Sun Pharma Laboratories Ltd vs Finecure Pharmaceuticals Ltd. & Ors on 1 July, 2026

Author: Manmeet Pritam Singh Arora

Bench: V. Kameswar Rao, Manmeet Pritam Singh Arora

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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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   SUN PHARMA LABORATORIES LTD. ..
   versus

   FINECURE PHARMACEUTICALS LTD. & ORS.
   .....Respondents

Advocates who appeared in this case

For the Appellant : Mr. Sachin Gupta, Mr. Rohit
Prashansa Singh, Mr. Rajat J
Mahima Chanchalani, Advs.

For the Respondents : Ms. Rima Majumdar, Ms. Debol
Ms. Bindra Rana, Mr. Vikrant
Lucy Rana, Advs.

CORAM:
HON'BLE MR. JUSTICE V. KAMESWAR RAO
HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

JUDGMENT

MANMEET PRITAM SINGH ARORA, J.

1. The present appeal arises from the judgment dated 16.08.2023 passed by the learned Single Judge in I.A. No. 8800 of 2023 in CS(COMM) No. 283/2023, titled as 'Sun Pharma Laboratories Ltd. v. Finecure Pharmaceuticals Ltd. & Ors.' ['impugned judgment'], whereby the learned Single Judge refused the interim injunction against the Respondents. FACTS

2. The facts narrated by the Appellant in the appeal are as under: -

2.1 The Appellant is a wholly owned subsidiary of Sun Pharmaceuticals Industries Limited. The Appellant markets drugs and formulations in more than 150 countries of the world under its range of distinctive trademarks/brand names such as SUN/SUN PHARMA.

2.2 Appellant has been selling a pharmaceutical drug comprising of the molecule Pantoprazole, which is a Schedule H drug, under the trademark 'PANTOCID' since the year 1999. 'PANTOCID' is used for short-term treatment of acidity, acid-related diseases of the stomach and intestine such as heartburn, acid reflux, peptic ulcer disease, and some other stomach conditions associated with excessive acid production. Appellant's earliest registration for the trademark 'PANTOCID' is under Trademark Application ['TM'] No. 791979 dated 19.02.1998 for pharmaceutical and medical preparation falling in Class 5. Details of the Appellant's registration of its trademark 'PANTOCID' and its other formative marks in India as well as abroad is provided at paragraph 3(iii) of the appeal. 2.3 It is averred that the Appellant has acquired immense reputation and goodwill in its mark 'PANTOCID' and the medicine sold thereunder. The sales turnover for the financial year 2021-2022 is over Rs. 513 crores.

Details of the sales figures from the year 1999 to 2022 is provided at paragraph 3(iv) of the appeal.

2.4 Appellant has also been granted interim injunctions against third parties who were found infringing the Appellant's trademark 'PANTOCID', details of which are provided at paragraph 3(v) of the appeal.

2.5 The Respondent No. 1 is engaged in the manufacturing of medicine under the mark 'PANTOPACID' ['impugned mark']. Respondent No. 2 is a division of Respondent No. 1. Respondent No. 3 has filed an application for registration of the impugned mark 'PANTOPACID' (device) under TM Application No. 1805856 dated 13.04.2009 in Class 5 for pharmaceutical and medicinal preparations claiming use since 15.06.2007. The said application was opposed by the Appellant, and the opposition proceeding is since pending.

2.6 It is stated that in the 3rd week of April, 2023 the Appellant came across the Respondents' medicine under the impugned mark 'PANTOPACID' being sold on third party e-commerce interactive websites, and in Delhi. Thereafter, Appellant filed the underlying suit on 26.04.2023 seeking permanent injunction against the Respondents along with an application under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 ['CPC'].

2.7 Vide the impugned judgment the learned Single Judge held that the rival marks 'PANTOCID' and 'PANTOPACID' are deceptively similar and that the Respondents' mark 'PANTOPACID' infringes the Appellant's registered mark 'PANTOCID'. However, interim injunction was refused to the Appellant by the learned Single Judge on the grounds that (i) there is credible challenge to the Appellant's registration, (ii) Appellant did not disclose material facts such as the 2010 legal notice and Takeda GMBH, ['Takeda'] a German entity's prior registration which amounts to concealment,

and (iii) there was delay in approaching the Court. SUBMISSIONS BY THE APPELLANT

3. While reiterating the facts in the appeal, Mr. Sachin Gupta, learned counsel for the Appellant also submitted that the Appellant has been using the mark 'PANTOCID' since 1999 and has placed on record invoices evidencing such use.

3.1 He submitted that the TM application no. 1805856 filed by the Respondents was opposed by the Appellant on 28.10.2010. He submitted that Appellant had also issued a letter dated 16.09.2010 calling upon the Respondents to furnish evidence of adoption and use. He submitted that correspondence exchanged between the parties during October 2010, and the Appellant's evidence filed before the Trade Marks Registry on 13.01.2011 establish that the Respondents were called upon to substantiate its claim of use; significantly, the Respondents failed to file any evidence of use in support of its trademark application.

3.2 He submitted that the finding of the learned Single Judge that a sustainable challenge existed to the validity of the Appellant's registration is contrary to the statutory scheme of the Trade Marks Act, 1999 ['Act']. He submitted that the record demonstrates that the opposition filed by Takeda against the Appellant's mark was dismissed by the Registrar of Trade Marks ['Registrar'] under Section 18(4) of the Act by a reasoned order dated 27.12.2010; the Registrar specifically held that although Takeda possessed an earlier registration, it had failed to establish any use of the mark; the said order attained finality as it was never challenged either by Takeda or by the Respondents. He submitted that subsequently, Takeda's registration [TM No. 756590] lapsed and proceedings initiated by the Appellant for cancellation of the same were allowed vide order dated 08.01.20191, thus, the Appellant's registration stands on a firm statutory footing.

