on six monthly basis so as to arrive at a figure, in case plaintiff is held entitled to any damages after the trial is concluded. The main evidence i.e. sale figures of the product of the defendant i.e. MEDILICE lice killer were in the

domain and possession of the defendant and defendant has withheld the best evidence in this regard and therefore, an adverse inference has to be drawn against the defendant on this aspect. In view of the findings of issue nos. 1 & 2, the plaintiff is actually entitled to the rendition of accounts but since the defendant has not produced the said accounts, therefore, the exact rendition of accounts is not possible. In the case of **Microsoft Corporation v. Rajendra Pawar & Anr. reported as 2008 (36) PTC 697 (Del.)**, considering the aspect of punitive damages, it was held as below:-

*"22. Perhaps it has now become a trend of sorts, especially in matters pertaining to passing off, for the defending party to evade Court proceedings in a systematic attempt to jettison the relief sought by the Plaintiff. Such flagrancy of the Defendant's conduct is strictly deprecatory, and those who recklessly indulge in such shenanigans must do so at their peril, for it is now an inherited wisdom that evasion of Court proceedings does not de facto tantamount to escape from liability. Judicial Process has its own way of bringing to task such erring parties whilst at the same time ensuring that the aggrieved party who has knocked the doors of the Court in anticipation of justice is afforded with adequate relief, both in law and in equity. It is here that the concept of awarding*

*punitive damages comes into perspective.*

*23. Punitive damages are a manifestation of equitable relief granted to an aggrieved party, which, owing to its inability to prove actual damages, etc., could not be adequately compensated by the Court. Theoretically as well as practically, the practice of awarding of punitive damages may be rationalized as preventing under compensation of the aggrieved party, allowing redress for undetectable torts and taking some strain away from the criminal justice system. Where the conduct of the erring party is found to be egregiously invidious and calculated to mint profits for his own self, awarding punitive damages prevents the erring party from taking advantage of its own wrong by escaping prosecution or detection.”*

(ii) Relying upon the aforesaid judgment and in the facts and circumstances, plaintiff is entitled to punitive damages to the tune of Rs. 10 Lacs payable by the defendant to the plaintiff. Issue no. 3 is accordingly decided in favour of the plaintiff and against the defendant.

#### **ISSUE NO. 4**

**“4. Whether the plaintiff is entitled for order against defendant**

**regarding delivery of infringing goods using the trade mark MEDILICE?(OPP)”**

In view of my aforesaid findings to issue nos. 1 & 2, it is held that the plaintiff is entitled for order against defendant regarding delivery of infringing goods using trademark MEDILICE. Accordingly, issue no. 4 is also decided in favour of the plaintiff and against the defendant, who is directed to deliver any such material to the plaintiff having the name MEDILICE Lice Killer oil or destroy the same or deface the goods having said trademark in the presence of plaintiff or its authorized representative and not to use the same in future.

**ISSUE NO. 5**

**“5. Whether there is no cause of action? (OPD)”**

The onus to prove this issue was on the defendant. However, in view of my findings to issue nos. 1 & 2, defendant has failed to substantiate his claim of plaintiff not having any cause of action in its favour. Accordingly, this issue fails and is decided against the defendant.

**ISSUE NO. 6**

**“6. Whether the plaintiff has concealed material facts? (OPD)”**

(i) The onus to prove this issue was on the defendant. Ld Counsel for the defendant has stated that the plaintiff was aware of the defendant's use of the said trade mark as defendant's mark was cited as conflicting mark in the examination report of the plaintiff's trade mark application. However, I find force in the submissions of the Ld Counsel for the plaintiff that the principle of Approbate and Reprobate raised by Ld Counsel for the defendant relying upon the judgment titled as *Anil Verma v. R.K. Jewellers SK Group (MANU/DE/1435/2019)*, is not applicable since the plaintiff had given cyclostyled response to the examination report and cyclostyled oppositions and cyclostyled responses to examination reports, cannot be the basis for deciding valuable legal rights as per the said judgment and further defendant was not a party thereto, the said representation was not made to the defendant, the defendant had not accepted and relied upon the same and relying upon the said factual representation, the defendant had not altered its position. Further, whether the marks are deceptively similar or not, is a question of inference. Another submission of Ld Counsel for the defendant relying upon the judgment in **Astrazeneca UK Ltd and Ors. V. Orchid Chemicals and Pharmaceuticals Ltd. MANU/DE/1621/2012**, on the point of approbate and reprobate, is not applicable in the present case as the admission in the said suit was inter-se between the parties whereas in the present case the alleged admission was made by the plaintiff in reply to the objections raised by the Trade Mark Registry, where defendant was not a party. On the said point Ld

