

## IN THE HIGH COURT OF JUDICATURE AT MADRAS

Judgment Reserved on	04.09.2024
Judgment Pronounced on	23.01.2025

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## CORAM

THE HONOURABLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

C.S (Comm. Div.) No.232 of 2020

M/s.Apex Laboratories Pvt. Ltd.  
29, III Floor, SIDCO Garment Complex,  
Guindy, Chennai 600 032,  
rep. by its Authorised Signatory,  
D.Jude F.L.S.Durai Pandian

... Plaintiff

vs.

Macleods Pharmaceuticals Limited,  
304, Atlanta Arcade, Marol Church Road,  
Near Leela Hotel, Andheri Kurla Road,  
Andheri (East), Mumbai 400 059.

... Defendant

**PRAYER:** Plaint filed under Order VII Rule 1 CPC and Order IV Rule 1 of the Original Side Rules read with Sections 27, 28,29, 134, 135 of the Trade Marks Act, 1999 and Sections 51, 55, 62 of the



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Copyrights Act, 1957(1)(c)(i) & Section 7 of the Commercial Courts,

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Commercial Division and Commercial Appellate Division of High

Courts Act, 2015 and prayed for the following judgment and decree against the defendant:

(a) Permanent injunction restraining the Defendant, by itself, its partners, men, servants, agents, distributors, stockiest, representatives or any one claiming through or under them from in any manner infringing the plaintiff's registered trademark BILTEN under No.4246358 in Class 5 by using a deceptively similar trademark BELATIN or any other trademark deceptively similar to the plaintiff's registered trademark or in any other manner whatsoever;

(b) a permanent injunction restraining the Defendant, by itself, its partners, men, servants, agents, distributors, stockiest, representatives or any one claiming through or under them from in any manner passing off and/or enabling others to pass off the Defendant's products under the trademark BELATIN as and for the



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plaintiffs' products by manufacturing, selling, or offering to sell, distributing, displaying, printing, stocking, using, advertising their products with a trademark BELATIN which is deceptively similar to the plaintiff's BILTEN trademark or in any other manner whatsoever;

(c) the Defendant be ordered to surrender to Plaintiffs for destruction of all products, labels, cartons, dyes, blocks, moulds, screen prints, packing materials and other materials bearing the trademark BELATIN or any other mark deceptively similar to plaintiffs' trademark and BILTEN;

(d) a preliminary decree be passed in favour of the Plaintiff directing the Defendant to render account of profits made by use of trademark BELATIN label and a final decree be passed in favour of the Plaintiffs for the amount of profits thus found to have been made by the defendant after the latter have rendered accounts; and

(e) for costs of the suit.

For Plaintiff : Mr.R.Sathish Kumar  
Mr.G.Ramji

For Defendant : Mr.Navod Prasannan



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for M/s.M.S.Bharath

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## JUDGMENT

The plaintiff is the registered proprietor of the trademark BILTEN under trade mark No.4246358 in Class 5. By this suit, the plaintiff seeks to restrain the defendant from infringing its registered trademark by using the trademark BELATIN or any other trademark deceptively similar to the plaintiff's registered trademark and from passing off its products under the trademark BELATIN as the plaintiff's products. In addition, the plaintiff seeks the surrender of infringing material, rendition of accounts and a decree for profits in terms thereof.

### **The Pleadings**

2. In the plaint, the plaintiff asserts that it adopted the trademark BILTEN in or about June 2019, and applied for registration on 25.07.2019 in class 5 for medicinal and pharmaceutical preparations. The plaintiff further states therein that the product contains BILASTINE, as the main ingredient, and consequently is



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used as an antihistamine. Significantly, it is stated that the product was launched in the market in November 2019 after obtaining the drug licence on 15.10.2019. The monthly sales turnover for November 2019 through July 2020 is set out in paragraph 6 thereof. After stating that the use of the trademark BELATIN by the defendant for antihistamine tablets was noticed in August 2020, the plaintiff asserts in paragraph 10 that it is the prior user. Because the trademarks are deceptively similar, the plaintiff asserts that it is entitled to the reliefs claimed as the prior user of a registered trademark. The defendant filed a written statement in response to the plaint.

3. In the written statement, the defendant asserts that it conceived of and adopted the trademark BELATIN in May 2019 and applied for registration on 22.06.2019. By contrast, it was stated therein that the plaintiff applied for registration of the trademark BILTEN on 25.07.2019. The defendant further stated that trademarks in the pharmaceutical field are often coined on the basis of the



ailment, ingredient or targeted organ of the body. Consequently, it is

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asserted that there can be no objection to the adoption and use of the trademark BELATIN in respect of a BELASTINE preparation.

4. In paragraph 10 of the written statement, the defendant expressly asserted that it conceived and adopted the trademark honestly, and that a search of the register of trademarks was conducted before applying for registration. After setting out the monthly sales turnover and monthly promotional expenses for February 2020 to August 2020 in paragraphs 12 and 13 respectively, at paragraph 16, the defendant asserted that its use of the trademark was honest and concurrent, and that the plaintiff acquiesced in such use. By further asserting that it suffered losses due to the institution of the suit and the *ex parte* order obtained therein, the defendant made a counter claim for Rs.50,00,000/-.