Provided at internal page 891 of the appeal 3.3 He submitted that Section 31(1) of the Act expressly provides that registration constitutes prima facie evidence of validity; it is settled law that a civil court ought not to go behind a valid registration except in exceptional circumstances such as fraud, ex facie illegality, or where the registration is of such a nature as to shock the conscience of the Court. Reliance is placed upon the judgment in Lupin Ltd. v. Johnson & Johnson2 and in Khadi & Village Industries Commission v. Khadi Design Council of India3 wherein it was held that only in extreme cases involving a substantial and credible challenge to validity can the Court disregard the statutory mandate contained in Section 31 of the Act. He submitted that no such exceptional circumstance exists in the present case.

3.4 He submitted that the finding regarding concealment is equally erroneous. He submitted that the Appellant had specifically disclosed in paragraph nos. 1 and 24 of the plaint that opposition proceedings between the parties had been pending since 2010; these averments were duly noticed by the learned Single Judge in the impugned judgment; in these circumstances, it cannot be contended that the non-disclosure of the letter dated 16.09.2010 amounts to deliberate concealment or suppression of material facts.

3.5 He further submitted that the alleged non-disclosure relating to Takeda's earlier registration is wholly immaterial as Takeda's opposition had already been dismissed in 2010 and the order had

attained finality. He submitted that once a trademark proceeds to registration, the validity of such registration must be assessed on the basis of the registration certificate itself; documents and proceedings preceding the grant of registration ceases to 2014 SCC OnLine Bom 4596, at paragraph nos. 55 and 60 2023 SCC OnLine Del 1747 have relevance for the purpose of determining the rights flowing from the registration. In this regard, reliance is placed on Teleecare Network India Pvt. Ltd. v. Asus Technology Pvt. Ltd.4, wherein a coordinate Bench of this Court held that documents pertaining to proceedings preceding registration are not material once the registration has been granted. 3.6 He submitted that the learned Single Judge further erred in holding that the Appellant was disentitled to relief on account of delay. He submitted that the record clearly establishes that when the Respondents' application was opposed and letter was issued in 2010, the Respondents were repeatedly called upon to produce evidence supporting its claim of use; despite such challenge, the Respondents failed to furnish any documentary evidence either in response to the legal notice or before the Trade Marks Registry during the opposition proceedings; in these circumstances, the Appellant cannot be faulted for not initiating immediate litigation. 3.7 He submitted that it is settled law that in cases of trade mark infringement, delay by itself is not a defence and cannot defeat the grant of injunction. The Supreme Court in Midas Hygiene Industries Pvt. Ltd. v. Sudhir Bhatia & Ors.5, has categorically held that where infringement is established, injunction should ordinarily follow irrespective of delay; likewise, in Hindustan Pencils Pvt. Ltd. v. India Stationary Products Co. & Anr.6, it was held that delay cannot be a ground to refuse injunctive relief; in Pankaj Goel v. Dabur India Ltd.7 it was held that a proprietor is not required to chase after every infringer and engage in continuous litigation merely to preserve its statutory rights.

2019 SCC OnLine Del 8739 (2004) 3 SCC 90 1989 SCC OnLine Del 34 2008 SCC OnLine Del 1744 3.8 He submitted that the finding of the learned Single Judge that the Appellant failed to establish priority of use is also unsustainable. He submitted that the Appellant has placed on record invoices evidencing use of the mark 'PANTOCID' since 1999; significantly, the learned Single Judge himself, in paragraph 64.1 of the impugned judgment, recorded that the Appellant, through its affidavit dated 15.07.2023, had succeeded in making out a prima facie case for taking the invoices into consideration. He submitted that once such a finding has been recorded, there was no justification for disregarding the Appellant's evidence of use at the interim stage.

3.9 He submitted that in an action founded upon infringement of a registered trademark, the proprietor is not required to independently establish prior use as a condition for enforcement of statutory rights; registration itself confers valuable rights capable of protection. Reliance is placed upon Gujarat Bottling Co. Ltd. v. Coca Cola Co. & Ors.8, and Wockhardt Ltd. v. Eden Healthcare Pvt. Ltd.9, wherein it has been recognised that a registered proprietor seeking relief for infringement is not required to establish user in the same manner as in a passing-off action. 3.10 He submitted that in view of the aforesaid facts, the impugned judgement refusing interim injunction despite a finding of infringement is liable to be set aside and the Respondents have to be restrained from using the impugned mark 'PANTOPACID' or any other mark deceptively similar to the Appellant's registered trademark 'PANTOCID' during the pendency of the suit.

(1995) 5 SCC 545 2014 SCC OnLine Bom 163 SUBMISSIONS BY THE RESPONDENTS

4. Ms. Rima Majumdar, learned counsel for the Respondents submitted that the findings recorded in the impugned judgement are well-reasoned and do not warrant interference in appellate proceedings. 4.1 She submitted that registration of a trademark does not automatically entitle a proprietor to obtain injunctive relief; a party seeking enforcement of statutory rights must also establish, at least prima facie, the validity of its registration and demonstrate entitlement to equitable relief. She submitted that, the learned Single Judge observed that the presumption of validity ordinarily attaching to registration stood diluted in view of the material placed on record concerning the prior registration of the identical mark 'PANTOCID' in favour of Takeda [TM No. 756590].