Counsel for the defendant also relied upon **Nagubai Ammal and Ors. V. Orchid Chemicals and Pharmaceuticals Ltd. MANU/SC/0089/1956**. However, the same was not an Intellectual Property Rights matter. In the said case also the admission was in a suit inter-se between the parties which is not a case herein. I also find substance and force in the judgment relied upon by the Ld Counsel for the plaintiff in *Pratima Chawdhury vs. Kalpana Mukherjee, AIR 2014 SC 1304* on the point of estoppel. Accordingly, this issue also fails and is decided against the defendant and in favour of the plaintiff.

#### **ISSUE NO. 7**

#### **7. Whether the AR of the plaintiff is not a authorized person to file the present suit? (OPD)**

The onus to prove this issue was on the defendant.

PW-1 has proved his authority being one of the Directors of Plaintiff Company since the year 1991 and lead evidence by producing Board Resolution dated 04-04-2022 issued by the plaintiff vide Ex. PW 1/1. PW-1 further confirmed that he had authorized Mr. Swapnil Mishra to sign and institute the plaint on behalf of the plaintiff vide Ex. PW 1/Y and also identified signatures of Mr. Mishra. PW-1 has also proved the authority letter issued by (original) plaintiff no.2 firm in favour of Mr. Swapnil Mishra. PW-1 is the signatory of Ex. PW 1/Y and Ex. PW 1/3. From the testimony of PW-1 whereby he has been able to establish his

authority being one of the Directors of Plaintiff Company vide Board Resolution dated 04-04-2022 Ex. PW 1/1 and his further evidence that he had authorized Mr. Swapnil Mishra to sign and institute the suit on plaintiff's behalf vide Ex. PW 1/Y and also identified his signatures, plaintiff has proved that AR of the plaintiff was duly authorized to file the present suit. Since the defendant has not specifically given denial suggestion to PW-1 qua the said facts and documents, therefore they are deemed to be admitted. Accordingly, this issue is also decided against the defendant and in favour of the plaintiff.

#### **ISSUE NO. 7 A**

**“7-A. Whether the present suit is not maintainable on the grounds of undue delay and acquiescence as alleged? OPD.”**

(i) The onus to prove this issue was on the defendant. Ld Counsel for the defendant had stated that there is delay on the part of the plaintiff in filing the present suit as the plaintiff was knowing about the trade mark application filed by the defendant as his mark was cited in the examination report dated 12-01-2016 (page 76) and relied upon the judgment in the case of **Essel Propack Ltd v. Essel Kitchenware Ltd. Manu /MH/0355/2016**. However, I do not find any substance in the arguments of Ld Counsel for the defendant for delay and acquiescence relying upon the judgment above as in the said case the suit was filed after seven years of the legal notice whereas there is no delay in the

present case. This suit was filed immediately after coming to know about the defendant's product being sold online. Furthermore, plaintiff has relied upon the judgments reported as *Reddy Laboratories Ltd. (Dr.) Vs. Reddy Pharmaceuticals Limited, 2004 SCC OnLine Del 668 (2004) 76 DRJ 6161* and *Hindustan Pencils (P) Ltd vs India Stationery, AIR 1990 Del 19* in support of his arguments on this point, where it was held as under:-

“In *Hindustan Pencils Private Limited v. India Stationary Products Co. MANU/DE/0383/1989 : AIR 1990 Del 19*, the Court dealt extensively with the question of delay and acquiescence. It was held that in order to claim the defence of acquiescence, there should be a tacit or an express assent by the plaintiff to the defendant's using the mark and in a way encouraging the defendants to continue with the business. It is as if the plaintiff wants the defendant to be under the belief that the plaintiff does not regard the action of the defendant as being violative of the plaintiff's rights.