5. The plaintiff filed a written statement in response to the



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counter claim. In that pleading, the defendant's assertion of use since 31.10.2019 or 01.11.2019 was denied by stating that the documents filed by the defendant do not corroborate use from November 2019 and that mere transfer of goods from the manufacturer to the defendant does not qualify as commercial use. The plaintiff further asserted in paragraph 7 that it placed orders to manufacture products bearing the trademark BILTEN in April 2019. The assertion that the plaintiff's application was on "proposed to be used" basis was, therefore, denied. In paragraph 16, the plaintiff denied that the defendant is an honest and concurrent user and that the plaintiff acquiesced in such use. By denying that the goodwill and reputation of the defendant was damaged by the institution of the suit, the counter claim was refuted.

### **Issues and Evidence**

6. Upon completion of pleadings, the following issues were framed:



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*“(i) Whether the plaintiff is the registered proprietor of the Trademark BILTEN?*

*(ii) Whether the plaintiff is the prior user of the trademark BILTEN?*

*(iii) Whether the adoption of the trademark BILTEN by the plaintiff in respect of its pharmaceutical preparation was honest?*

*(iv) Whether the trademarks BILTEN and BELATIN are deceptively similar to each other?*

*(v) Whether the defendant adopted the trademark BELATIN prior to that of the plaintiff's BILTEN? If so, whether that would entitle them to use the trademark BELATIN and whether the plaintiff's prayer for injunction is liable to be refused?*

*(vi) Whether the suit is liable to be rejected on account of delay, laches or acquiescence?*

*(vii) Whether the plaintiff is entitled to a decree for infringement of trademark as prayed for?*

*(viii) Whether the plaintiff is entitled to a decree for passing off as prayed for?*

*(ix) Whether the plaintiff is entitled to a*





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*preliminary decree as prayed for?*

*(x) Whether the plaintiff is entitled to a decree for delivery up and destruction as prayed for?*

*(xi) Whether the plaintiff's suit is vexatious and whether the defendant is entitled to succeed in their counter claim for damages of Rs.50,00,000/- against the plaintiff?*

*(xii) Whether the defendant is entitled for any damages as prayed for?*

*(xiii) Whether the parties are entitled to the relief as prayed for?*

*(xiv) What other reliefs the parties are entitled to?*

7. The plaintiff filed an affidavit by way of evidence of Mr.Jude F.L.S. Durai Pandian, who was examined as PW1. In course of the examination-in-chief of PW1, 9 documents were exhibited as Exs.P1 to P9. PW1 was cross-examined by learned counsel for the defendant. The defendant filed an affidavit by way of evidence of Mr.T.R.Channakeshava, who was examined as DW1. In course of the

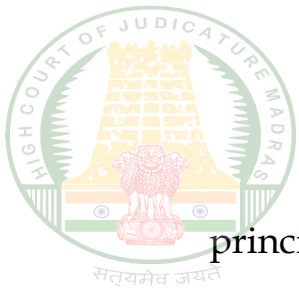


examination-in-chief of DW1, 12 documents were exhibited as Exs.1 to 12. DW1 was cross-examined by learned counsel for the plaintiff.

### **Counsel and their contentions**

8. Oral arguments on behalf of the plaintiff were advanced by Mr.R.Sathish Kumar and on behalf of the defendant by Mr.Navod Prasannan. Both parties filed written arguments and additional written arguments.

9. Learned counsel for the plaintiff submitted that the application for registration of the trademark 'BILTEN' was filed in July 2019 on “proposed to be used” basis. He next submitted that the plaintiff started using the trade mark from November 2019. As regards the defendant, he submitted that the defendant applied for registration of the trade mark BELATIN on 22.06.2019 on “proposed to be used” basis. After pointing out that both trademarks are derived from the active pharmaceutical ingredient (API), BILASTINE, which is an antihistamine, he submitted that the



principal question is with regard to the prior user of the respective trademarks.

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10. By referring to the purchase order dated 25.04.2019 for the plaintiff's product BILTEN (Ex.P8), learned counsel further contended that it establishes adoption of the trademark by the plaintiff in April, 2019. By referring to Exs.P4 and P9, which are invoices issued by the plaintiff and by plaintiff's manufacturers, respectively, he contended that these documents evidence use of the plaintiff's trademark from November, 2019. As regards the defendant, he submits that the sales turnover is only in respect of the period commencing from February, 2020 (Ex.D11). As regards Ex.D9, learned counsel submitted that the said document merely establishes that the manufacturer, Synokem Laboratories Limited, sent the products to the defendant on 31.10.2019. The actual sale was only from February, 2020 as evidenced by Ex.D11. In effect, learned counsel submitted that the plaintiff adopted the trademark BILTEN



in April, 2019, as evidenced by Exs.P8 and P9, whereas, the defendant adopted the trade mark BELATIN in May, 2019, as evidenced by Ex.D2. With regard to use, he contended that the plaintiff has established use since November, 2019, as evidenced by Ex.P4, whereas the defendant has shown use only from February, 2020, as evidenced by Ex.D11.

11. As for registration, he submitted that the plaintiff has registered the trademark BILTEN under trade mark No.4246358 with effect from 25.07.2019, whereas the defendant's trademark is not registered as on date. Consequently, learned counsel submitted that Issue Nos.1 and 2 are liable to be decided in favour of the plaintiff. Since the plaintiff's adoption is also prior to the defendant, he further submitted that Issue No.5 is also liable to be decided in favour of the plaintiff.