4.2 She submitted that, after passing of the impugned judgment, the Respondents have already pursued the statutory remedy available under Section 124 of the Act, by filing I.A. No. 8396/2024 seeking appropriate orders regarding the validity of the Appellant's registration; notice in the said application was issued on 15.04.2024 and the Appellant chose not to file a reply thereto; the challenge to validity, therefore, remains alive and pending consideration.

4.3 She further submitted that the learned Single Judge rightly concluded that the Appellant had approached the Court without full and frank disclosure of material facts; the Appellant has consistently claimed to be the proprietor of the mark 'PANTOCID', however, the record demonstrates that an identical mark had previously been adopted and registered by Takeda; the Appellant's assertion of coining the mark is, therefore, factually incorrect and misleading.

4.4 She submitted that the Appellant has also sought to create an erroneous impression regarding proceedings initiated against Takeda's registration; the cancellation order dated 08.01.2019 relied upon by the Appellant did not culminate in a substantive adjudication against Takeda, rather, the proceedings stood rendered infructuous upon the non-renewal and lapse of Takeda's registration.

4.5 She submitted that the learned Single Judge was also justified in taking note of the Appellant's failure to disclose the letter dated 16.09.2010 and the subsequent correspondence exchanged between the parties; these documents were not filed along with the plaint and came to light only after the Respondents drew the Court's attention to their existence. 4.6 She submitted that the very foundation of the Appellant's pleaded cause of action is doubtful; the Appellant alleged that it first became aware of the Respondents' use of the mark 'PANTOPACID' in April 2023 through sales in Delhi and on e-commerce platforms, however, no documentary evidence was produced to substantiate such assertions, no purchase invoice evidencing sale of the Respondents' product in Delhi was filed; the printout from the Tata 1mg platform relied upon by the Appellant itself reflected that the product was 'sold out', and the Respondents do not, in any event, sell their products through e-commerce platforms.

4.7 She submitted that the learned Single Judge also correctly held that the Appellant had failed to establish priority of use; the Appellant's claim of user since 1999 is founded almost entirely upon invoices that are seriously disputed by the Respondents; the invoices produced for the period 1999 to 2010 are all raised in favour of Aditya Medisales, an entity closely connected with the Appellant and sharing the same address and premises;

despite the buyer and seller allegedly operating from the same premises, the invoices record transportation of goods by road and air. She submitted that several invoices purportedly issued prior to April 2005 contain references to VAT, even though the VAT regime was introduced only with effect from 01.04.2005. She submitted that these inconsistencies cast grave doubt on the authenticity of the invoices relied upon by the Appellant. 4.8 She submitted that concerns regarding these transactions are not speculative and the same transactions formed the subject matter of whistle- blower complaints made before SEBI alleging diversion of funds through Aditya Medisales; although those proceedings were ultimately settled by payment of a settlement amount, the circumstances surrounding the transactions reinforce the need for careful scrutiny of the Appellant's documents.

4.9 She submitted that significantly the Appellant itself has taken the position in its additional affidavit that the disputed invoices are not relevant for the purpose of establishing infringement, however, Respondents have initiated proceedings under Section 340 of the Code of Criminal Procedure, 1973 ['Cr.P.C.'] [Crl. M.A. 20590 of 2023] in respect of the documents relied upon by the Appellant.

4.10 She submitted that the learned Single Judge rightly considered the issue of delay and acquiescence, as the Appellant admittedly had knowledge of the Respondents' mark and trade mark application since 2009, and despite such knowledge, the Appellant chose not to institute any infringement proceedings for more than fourteen years; during this period, the Respondents continued to build and expand their business under the mark 'PANTOPACID' and established a substantial market presence. She submitted that in these circumstances, the balance of convenience favoured maintaining the status quo rather than disrupting the Respondents' long- standing business.

4.11 She submitted that both parties products appeared in the same pharmaceutical and medical journals over several years, notwithstanding this fact, the Appellant pleaded that the Respondents' product did not feature in such journals.

4.12 She submitted that the scope of appellate interference with an order refusing interim injunction is extremely limited and it is a settled principle that an appellate court will not substitute its own view merely because another conclusion may also be possible, unless the exercise of discretion by the Court of first instance is shown to be arbitrary, perverse or contrary to settled principles of law, the appellate court ought not to interfere. She submitted that the Appellant has failed to demonstrate any perversity warranting appellate interference.

4.13 She submitted that, without prejudice to the foregoing submissions, the competing marks are, in any event, dissimilar and are not likely to cause confusion; the impugned mark 'PANTOPACID' was honestly and bona fide adopted by the Respondents in 2007; the mark is a coined combination derived from the INN word 'Pantoprazole-PANTO' thus common to trade, 'Proton Pump Inhibitor-P' and 'Acidity-ACID'.

4.14 She submitted that in these circumstances, the impugned judgment does not suffer from any legal infirmity, arbitrariness or perversity warranting interference by this Court.

FINDINGS AND ANALYSIS

5. This Court has heard the learned counsel for the parties and perused the record.

6. The Appellant is the proprietor of the mark 'PANTOCID', which stands registered vide TM No. 791979 dated 19.02.1998 in Class 5. The application filed in 1998 was granted registration on 01.02.2012 The Appellant uses this mark for sale of its drug which is made up of the molecule Pantoprazole, for the treatment of the ailment of acidity. The Appellant claims use of the mark 'PANTOCID' since 1999.