In *Dr. Reddy Laboratories Pvt. Ltd. V. Reddy Pharmaceuticals MANU/DE/3136/2013*, the question of acquiescence and laches was discussed elaborately and the Court took note of the fact that the owners of trademarks or copyrights cannot be expected to run after every infringer and thereby remain involved in litigation at the cost of their business time, but can wait till the time the user of their name starts harming their business interests and starts misleading and confusing their customers.”

(ii) A mark being cited does not mean that it is also being used in the market and further that what is “common on the register” does not prove that it is also “common to the trade”. Such an applications and contents thereof are not proof of usage of the products with the said trade marks.

PW-1 has clearly claimed that it came to know about the selling of the said products of the defendant in the first week of July, 2020, when it came across the publication of the defendant's application for registration of the impugned mark MEDILICE Lice Killer under no. 4062424 dated 21.01.2019, which was published on 16.03.2020 in Journal No. 1945-0 and plaintiff immediately filed an opposition to the said application and also that upon conducting an online search plaintiff came across the defendant's product under the impugned mark on a third-party e-commerce website namely, www.rajved.in, which claims to supply the product all over India and the suit was filed on 24-08-2020 and hence there was no delay on the part of the plaintiff. Furthermore, even if for arguments sake it is assumed that plaintiff was aware about the defendant using the said trade mark, still the plaintiff was not expected to run after every infringer.

(iii) In *Emcure Pharmaceuticals Ltd. V. Corona Remedies Pvt. Ltd. MANU/MH/ISS0/2014*, the Bombay High Court extensively discussed the defence of acquiescence as available to an alleged infringer of trademark. It was held that a mere failure to sue without a positive act of encouragement is no defence and is no acquiescence. Further, examining the concept of "acquiescence", it was observed that acquiescence is a species of estoppel, a rule in equity and a rule of evidence and it is essential to the acquiescence doctrine that it is accompanied by an encouragement or an inducement: he who possesses a legal right must

have encouraged the alleged violator of that right in acting to the latter's detriment, confident in the knowledge that the former is not asserting his rights against the violator. Acquiescence is sitting by when another invades your rights and spends money in the doing of it. It is conduct incompatible with claims of exclusivity, but it requires positive acts, not mere silence or inaction (of the stripe involved in the concept of laches). Acquiescence is not mere negligence or oversight. There must be the abandonment of the right to exclusivity.

(iv) In view of the aforesaid discussion, this issue is also decided in favour of the plaintiff and against the defendant.

#### **ISSUE NO. 8 RELIEF**

In view of my findings to issues nos. 1 & 2, a decree for permanent injunction is passed in favour of plaintiff thereby restraining the defendant, its assignees in business, its distributors, dealers, stockists, retailers / chemists, servants and agents from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in cosmetic / medicinal preparations under the impugned mark MEDILICE and its variants or any other trade mark as may be deceptively similar to the plaintiff's trade mark MEDILICE amounting to infringement of registered trade mark no. 2845531 of the plaintiffs and a decree for permanent injunction is also passed in favour of plaintiff thereby restraining the defendant, its partners, proprietors (as the case may be),

its assignees in business, distributors, dealers, stockists, retailers / chemists, servants and agents from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in cosmetic / medicinal preparations under the impugned mark MEDILICE and its variants or any other trade mark as may be deceptively similar to the plaintiff's trade mark MEDILICE amounting to passing off the defendant's goods and business for those of the plaintiffs.

18. Plaintiff shall also be entitled to punitive damages to the tune of Rs. 10 Lakhs alongwith cost of the suit. It is to be noted that plaintiff shall first pay the court fees on the remaining amount of punitive damages ordered with regard to issue of rendition of account and only then damages amount awarded shall be executable.

Suit is accordingly decreed in above terms.

Decree sheet be drawn accordingly.

File be consigned to record room.

**Announced in open  
Court on 04-03-2024**

**(Ashutosh Kumar)  
District Judge (Commercial Court)-01  
West, Tis Hazari Courts, Delhi**