12. As regards the contention that the trademarks of both the



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plaintiff and the defendant are derived from the API BILASTINE,

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learned counsel contended that a registered trademark derived from the name of the API is also entitled to protection if a deceptively similar later mark is used. In support of this contention, learned counsel referred to and relied upon the judgment of the Hon'ble Supreme Court in *Cadila Heath Care Ltd. v. Cadila Pharmaceuticals Limited*, AIR 2001 SC 1952 (*Cadila*), particularly paragraphs 22, 23, 26 and 27 thereof. He also relied upon the judgment of this Court in *Wockhardt Limited v. Aristo Pharmaceuticals Limited*, (1999) (5) CTCOL 921 (*Mad*), wherein the defendant's trademark SPASMO-FLEXON was held to be deceptively similar to the plaintiff's trademark SPASMO-PROXYVON although the two trademarks were derived from the word SPASMO indicating that it was intended to provided relief from spasms or spasmodic pain. He also relied upon the judgment of the Division Bench of this Court in *M/s.Ciba Giegy Limited. v. Crosslands Research Laboratories Ltd*, 1995 SCC OnLine Mad 569, wherein the plaintiff was held to be entitled to an interim order



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preventing the use of the marks EMUGEL OR EUGEL or any other mark deceptively similar to the plaintiff's trademark EMULGEL. The judgment of the Delhi High Court in *Himalaya Drug Company v. S.B.L. Limited*, 2013 (53) PTC 1 (DEL)(DB) was also relied on in this context.

13. With regard to the allegation of delay and laches, learned counsel relied upon the judgment of the Hon'ble Supreme Court in *Dhariwal Industries Ltd. v. M.S.S.Food Products*, AIR 2005 SC 1999, to contend that relief should not be denied on that ground. He concluded his submissions by reiterating that the prior user takes precedence under trademark law. For this proposition, he relied on the judgments of the Hon'ble Supreme Court in *S.Syed Mohideen v. P.Sulochana Bai*, (2016) 2 SCC 683 (*Syed Mohideen*) and *Neon Laboratories Private Limited v. Medical Technologies Limited*, 2015 (64) PTC 225 (*Neon Laboratories*).



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14. In response to these contentions, learned counsel for the defendant submitted that the defendant applied for registration of the trademark 'BELATIN' in June, 2019, which is prior to the date of application by the plaintiff. He further submitted that the defendant conceived and adopted the trademark BELATIN as early as in May, 2019. He also submitted that the defendant undertook a search of the trademarks register to ascertain whether there are deceptively similar marks on the register. He pointed out that the defendant's manufacturer, M/s.Synokem Pharmaceuticals, obtained a drug licence to manufacture the product bearing the trademark BELATIN on 15.10.2019. After obtaining such licence, the defendant launched the product on 31.10.2019 and has commercially exploited the product continuously and extensively thereafter.

15. After reiterating that both the trademarks are derived from the API, BILASTINE, learned counsel pointed out that other drug manufacturers, such as Faes Farma, S.A. and Glenmark



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Pharmaceuticals Limited have adopted the trademarks BILAXTEN and BELTAS, respectively. Learned counsel next contended that the

suit was filed only in August, 2020, whereas the defendant applied for registration of its trademark in July, 2019. Since the plaintiff did not object to the defendant undertaking manufacturing and marketing of products bearing the trademark BELATIN since May, 2019, he submitted that the plaintiff is not entitled to injunctive relief. By referring to the answer of PW1 to Question No. 9, he submitted that PW1 admitted that the plaintiff's trademark BILTEN was adopted in June 2019. By contrast, he submitted that DW1, in response to Question No.2, stated that the defendant's trademark BELATIN was adopted in May, 2019.

16. The next contention of learned counsel for the defendant was that the right of the prior trademark applicant cannot be interfered with by the later applicant. In support of this proposition, he relied upon the judgment of the Bombay High Court in *Sun*





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*Pharmaceuticals Ltd v. Cipla, 2007 109 (1) Bombay L.R.0445.* He also

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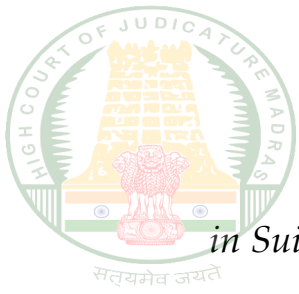
contended that actual use of the trademark is not necessary to acquire proprietary rights in such trademark. For this proposition, the judgment of the Intellectual Property Appellate Board in *Plus Systems v. Plus Computers, (IPAB) [MIPR 2008 (3) 105]*, was relied upon. By relying on the judgment of this Court in *USV v. Systopic Laboratories 2004 SCC Online Mad 9*, learned counsel contended that it is a common practice in the field of medicine that drugs are named either after the name of the organ which it treats or by the name of the pharmaceutical ingredient. For the same proposition, the judgment of the Division Bench of the Bombay High Court in *Bal Pharma Limited v. Wockhardt Limited, Appeal No.498 of 2002 in Notice of Motion No.725 of 2002 in Suit No.1305 of 2002 dated 12.06.2002 (Bal Pharma)*, the judgment of the Delhi High Court in *Astrazeneca UK Ltd v. Orchid Chemicals and Pharmaceuticals Ltd, MANU/DE/8684/2006 (Astrazeneca)* and the judgment of the Bombay High Court in *Medley Pharmaceuticals v. Khandelwal Laboratories, Notice of Motion No.2808 of*



2002 in Suit No. 3323 of 2002 were relied on.