7. The Respondents' impugned mark 'PANTOPACID' is also used for sale of its drug which has the identical molecule Pantoprazole, for the treatment of the ailment of acidity. The Respondents adopted the impugned mark in December 2007 and filed a TM Application No. 1805856 on 13.04.2009 for registration of the mark 'PANTOPACID' in Class 5, which has been opposed by the Appellant and the said opposition proceeding is currently pending adjudication before the Registrar.

8. The drugs of the rival parties are identical [i.e., pharmaceutical and medicinal preparations] and the learned Single Judge in the impugned judgment has held that the Appellant's mark 'PANTOCID' and Respondents' mark 'PANTOPACID', are structurally, phonetically and visually confusingly similar10 and prima facie infringes Appellant's mark, however, despite the said finding the learned Single Judge has declined the interim injunction.

9. The learned Single Judge while opining 'PANTOPACID' prima facie infringes 'PANTOCID', however, declined to grant interlocutory injunction on the following grounds: -

> a. A prima facie sustainable challenge has been made out by the At paragraph 61.6 of the impugned judgement Respondents to the validity of the registration of the Appellant's mark 'PANTOCID'. Learned Single Judge held that registration of the Appellant's mark was proscribed in view of Section 11(1)(a) of the Act, as there existed a prior application filed by another proprietor Takeda for the identical mark 'PANTOCID'.
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> b. The Appellant had failed to disclose the aspect of Takeda's earlier trademark application, its consequences, and all aspects relating thereto in the plaint. Also, the Appellant had failed to disclose the issuance of the legal notice dated 16.09.2010, to the Respondents, in the plaint. Thus, the Appellant had failed to approach the Court with clean hands and was therefore disentitled to any injunctive relief. c. The Appellant's claim of priority of use of mark since 1999 was held to be a triable issue, in view of the disputes raised qua veracity of invoices relied upon by the Appellant. In particular, its claim of use, prior to 2011, was held to be triable.

d. The Appellant despite learning about the Respondents' trademark application for the impugned mark in 2009, had filed the suit only in the year 2023 thereby permitting the Respondents to grow into a formidable market player. The balance of convenience was therefore held in favour of the Respondents.

10. The Coordinate Bench while issuing notice in this appeal vide order dated 06.12.2023 recorded its prima facie view for not accepting the findings returned by the learned Single Judge qua the invalidity of the Appellant's registration and alleged non-disclosure of legal notice dated 16.09.2010. The detailed order reads as under: -

"1. Notice. Since the respondents are duly represented, let a reply, if so chosen and advised, be filed within a period of three weeks from today.

The appellant shall have a week thereafter to file a rejoinder affidavit. Let the appeal be called again on 19.02.2024.

2. Prima facie we find ourselves unable to sustain the impugned order and thus find that the appeal would merit further consideration bearing in mind the following facts.

3. Undisputedly, and as would be manifest from the ultimate conclusions which have come to be recorded by the learned Judge and which stand reflected in paragraph 61.6 of the impugned order, the learned Judge had found that both "PANTOCID" [the mark of the appellant] and "PANTOPACID" [of the defendants] were structurally, phonetically and visually similar, and thus prima facie the defendants product being infringing. This, in our considered opinion, was a matter of significance especially since the competing products were drugs. We bear in consideration the stringent standards that we adopt in such cases bearing in mind the principles laid down by the Supreme Court in Cadilla Health Care Ltd. Vs. Cadilla Pharmaceuticals Ltd. [(2001) 5 SCC 73].

4. However, the injunction ultimately appears to have been refused by the learned Judge upon considering the challenge raised to the registration obtained by the appellant and doubting the validity of an order dated 27 December 2010 passed by the Sr. Examiner which had in terms thereof disposed of certain opposition proceedings initiated by Takeda. It becomes pertinent to note that the appellant had asserted being in the market since 1998 and the aforesaid order of the Sr. Examiner had neither been questioned nor assailed by the opponent. We also bear in consideration the presumption of validity which applies by virtue of Section 31(1) of the Trade Marks Act, 1999 ["TM Act"] and thus the same being liable to be disregarded only in the face of a substantial challenge being mounted. On a prima facie evaluation, we find ourselves unconvinced that the respondent had met that test.

5. We also take note of the contention of the appellant who had claimed PANTOCID to be a well-known mark as contemplated under Section 2(zg) of the TM Act, the significant sales and turnover of the appellant from the product in question as well as its export. Of equal significance were the string of injunctions granted by various courts including this High Court as detailed in Para 19 of the plaint.