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17. Learned counsel for the defendant then contended that the defendant is entitled to protection as an honest and concurrent user even if the defendant commenced use of the trademark BELATIN shortly after the plaintiff's first use of the trademark BILTEN. By referring to Section 12 of the Trade Marks Act, 1999 (the TM Act), learned counsel submitted that an honest and concurrent user is entitled to register an identical or similar trademark even in respect of identical or similar goods or services. *A fortiori*, he submitted that honest and concurrent use qualifies as a defence in an infringement and passing off action. In support of this proposition, he relied on the judgment of the Delhi High Court in *Lowenbrau AG and another v. Jagpin Breweries Limited and another*, order dated 14.01.2009 in I.A. Nos. 11355/2007 and 13772/2007 in CS (OS) No.1810 of 2007 (*Lowenbrau*) and the judgment of the Bombay High Court in *Vanita Dilip Chawla v. Fresh Meals India Private Ltd. And Ors*, Notice of Motion No. 195 of 2010



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in Suit No.117 of 2010.

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18. By way of rejoinder, learned counsel for the plaintiff submitted that honest and concurrent use is statutorily recognized in Section 12 of the TM Act for purposes of registration and not as a defence in infringement proceedings. After pointing out that infringement proceedings are initiated under Chapter IV of the TM Act, learned counsel submitted that the defence of honest and concurrent user is not recognized under Sections 30, 33, 34 or 35 of the TM Act, which deal with defences to an infringement action. In support of the contention that the defence of honest and concurrent user is not available in an infringement or passing off action, learned counsel relied upon the judgment of the Hon'ble Bombay High Court in *Abdul Rasul Nurullah v. Regal Footwear, 2023 SCC OnLine Bom 10 (Regal Footwear)* and the judgment of this Court in *Sun Pharmaceuticals Limited v. Kivi Labs*, judgment dated 11.03.2024 in



**Issue Nos.1, 2, 3 and 5:**

19. These issues pertain to whether the plaintiff is the registered proprietor of the trademark BILTEN and as to whether the plaintiff is the prior adopter and user of the trademark BILTEN and whether such adoption was honest. Since these issues are interrelated, they are clubbed and disposed of jointly. The plaintiff has placed on record the certificate of registration relating to the trademark BILTEN. Such certificate of registration has been exhibited as Ex.P2. The said certificate evidences that the trademark was registered with effect from 25.07.2019. Therefore, Issue No.1 is decided in favour of the plaintiff. As regards the date of use of the trade mark BILTEN and BELATIN, the plaintiff has placed on record a series of invoices, which were marked as Exs.P4 and P9, in each case collectively. The invoice issued by the plaintiff (Ex.P4) evidences the use of the



trademark BILTEN in relation to sale of pharmaceutical products  
from November, 2019.

20. In order to establish prior adoption, the defendant relied on the application filed on 22.06.2019 under trademark application No.4214272 (Ex.D3). The defendant also relied upon email communications exchanged between 08.05.2019 and 30.05.2019 (Ex.D2) and the examination report issued by the Registrar of Trademarks to the defendant on 07.08.2019 (Ex.D5). These documents clearly indicate that the trademark BELATIN was conceived and adopted by the defendant in May 2019. However, they do not constitute evidence of use of the trademark.

21. As regards use, the defendant relied on invoice dated 31.10.2019(Ex.D9). This invoice was issued by Synokem Pharmaceuticals Limited to the defendant in respect of an order for the manufacture of pharmaceutical preparations under the trademark BELATIN. This document clearly evidences use of the



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trademark in relation to the manufacture of the product by Synokem Pharmaceuticals Ltd, but is insufficient to establish commercial use of the trademark, i.e. use in relation to sale by the defendant. The pleadings of the defendant assume significance in this connection. As narrated earlier, in paragraphs 12 and 13 of the written statement, the sales turnover and promotion expenses, respectively, were provided only from February 2020 (see also Ex.D11). In paragraph 16 thereof, in relevant part, the defendant stated as under:

*“... Nevertheless, despite knowing the fact that the defendant was the prior applicant of the trademark BELATIN, the plaintiff has allowed the defendant to carry on the manufacturing and marketing of its pharmaceutical product under the subject trademark BELATIN admittedly since February 2020...”*(emphasis added)

In the additional written arguments on behalf of the defendant dated 19.09.2024, it was stated, in relevant part, as under, in paragraph 11 thereof:



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*“11. The sales of the Plaintiff and Defendant while being compared, the sale of the Plaintiff was admittedly only three months ahead ie. the medicines of the Plaintiff went on sale in November 2019 and the sale of Defendant was launched in February, 2020....”*

22. The above evidence indicates that the defendant is the prior adopter of the mark BELATIN, but is not the prior user thereof. Such evidence also indicates that the plaintiff's use predated use by the defendant by about three months. There is also nothing on record to indicate that the plaintiff adopted the trademark BILTEN after becoming aware of the defendant's adoption of the trademark BELATIN. Therefore, the adoption of the trademark BILTEN by the plaintiff was honest. The above issues are disposed of as indicated herein.

**Issue Nos.4, 6, 7, 8, 9 and 10:**

23. These issues relate to whether the trademarks BILTEN and BELATIN are deceptively similar and whether the plaintiff is entitled



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to the reliefs claimed, including whether the plaintiff forfeits the right to relief on account of delay.

24. The admitted position is that both the trademarks are derived from the API, BILASTINE. Since the plaintiff's trademark is derived from the name of the API, on the spectrum of trademarks, it will not be construed as an arbitrary or invented mark. Consequently, deceptive similarity would be gauged by also taking into account the strength of the mark. The defendant relied upon *Bal Pharma*, *Astrazeneca* and other cases to contend that a trademark based on the API or the name of the disease is not entitled to protection if the defendant is able to point to reasonable differences between its mark and that of the plaintiff. In response, the plaintiff relied on the judgment of the Hon'ble Supreme Court in *Cadila* and *Neon Laboratories* to contend that the highest degree of protection should be extended to trademarks used in relation to pharmaceutical products by taking into account compelling public interest in





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avoiding confusion or deception. In *Indian Immunologicals Limited v.*

WEB COPY *IPCA Laboratories Private Limited 2024 (97) PTC 601 [Mad]*, I

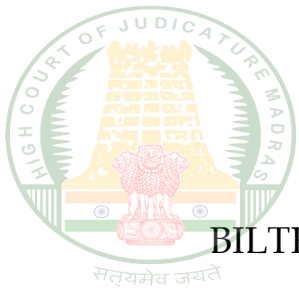
considered two trademarks derived from the name of the generic drug amoxycillin. After noticing that the degree of protection is less than in the case of an arbitrary trademark, I also examined the matter from the perspective of likelihood of confusion or deception. Since the appellant's trademark, in that case, was used only in relation to pharmaceutical products intended for the treatment of animals, whereas the respondent's trademark was used only for the treatment of human beings, I granted relief to the appellant therein. By contrast, in the case at hand, both the trademarks are applied to pharmaceutical preparations used for the treatment of human beings. Therefore, the likelihood of deception or confusion cannot be disregarded. Given the degree of similarity between the two trademarks and use in relation to identical goods, notwithstanding common origin from the API, I conclude that there is deceptive similarity.



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### **Honest and concurrent use**

25. This leads to the question whether the defendant is entitled to protection in an infringement action as an honest and concurrent user. Before examining whether such protection is available under the TM Act, it is necessary to examine whether the defendant's use was honest especially because the answer to this question would also be material in considering both the relief of passing off and damages. The defendant pleaded that it conceived of and adopted the trademark BELATIN in May 2019. As evidence thereof, email communications between 08.05.2019 and 30.05.2019 were exhibited collectively as Ex.D2. Ex.D2 discloses that a search was conducted in the trademarks registry to ascertain whether similar trademarks exist on the register. The trademark application dated 22.06.2019 was also exhibited as Ex.D3 and this was admittedly prior to the plaintiff's application dated 25.07.2019 for registration of the trademark



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BILTEN (Ex.D4). The defendant has also placed on record the purchase order issued to its manufacturer on 12.09.2019 (Ex.D7), the licence issued for the manufacture of BELATIN (Ex.D8) and the invoice issued by the manufacturer on 31.10.2019 (Ex.D9). All these exhibits pre-date commercial use of the plaintiff's trademark, and establish that the defendant's adoption was honest.

26. Although I concluded earlier that Ex.D9 does not qualify as commercial use of a trademark, Ex.D11 establishes such use from February 2020. Thus, there is evidence of use by the defendant about three months after the plaintiff's first commercial sale and, in the facts and circumstances, such use was honest. The expression used in section 12 of the TM Act is honest concurrent use or other special circumstances and not merely honest use. Therefore, ordinarily, whether the defendant's use was concurrent for purposes of section 12 or any other provision of the TM Act would fall for consideration. In this case, however, the defendant's application for registration of



trademark is pending consideration by the Registrar of Trade Marks,

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and it is likely, even probable, that the defendant would seek registration by contending that its use is honest and concurrent or that there are other special circumstances to permit registration under section 12. In order to enable the Registrar of Trade Marks to exercise statutory jurisdiction in this regard without being fettered by my decision, I intend to move on to examine whether honest and concurrent use is recognised as a defence to an infringement action and circle back to concurrency only if I conclude that such defence is available.

27. Section 12 of the TM Act is set out below:

*“12. Registration in the case of honest concurrent use, etc. – In the case of honest concurrent use or of other special circumstances which in the opinion of the Registrar, make it proper so to do, he may permit the registration by more than one proprietor of the trade marks which are identical or similar (whether any such trade mark is already registered or not) in respect of the same or similar*



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*goods or services, subject to such conditions and limitations, if any, as the Registrar may think fit to impose. "*

The Trade and Merchandise Marks Act, 1958 (the TM Act 1958) contained an identical provision in section 12(3) thereof.

28. As contended by learned counsel for the plaintiff, Section 12 is placed in Chapter II of the TM Act, which deals with the register and conditions for registration. The effect of registration is dealt with in Chapter IV, which contains the rights conferred by registration and the defences available to a person charged with infringement. With regard to the rights conferred by registration, section 28, in relevant part, is as under:

*"28. Rights conferred by registration- (1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by*



this Act.

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*(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor."*

On closely examining Chapter IV, the contention of learned counsel for the plaintiff that the defence of honest and concurrent use does not find place in Chapter IV is liable to be accepted. On perusal of the TM Act 1958, I find, similarly, that the statute did not provide for honest and concurrent use as a defence to an action for infringement. Before proceeding further, it would be profitable to examine the relevant defences in Chapter IV.