6. The learned Judge while refusing to frame an injunction despite having answered the issue of infringement in favour of the appellant additionally appears to have been swayed by an asserted suppression of facts by the plaintiff-appellant as would be evident from the following findings:

"63.3 Equally untrue, prima facie, is the statement, in para 32 of the plaint, that the plaintiff came to know of the defendants PANTOPACID mark in the third week of April 2023, as, in fact, the plaintiff had not only opposed the defendants application for registration of PANTOPACID on 28 October 2010, but had also issued a legal notice to the defendants on 16 September 2010, calling on the defendants to withdraw their application. On this aspect being pointed out during arguments in Court on 8 May 2023, the plaintiff, in their application dated 12 May 2023, sought to contend that reference to the legal notice dated 16 September 2010 was inadvertently omitted while drafting the plaint. This assertion cannot be accepted, as the plaintiff does not omit to mention that the Defendant 3 filed an application for registration of PANTOPACID on 13 April 2009, and was claiming user of the mark from 15 June 2007. I am unable to accept that the plaintiff selectively omitted, by inadvertence, to place the legal notice on record. The opposition, by the plaintiff, to the application of the Defendant 3 for registration of the PANTOPACID mark, and the legal notice dated 16 September 2010 are pivotal, as they indicate that the suit came to be filed 13 years the arising of the cause of action in favour of the plaintiff, contrary to what para 32 of the plaint seeks to portray. It is no answer for the plaintiff to contend that, in certain other documents which have been placed on record, such as the evidentiary affidavit filed by the Defendant 3 in support of its application, there is a reference to the legal notice dated 16 September 2010 issued by the plaintiff."

7. We, however, find ourselves unable to countenance the view so expressed in this respect having regard to the stand which was taken before the learned Judge and finds notice in the impugned order itself: "3. The plaintiff claims to have come across the defendants product PANTOPACID, also containing pantoprazole, in April 2023. The averment in this regard, as contained in the plaint, reads thus:

"KNOWLEDGE

21. The Plaintiff in the 3rd week of April 2023 came across the Defendant s medicine under the mark PANTOPACID SR being sold at Delhi and on third party e-commerce interactive websites, which is deceptively similar to the plaintiff's medicine under the trademark PANTOCID and PANTOCID DSR.

Elsewhere in the plaint, however, the plaintiff avers:

> "It may be noted that the Defendant No. 3 has filed one application for registration of the impugned trademark on PANTOPACID (device) under application no. 1805856 dated 13.04.2009 in class 5 for goods, namely "pharmaceutical and medical preparation included in class-05", claiming use since 15.06.2007. The said application is currently opposed. The application for registration was opposed by the Plaintiff vide opposition no. 770019 dated 28.10.2010. The Defendant No.3 filed its counter-statement on 06.06.2011 claiming continuous use since their date of adoption. The plaintiff filed its affidavit in evidence on 16.01.2012 along with documentary evidence in support of opposition specifically denying the Defendants alleged claim of use and further calling upon the to prove use by way of clear documentary evidence. The Defendant failed to file any evidence. The said opposition proceedings is currently pending and in all probability will be decided in favour of the Plaintiff and against the Defendant in view of the fact that the defendant has failed to prove any use."

8. The above disclosures, in our prima facie view, would have been sufficient to answer the argument of suppression of facts. While Mr. Sai Deepak urged us to consider that even the aforesaid assertions cannot be read as meeting the allegation of a failure to disclose the contents of the notice dated 16 September 2010, on an overall consideration of the disclosures as made, we find ourselves, at this stage and on a preliminary evaluation of the questions that are raised, unable to concur with the view as taken.

9. The appeal would merit further consideration."

[Emphasis Supplied]

11. Before we adjudicate on the challenge in the appeal, we deem it appropriate to reproduce the findings of the learned Single Judge on the issue of infringement of the mark, which was decided in favour of the Appellant and against the Respondents. The relevant paras read as under: -

> "61. Has infringement taken place?
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> 61.1 There can, in my prima facie view, be little doubt about the fact that PANTOPACID infringes PANTOCID, within the meaning of Section 29(2)(b) of the Trade Marks Act. "Infringement", within the meaning of Section 29(2)(b), takes place where three conditions are cumulatively satisfied. These are that-
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> (i) the defendants' trademark is similar to the plaintiff's registered trademark,
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> (ii) the goods or services covered by the marks are identical or similar and,
>
> (iii) because of (i) and (ii), there is likelihood either of-

(a) confusion on the part of the public or

(b) association of the defendants' trademark with the plaintiff's registered trademark.

61.2 That these cumulative factors exist, in the present case, in my view, hardly needs any discussion. There is marked phonetic similarity between PANTOPACID and PANTOCID. The classic test to be applied while examining the existence of phonetic similarity between marks is that enunciated by Parker, J., close on a century and a quarter ago in Re. Pianotist Co's application31, which is now locus classicus and has been followed by the Supreme Court, as well as various High Courts, including this Court, times without number32 "You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trademarks are used in a normal way as a trade mark for the goods of the respective owners of the marks."

Applying the Pianotist test, PANTOCID and PANTOPACID look and sound alike. They are both used as brand names for the same product, i.e. pantoprazole. A customer, who seeks to buy the product to cure his acidity, and who is not well versed with the names of drugs, is unlikely to be able to distinguish between PANTOCID and PANTOPACID. More accurately, there is every likelihood of a customer, who purchases PANTOCID on one occasion and, later, comes across PANTOPACID, to be confused into believing that he had earlier purchased the same drug.

61.3. .....A trademark which is confusingly or deceptively similar to an existing registered trademark does not, therefore, cease to be so, merely because the marks are used for prescription drugs. To err is human; and the dispensing chemist, if not the prescribing doctor, is as apt to err as the rest of us, even if to a lesser degree.