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29. Section 34, which falls within Chapter IV, provides for the saving of vested rights. This provision is particularly relevant for the determination of this case and is, therefore, set out below:

***“34. Saving for vested rights. –***

*Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has **continuously used** that trade mark from a date **prior –***

*(a) to the use of the first-mentioned trade mark in relation to those goods or services by the proprietor or a predecessor in title of his; or*

*(b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor of a predecessor in title of his,*

*whichever is the earlier, and the Registrar shall not refuse (on such use being proved) to register the second mentioned trade mark by reason only of*



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*the registration of the first-mentioned trade mark.”*

(emphasis added)

As is evident from the above extract, Section 34 deals expressly with and protects a prior user of an identical or deceptively similar trademark in relation to similar goods or services provided such use also predates registration by the person alleging infringement. As a result, use of an identical or similar trademark by a prior user cannot be interfered with or restrained even by a registered proprietor of a later mark. This provision underscores the primacy and significance attached to use in trademark law as also held in *Syed Mohideen and Neon Laboratories*. Importantly, it also indicates that Parliament applied its mind to use-based protection in relation to an unregistered trademark, but confined such protection to prior use without extending the same to honest and concurrent use. With regard to honest and concurrent use or other special circumstances, the TM Act enables a person asserting such use or other special circumstances to apply for registration under section 12 and, if

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successful, rely on sub-section (3) of section 28 to resist an action for infringement at the instance of the earlier registrant. Before drawing definitive conclusions, however, it would be instructive to consider precedents.

30. In *D.Adinarayana Setty v. Brook Bond Tea of India Limited*, 1959 SCC OnLine Kar 79 (*Adinarayana Setty*), a Division Bench of the then Mysore High Court examined whether the defence of honest and concurrent use is available in an action for infringement in the statutory context of the Trade Marks Act, 1940 (the TM Act 1940). Sub-section (2) of section 10 of the TM Act 1940 was *in pari materia* with section 12 of the TM Act. Interestingly, the TM Act 1940 also did not recognise honest and concurrent use of an unregistered trademark as a defence to an action for infringement. In relevant part, the Court held as under:

*“At the time of the suit the respondents were the registered proprietors of the mark and sued as such for infringement. One of the pleas, as already stated, was that of honest and concurrent user. It*



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*must be pointed out in this connection that what is commonly described as a plea of honest and concurrent user in an action for infringement really connotes that the defendant contends that on the strength of honest and concurrent user he is entitled to get his mark also registered under the provisions of law. It is only upon the registration that the plea becomes a complete and absolute plea and not before. When, therefore, an unregistered proprietor, if such an expression is permissible, raises a plea of honest and concurrent user in a suit for infringement at the instance of a registered proprietor, the proper thing for the defendant to do to prove the bona fides of his claim is to make an application for registration on the strength of honest and concurrent user and simultaneously ask the court to stay further proceedings in the suit. In such an event, the proper course for the court to take would also be to stay further proceedings so that the defendant may substantiate his defence, because to refuse to stay and proceed with the suit would be to deprive the defendant of a substantial and strong defence. Another reason why the suit should, be stayed pending the completion or disposal of the application for registration is that the extent and ambit of the injunction which the court may grant will also depend to a considerable extent upon the conditions and limitations, if any, which the Registrar might impose while granting the registration in terms of sub-section (2) of Sec.10."*

Especially in light of section 28(3) of the TM Act, I concur with the



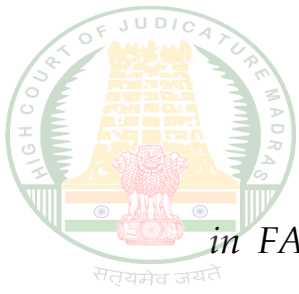
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ratio of *Adinarayana Setty* that a plea of honest and concurrent use

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would constitute a valid defence to an action for infringement only upon registration of the later mark and not otherwise. Indeed, even the judgment of the England and Wales Court of Appeal, in the statutory context of Article 4(1)(a) of Directive 89/104/EEC, in *Budejovicky Budvar Narodni Podnik v. Anheuser Busch Inc.*, [2012] 3 All ER 1405, points in the same direction.

31. This Court, in *Kivi Labs*, held that the TM Act does not provide for honest and concurrent use being accepted as a defence to an infringement action. A similar view was expressed in *Regal Footwear* by the Bombay High Court. In *Lowenbrau*, the Delhi High Court refused interim relief and made an observation that honest and concurrent use qualified as a defence under the TM Act 1958 and under the TM Act. The basis for such observation is not set out therein and, in any event, I am unable to endorse that view. In *Raman Kwatra and another v. KEI Industries Limited*, Judgment dated 06.01.2023



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in FAO(OS)(COMM) 172/2022 & CM Appeal 30278/2022, a Division

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Bench of the Delhi High Court set aside an interim order on the ground that the plaintiff's trademark did not cover the goods of the defendant. In passing, a *prima facie* observation was made that honest and concurrent use and other special circumstances could be the basis to resist a restraining order. As indicated in the order itself, this observation cannot be characterised as the ratio. Therefore, on surveying relevant precedents, I conclude that the defence of honest and concurrent use is not available to a defendant in an action for infringement unless such party previously succeeded in registering its trademark on such basis. Whether any other defence is tenable merits a brief discussion.