61.4 Nor can the difference in prices of the drugs be determinative of the aspect of infringement. We are dealing with pharmaceutical products, not with high-value electronic items, the price of which may burn a hole in the pocket. To my mind, neither does the chemist dispensing the medicine, nor, in most cases, does the patient who purchases the medicine, purchase it on the basis of its price. The very possibility of "initial interest confusion", i.e., of the unwary customer of average intelligence and imperfect recollection, on initially being confronted with the defendants' product, being placed in a state of wonderment, howsoever momentary, as to whether he has seen the product earlier, is sufficient to constitute "infringement". Moreover, following on the Cadila logic, there is no guarantee that the patient, who visits the chemist's shop and asks for PANTOCID, would encounter the seasoned shop owner. He may as well be dealing with his newly recruited assistant, who may not be aware of the subtle difference between PANTOCID and PANTOPACID. To the patient, it may make no difference, as, in either case, he would be dispensed pantoprazole. The very possibility of the patient being dispensed PANTOPACID instead of PANTOCID, however, results in the tort of infringement standing ipso facto committed against the plaintiff.

.....

61.6 Thus, PANTOCID and PANTOPACID, being structurally, phonetically and visually confusingly similar, PANTOPACID prima facie infringes PANTOCID."

12. The said findings of the learned Single Judge on the issue of infringement of Appellant's mark PANTOCID by Respondents' impugned mark PANTOPACID have not been challenged by the Respondents by filing cross-objections under Order XLI Rule 22 CPC.

13. We are also in agreement with the said findings of the learned Single Judge and are of the considered opinion that the Respondents' impugned mark 'PANTOPACID' is structurally, visually and phonetically deceptively similar to the Appellant's registered mark 'PANTOCID'.

14. Keeping in view of the aforesaid findings of the learned Single Judge on infringement in favour of the Appellant, and the prima facie view expressed by the coordinate Bench of this Court in its order dated 06.12.2023 on the unsustainability of the reasons given by the learned Single Judge for not granting interlocutory injunction, we proceed to examine the grounds of appeal.

15. The first reason recorded by the learned Single Judge for not granting the interlocutory injunction despite holding that the Respondents' impugned mark 'PANTOPACID' infringes the Appellant's mark 'PANTOCID', was that the registration of Appellant's mark was prima facie not valid in view of Section 11(1)(a) of the Act. The learned Single Judge held that in view of the earlier application of Takeda for an identical mark [PANTOCID], the Registrar prima facie could not have proceeded to register the Appellant's mark 'PANTOCID'. The learned Single Judge examined the order dated 27.12.2010 passed by the Senior Examiner of Trade Marks rejecting the objections filed by the successor in Interest of Takeda [Atlanta Pharma A.G. of Byk-Gulden-Strasse] and opined that prima facie, the legality of the said order was open to question.

16. To appreciate the aforesaid findings recorded by the learned Single Judge, we deem it appropriate to note certain undisputed facts pertaining to the prosecution history between the Appellant and Takeda, as are evident from the record. These facts are as under: -

> a. Takeda applied for registration of the mark 'PANTOCID' on 07.07.1997 vide application no. 756590 in Class 5 on a proposed to be used basis.

b. Appellant applied for registration of an identical mark 'PANTOCID' on 19.02.1998 vide application no. 791979 in Class 5 on a proposed to be used basis.

c. Takeda's trademark application was registered on 20.05.2005 and it was valid till 07.07.2017.

d. Takeda filed opposition to the Appellant's application, which was dismissed by the Senior Examiner of Trademarks vide order dated 27.12.2010. The said order was not challenged by Takeda.
e. Appellant's application proceeded to registration and certificate of registration was issued on 01.02.2012.

f. Appellant filed11 a rectification petition no. 260239 against the Takeda registration i.e., TM No. 756590. The said rectification petition was served on the successor of Takeda, who elected not to file a counter-statement. In addition, the successor of Takeda failed to renew the registration of TM No. 756590, which expired on 07.07.2017. Taking note of these facts, the Deputy Registrar of Trademarks vide order dated 08.01.2019 recorded that Takeda's TM No. 756590 shall be treated as removed from the Register of Trademarks and held that accordingly the rectification petition abates.

g. Takeda's registration TM No. 756590 for the mark 'PANTOCID' has since been removed and the said proceedings have attained finality.

17. The Appellant filed the present suit in May 2023, and on this date Takeda's registration TM No. 756590 had already been removed from the Register. We, however, observe that the learned Single Judge has not referred to this material fact in the operative portion of the impugned judgement while recording its findings on the validity of the Appellant's registration. The order dated 08.01.2019 passed by the Deputy Registrar and its effect, has not been considered by the learned Single Judge in its findings. In our considered opinion, in view of the order dated 27.12.2010 dismissing Takeda's opposition against Appellant's application, which was The date of filing is not available on the record but it appears to be prior to 10.03.2011.

also not challenged by Takeda and the subsequent order dated 08.01.2019 passed by the Deputy Registrar directing removal of Takeda's mark from the Register, established the fact that, on the date of filing of the present suit there existed only one mark 'PANTOCID' on the Register of Trademarks and the said registration was in favour of the Appellant. In these facts, in our considered opinion, presumption of prima facie validity under Section 31(1) of the Act could not have been disregarded by the learned Single Judge, at the interlocutory stage, as the facts required for attracting the ground of Section 11(1)(a) of the Act had ceased to exist, in the year 2019, with the removal of the Takeda registration of the mark 'PANTOCID'.

18. The principal reason for the learned Single Judge to not grant interim injunction despite expressly holding that the Respondents' impugned mark infringes the Appellant's registered mark was the existence of Takeda registrations in 2010/2012. However, in view of the events which transpired in the year 2019, the registration of Takeda had ceased to exist, even prior to filing of the suit, and therefore in our opinion could not have formed the basis for denial of interim injunction. However, this material fact of removal of Takeda registration in 2019, has not been considered by the learned Single Judge in its findings and in our considered opinion has led to an error, which led to wrongful denial of injunction.

19. Also, the Respondents themselves had not filed any application seeking rectification of the Appellant's mark 'PANTOCID' either before the Registrar or the High Court, when the injunction application was being adjudicated, despite being aware of Appellant's registration of its mark 'PANTOCID' at least since 2010. In view of the subsequent removal of Takeda's registration of its mark 'PANTOCID' in 2019, we fail to understand on what ground would the Respondents be able to maintain a challenge (in the year 202412) to the validity of the Appellant's registration on the basis of the since deleted Takeda registration.

20. We are therefore of the considered opinion that findings of the learned Single Judge that Respondents had made out a sustainable challenge to the validity of the registration of the Appellant's mark 'PANTOCID' in favour of the Appellant cannot be sustained.

21. We also note the finding of the learned Single Judge that the Appellant was guilty of not disclosing Takeda's earlier trademark application, its consequences and all aspects in the plaint and this disentitled the Appellant from the injunctive relief. This finding also cannot be accepted as the prosecution history between Appellant and Takeda had attained finality in the year 2019, much prior to the filing of the present suit. The said litigation had concluded in favour the Appellant and its statutory rights stood perfected. In these facts, the said litigation between the Appellant and Takeda was not a material fact for deciding the inter-se disputes between the rival parties. In our considered opinion, the non- disclosure of the said litigation would therefore not disentitle the Appellant from the interlocutory injunctive relief.

22. The learned Single Judge also took an exception to the Appellant's non-disclosure of the letter dated 16.09.2010 issued to the Respondents, in the plaint and documents. The Coordinate Division Bench in its order dated 06.12.2023 has dealt with this aspect in detail13, as reproduced at paragraph '10' of this order, and opined that prima facie there was sufficient Respondents have since filed I.A. 8396/2024 in the suit under Section 124 of the Act of 1999 for seeking permission of the Court to file a rectification petition, which is still pending consideration.

at paragraph nos. 6 to 8 disclosure, in the plaint, of the documents. In these facts, we have pursued the contents of the document dated 16.09.2010 and find that this is not a cease-and-desist legal notice. Instead, the contents of this letter, acknowledge the filing of the trademark application no. 1805856 by the Respondents and put the Respondents to notice of Appellant's prior trademark application no. 791979 and calls upon the Respondents to withdraw the said application, within 15 days on the ground of deceptive similarity. This letter also records the Appellant's stand that Respondents are not using the impugned mark 'PANTOPACID' for its drugs. We note that after issuing this letter dated 16.09.2010, the Appellant had duly filed its opposition petition on 28.10.2010 qua Respondents' application for the impugned mark and availed its statutory remedy. The filing of the opposition petition has been duly disclosed by the Appellant in its plaint at paragraph no. 24 and filed along with the plaint. We, therefore, find that non-mention of the letter dated 16.09.2010 and the non-filing of the said letter was not a fact, which could have been held to disentitle the Appellant from maintaining an application for interim injunction, as the material fact of statutory opposition filed in October, 2010 had been duly pleaded and filed with the plaint. We, therefore, are unable to accept the finding of the learned Single Judge that the interim application was liable to be rejected on the ground of the non-disclosure of letter dated 16.09.2010.

23. Lastly, the learned Single Judge held that since the Appellant was aware about the Respondents' impugned mark since 2009 and the Appellant had permitted Respondents to grow into a formidable market player, the balance of convenience was therefore in favour of the Respondents. With respect to this reason recorded for declining interim injunction, we may note that it appears that the learned Single Judge returned this finding on the touchstone of passing off. We hold this as the learned Single Judge at paragraphs 56 and 62.23 of the impugned judgment notes that, ordinarily an

injunction would follow in case where the infringement is made out, it however declined to grant injunction only on the ground that the validity of the Appellant's registration was open to challenge. The said paragraphs read as under: -

> 56. Be it noted, at the very outset, that none of the learned Counsel for the plaintiff advanced any independent argument to the effect that the defendants were passing off their product as the product of the plaintiff, though the plaintiff does so allege. I shall, therefore, also address the issue of passing off, towards the conclusion of this judgment, albeit in the light of the contentions advanced at the Bar.

.....

62.23 I am aware that, in Laxmikant V. Patel v. Chetanbhai Shah44 and in Midas Hygiene Industries (P) Ltd v. Sudhir Bhati45 (2002) 3 SCC 65 45 (2004) 3 SCC 90 , the Supreme Court has held that, where the infringement is found to occur, an injunction must ordinarily follow. Those, however, were not cases in which the question of the validity of the mark asserted by the plaintiff and, resultantly, the entitlement of the plaintiff to relief against infringement, under Section 28(1) of the Trade Marks Act, was involved. The Supreme Court has itself declared, time and again, that its judgments are not to be likened to theorems of Euclid, and that the applicability of the principles enunciated in decisions of the Supreme Court, to later cases, has to be gauged in the light of the facts before the Supreme Court, and the issue in controversy. Laxmikant V. Patel and Midas Hygiene would not, therefore, apply to the present case, where the validity of the registration of the mark asserted in the plaint is seriously open to question.