32. On scanning the defences in Chapter IV, the only situation in which later user is protected is if there is acquiescence, in terms of Section 33, by the earlier user. Although acquiescence was pleaded by the defendant, the pleaded case of the plaintiff is that it



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discovered use of the trademark BELATIN by the defendant in the third week of August 2020 and filed the suit by the end of that month. The evidence on record also indicates that the plaintiff has opposed the defendant's application for registration of its trademark, which is still pending decision. Therefore, the only reasonable conclusion is that the defendant has failed to establish acquiescence even as per common parlance and common law, much less as per section 33 of the TM Act, which requires acquiescence for a continuous minimum period of five years in the use of a registered trademark.

33. As a corollary to the above conclusion, the plaintiff is entitled to exercise statutory rights under sections 27(1) and 28 of the TM Act by obtaining injunctive relief in respect of infringement. Since the relief is *inter alia* in the nature of permanent injunction, if the defendant were to succeed in its application for registration, the defendant should be granted leave to apply for modification of the



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decree. Indeed, as held in *Adinarayana Setty*, if the defendant had applied, the appropriate course of action would have been to defer final adjudication of this suit until the application for registration was decided. No such application was, however, made. The defendant has used the trademark BELATIN continuously since February, 2020. This warrants providing reasonable time of four months to the defendant to liquidate inventory bearing the trademark before the injunction takes effect. Whether the plaintiff is entitled to damages would, however, depend on several factors such as proof of loss, which I deal with later.

34. As regards passing off, the plaintiff would only be entitled to relief upon satisfying the classical trinity by establishing: that the defendant has misrepresented its goods as that of the plaintiff; that the plaintiff's trademark had acquired reputation and goodwill; and that the same was damaged by the defendant's misrepresentation. This should be tested as of the date of use by the plaintiff in



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November 2019. As adverted to earlier, the defendant adopted the trademark BELATIN in May, 2019. There is clear evidence of the application of the trademark to products manufactured for the defendant by Synokem Pharmaceuticals Limited in October, 2019. The defendant commenced commercial sale in February, 2020. It should be borne in mind that it was concluded earlier that the evidence supports the conclusion that the defendant's adoption and use was honest. Hence, it cannot be said that the defendant was guilty of misrepresentation or of piggy-backing on the plaintiff's reputation and goodwill. Therefore, the plaintiff is not entitled to relief in respect of passing off.

**Issue Nos.11 to 14:**

35. In view of the conclusion that the plaintiff is the prior user of the trademark BILTEN and is entitled to exercise its statutory rights under the TM Act, including by instituting this suit, the defendant is not entitled to the counter claim for damages. Issue



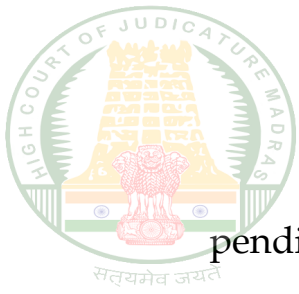
Nos.11 and 12 are decided, therefore, in favour of the plaintiff and against the defendant. Turning to issues 13 and 14, the evidence on

record clearly indicates that the defendant commenced use of the trademark BELATIN honestly in February, 2020 after conceiving and adopting the trademark in May, 2019. The use by the plaintiff preceded use by the defendant by only about three months. It bears repetition that it was concluded earlier that such use is honest. The defendant has used the trademark BELATIN continuously since February, 2020, and there is no evidence of loss to the plaintiff as a consequence. Hence, the plaintiff is not entitled to damages and the relief is required to be modified by taking these aspects into account. Since costs follow the event, as the partly successful party with regard to injunctive relief for infringement, the plaintiff is entitled to reasonable costs.

36. Before concluding, one final aspect should be provided for.

As stated earlier, the defendant's application for registration is





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pending consideration by the Registrar of Trade Marks. For the avoidance of doubt, it is clarified that such application may be decided uninfluenced by the conclusions herein. It is further clarified that the defendant is granted leave to apply for modification or discharge of the decree of permanent injunction for infringement if the application for registration were to be allowed, conditionally or otherwise.

37. Therefore, the suit is decreed in terms of prayer clauses (a) and (c) of paragraph 27 of the plaint subject to the qualifications set out below. The defendant is permitted to liquidate all inventory of fully manufactured medicines bearing the trademark BELATIN as on the date of this decree provided such inventory is liquidated within four months from the date of receipt of a copy of the decree. A statement of such inventory shall be made available to the plaintiff within one week from the date of decree. Except as indicated above, the injunction shall operate with immediate effect. The relief granted



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in terms of clause (c) of paragraph 27 shall, consequently, be enforceable only upon expiry of the said four month period. The defendant is also granted leave to apply for modification or discharge of the decree [clauses (a) and (c) of paragraph 27] if the defendant's trademark is registered by the Registrar of Trade Marks, conditionally or otherwise. The reliefs claimed as prayers (b) and (d) of paragraph 27 are rejected. The counter claim of the defendant is dismissed. The defendant shall pay to the plaintiff a sum of Rs.3 lakhs towards court fees, reasonable lawyer's fees and expenses.