24. In view of our finding that there is no prima facie sustainable challenge raised by the Respondents to the Appellant's registration, and since the case of infringement was made out as recorded in the impugned judgment, the injunction ought to have been granted in favour of the Appellant keeping in view the ratio of Midas Hygiene Industries (P) Ltd. (supra) and Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd14 ['Cadila-2001'].

25. We have perused the certificate of the Chartered Accountant ['CA'] dated 23.05.2023 filed by the Respondents and find that in the year 2022-23, the Respondents recorded annual sales of Rs. 28.64 lakhs. The figures for the previous years are also within the range of Rs. 26 to Rs. 31 lakhs annually. No certificate with respect to advertisement expenditure has been filed and in fact, no expenditure towards advertisement has been pleaded. In contrast, the Appellant has placed on record the certificate of its Chartered Accountant dated 08.09.2022 and for the year 2021-22, it recorded annual sales of Rs. 513.63 crores. The sales for its previous years have since 2016- 17 been in excess of Rs. 315 crores, approximately. In these facts, the finding of the learned Single Judge that the Respondents have grown into a formidable market player between 2010 to 2023 is not borne out from the record. Moreover, the Respondents had been put to notice of the opposition, by the Appellant, for the use of the impugned mark in 2010 itself and the said opposition proceedings are still pending. We are therefore unable to agree that there is any balance of convenience in favour of the Respondents, especially, keeping in view the ratio of Cadilla-2001 (supra) qua public interest as is squarely applicable to the facts of this case. The findings of the learned Single Judge on priority of

use at paragraph no. 64.1 to 64.3 of the impugned judgement also, in our opinion, appear to be on the touch stone of passing off. However, since, we have held that the Appellant is entitled to the relief of injunction on the finding of infringement and there is no doubt (2001) 5 SCC 73, also noted at paragraph 61.3 of the impugned judgment.

that the Appellant applied for registration on 19.02.1998 and the Respondents, on their own showing claims user since 15.06.2007, the defence of prior use does not arise for consideration and the same therefore, is not a sufficient ground for denying injunction.

26. We, however, note that Respondents have raised a challenge to the genuineness of the invoices relied upon by the Appellant for its user claim for the period 1999 to 2005 and also to the contents of the CA certificate for the financial year 2012-13. No party can be permitted to approach the Court with fake documents and to this extent, the Appellant will have to satisfy the Court at trial with respect to the genuineness of its invoices and the contents of the CA certificate for the financial year 2012-13. The findings in this judgment does not deal with this plea of the Respondents and this plea is kept open to be decided by the Court at trial and in the Section 340 Cr.P.C. application [CRL.M. A 20590 of 2023], in accordance with law.

27. The Respondents have relied upon certain judgments during the arguments, on the issues of delay and laches, suppression of facts, validity of registration etc., however, based on our findings returned hereinabove, we do not find it apposite, at this prima facie stage, to deal with the said judgments.

28. In view of the aforesaid conclusions, the findings of the learned Single Judge in the impugned judgement dated 16.08.2023 holding that the Respondents have raised a credible challenge to the validity of Appellant's registration number 791979 dated 19.02.1998 is hereby set aside. The findings of the learned Single Judge as regards suppression and concealment are also set aside. The findings of the learned Single Judge on proof of prior use and balance of convenience are also set aside.

29. In view of the findings of infringement returned by the learned Single Judge and upheld by this Court, the Respondents, their proprietors/partners, its assignees in business, its distributors, dealers, stockists, retailers/chemists, servants and agents are hereby restrained from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in medicinal and pharmaceutical preparations under the impugned mark 'PANTOPACID', 'PANTOPACID D', and 'PANTOPACID SR' or any other trade mark as may be deceptively similar to the Appellant's trade mark 'PANTOCID' amounting to infringement of Appellant's registered trade mark.

30. With respect to the delay by the Appellant in approaching the Court seeking the injunction against the Respondents from 2010-2023, while the said delay in these facts is not sufficient to decline an interlocutory injunction in view of the findings of the infringement and public interest, however, it would have a bearing on the claim of damages prayed for in the suit as the Appellant would not be entitled to claim damages for the period prior to 2023, in view of its averments made at paragraph 21 of the plaint. DIRECTIONS

31. In view of the fact that Respondents have been carrying out sales at least since 2023 and there has been no injunction till date, the Respondents are granted liberty for limited period for disposing of its existing stock within a period of four (4) months. For availing this liberty, the Respondents will file an affidavit of its existing stock by giving all particulars of the batch number and manufacturing date within two (2) weeks. Subject to filing of the said affidavit, Respondents will be at liberty to sell its existing stock to the retailers within the time granted. However, effective as on the date of this order, no further manufacturing or packaging of its drugs under the impugned mark 'PANTOPACID' and other formative marks will be permissible.

32. The affidavit of stock details shall be filed in the suit proceedings within one (1) week and any further orders in this regard will be sought from the roster Bench hearing the suit.

33. In addition, we note that though the suit was filed on 26.04.2023 and the pleadings in the suit were completed on 28.08.2023, the issues in the suit have not been framed and the matter has not proceeded to trial for the last three (3) years. The parties are directed to assist the learned Single Judge in framing of issues and case management hearing on the next date that is 25.08.2026 in the suit, failing which, we would urge the learned Single Judge to pass appropriate orders against the defaulting party.

34. With the aforesaid directions, the appeal stands allowed. Pending applications, if any, stand disposed of.

MANMEET PRITAM SINGH ARORA, J V. KAMESWAR RAO, J JULY 01, 2026/rhc/AM/IB