**23.01.2025**

Index : Yes /No  
Internet : Yes /No  
Speaking/  
Non-Speaking order : Yes/ No  
Neutral Citation : Yes/ No

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**Plaintiff's witness:**

Mr.Jude F.L.S.Durai Pandian - P.W.1

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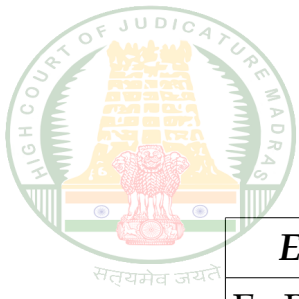
**Defendant's witness:**

Mr.Channakeshava T.R.

- D.W.1

**Documents exhibited by the plaintiff:**

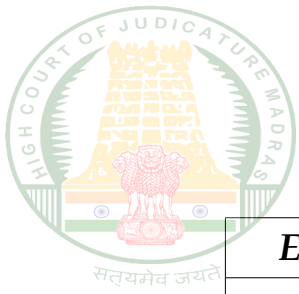
<i>Exhibits</i>	<i>Documents</i>
Ex.P1	The original board resolution dated 19.07.2023.
Ex.P2	The certified copy of the trademark registration under no.4246358 in class 5 by the plaintiff. (The defendant side strongly objected to mark this document as there is no permission to mark the legal proceeding certificate and hence it is marked subject to proof and relevance.)
Ex.P3	The photocopy of the drug license issued to the manufacturer of the plaintiff dated 16.10.2019. (objection as the document marked is a photo copy and hence marked subject to proof and relevancy)
Ex.P4	The series of original invoices from November 2019 for the plaintiff's sale of products bearing the trade mark BILTEN. (The defendant side objected as the originals marked differ with the photocopy already filed.
Ex.P5	The copy of the plaintiff's product carton for the trademark BILTEN. (The defendant side objected to mark this document as it is a photocopy)
Ex.P6	The copy of the photocopy of the defendant product carton for the trademark BELATIN. (The defendant side objected to mark this document as it is a photocopy)



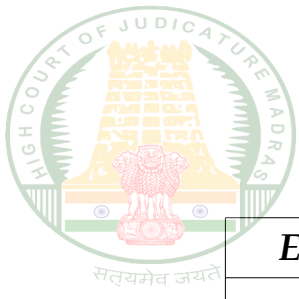
<i>Exhibits</i>	<i>Documents</i>
Ex.P7	The copy of the status report of the trade mark BELATIN, filed before the trade mark office dated 22.06.2019.
Ex.P8	The original purchase order dated 25.04.2019 for the plaintiff's product BILTEN. (The defendant side objected as the originals marked differ with the photocopy already filed)
Ex.P9	The The original invoices from the plaintiff's manufacturer to the plaintiff and its dealers with the purchase order date in April, 2019. (The defendant side objected as the originals marked differ with the photocopy already filed)

**Documents exhibited by the defendant:**

<i>Exhibits</i>	<i>Documents</i>
Ex.D1	The original Board Resolution of the Defendant in favour of Mr.Channakeshava T.R.
Ex.D2	The Email communications evidencing the conception and use if the trademark BELATIN by the defendant from 08.05.2019 to 30.05.2019. (Affidavit under Section 65 B of the Indian Evidence Act filed and recorded)
Ex.D3	The online printout of TM Application under no.4213272 filed by the Defendant for the trademark BELATIN dated 22.06.2019. (Affidavit under Section 65 B of the Indian Evidence Act filed and recorded)
Ex.D4	The online printout of TM Application under no.4246358 filed by the plaintiff for the trademark



<i>Exhibits</i>	<i>Documents</i>
	BILTEN dated 25.07.2019. (Affidavit under Section 65 B of the Indian Evidence Act filed and recorded)
Ex.D5	The online printout of examination report issued to defendant in respect of BELATIN TM application dated 07.08.2019. (Affidavit under Section 65 B of the Indian Evidence Act filed and recorded)
Ex.D6	The online printout of Journal publication in respect of plaintiff's BILTEN TM dated 09.09.2019. (Affidavit under Section 65 B of the Indian Evidence Act filed and recorded)
Ex.D7	The online printout of purchase order issued by the defendant for the manufacture of Belastine Pharmaceutical preparation dated 12.09.2019. (Affidavit under Section 65 B of the Indian Evidence Act filed and recorded)
Ex.D8	The photocopy of the license issued for the manufacture of Defendant's Belastine Pharmaceutical preparation dated 16.10.2019. (Subject to proof and relevancy)
Ex.D9	The original 1 <sup>st</sup> invoice evidencing the use if TM BELATIN by the Defendant in respect of Belastine Pharmaceutical preparation dated 31.10.2019.
Ex.D10	The online printout of reply to examination report addressed by the defendant in respect of BELATIN TM Application dated 12.12.2019. (Affidavit under Section 65 B of the Indian Evidence Act filed and recorded)
Ex.D11	The original sales turnover and Promotional expenses from February 2020 to August 2020 in respect of Defendant's BELATIN product range



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<i>Exhibits</i>	<i>Documents</i>
	dated 04.09.2020.
Ex.D12	The online printout of Moving Annual Turnover (MAT) of BELATIN and BELTIN products for the period October 2019 - September 2020 issued by IQVIA dated 24.11.2020. (Affidavit under Section 65 B of the Indian Evidence Act filed and recorded)

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**SENTHILKUMAR RAMAMOORTHY J.**

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**Pre-delivery judgment in  
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