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

% *Pronounced on: 12.04.2022*

+ CS (COMM) 241/2021 & I.A. 6745/2021

SUN PHARMACEUTICAL INDUSTRIES LTD.
AND ANR.

..... PLAINTIFFS

Through: Mr. Sachin Gupta, Mr. Pratyush Rao,
Ms. Jasleen Kaur, Mr. Snehal Singh and Ms. Swati
Meena, Advocates

Versus

KINETIC LIFESCIENCE (OPC) P. LTD.
AND ANR.

..... DEFENDANTS

Through: None

CORAM:
HON'BLE MS. JUSTICE JYOTI SINGH

JUDGMENT

1. This is a suit for permanent injunction, damages and delivery up of the infringing material, filed by the Plaintiffs. Plaintiff No.1 is a company incorporated under the Companies Act, 2013 and Plaintiff No.2 company is a wholly owned subsidiary of Plaintiff No.1.
2. It is averred in the plaint that Plaintiff No.1 started the business of marketing pharma products as a proprietary firm in the year 1978. In 1982, a partnership firm under the name and style of M/s. Sun Pharmaceutical Industries was formed to manufacture, deal and trade into pharmaceutical goods, preparations and allied goods & services. On 01.03.1993, the partnership firm was converted into a Joint Stock Company and incorporated under the Companies Act, 1956.

3. It is averred that the Plaintiffs are amongst the largest and highly reputed pharmaceutical companies in India, which manufacture and market drugs and formulations thereof in India and supply them to more than 150 countries across the world under their extensive range of well-known and distinctive trademarks/brand names. Plaintiffs are involved in the manufacturing of speciality pharmaceuticals and active pharmaceutical ingredients since the year 1983, with a consolidated annual turnover of Rs. 27,856.6 Crores, globally. As per the plaint, Plaintiffs are ranked No.1 pharma company in India, in a total of 11 specialities and world's fifth largest speciality generic pharmaceutical company.

4. It is pleaded that Plaintiffs have 45 manufacturing sites in 6 continents and 10 world class research centres with over 30,000 strong multi-cultural work force from over 50 different nationalities. The manufacturing units are located in several countries such as Bangladesh, Canada, Israel, etc.

5. It is averred that in 1993, Plaintiff No.1 conceived a logo, which is a circular device consisting of interlocking of four spheres, commonly known as SUN (Device) and has been using the logo either independently or in conjunction with house mark SUN by the Plaintiffs, as under:-



6. Plaintiffs aver that the trademark is not only the corporate logo but is also used as a trade name/mark by the Plaintiffs, which appears on all their products, packaging, promotional materials, stationery and even on the

office buildings. The said mark is also prominently displayed on their website www.sunpharma.com.

7. It is stated that in order to protect its right in the SUN (Device) mark, Plaintiff No.1 obtained trademark registrations in India as well as in a few foreign jurisdictions, the details whereof are mentioned in the plaint. The registrations are valid and subsisting.

8. Plaintiffs plead that their SUN (Device)/logo consisting of four




spheres interlocked/ is an 'original artistic work' registered in India under No. A-121881/2017 and A-120728/2017 in the name of Plaintiff No.1, within the meaning of Section 2(c) of the Copyright Act, 1957 (hereinafter referred to as the 'Copyright Act') and the copyright subsists in the said artistic work under Section 13(1) of the Copyright Act. Plaintiff No.1 is the first owner of Copyright in the SUN (Device) having exclusive right to use the same under Section 14 of the Copyright Act.

9. It is further averred that the mark ISITE/I-SITE was coined by Plaintiff No.1's predecessor in the year 1997 and has been in use ever since. Plaintiffs' product under the said mark is a well-balanced combination of vital vitamins and minerals in appropriate concentrations, which have been formulated to help in formation of blood cells, improving vision, treating acne, regulating blood pressure and treating certain skin disorders.

10. In order to obtain statutory protection, Plaintiff No.1's predecessor obtained registrations of the ISITE trademark in Class 5 for different goods such as medicinal, pharmaceutical and veterinary preparations and substances, dental preparations, dietary preparations, health and food

supplements for medical use in India, as mentioned in para 11 of the plaint and the same are valid and subsisting. Plaintiff No.2 is stated to be recorded as the subsequent proprietor *qua* the aforementioned trademarks. Apart from the said ISITE mark, Plaintiffs are also commercially using the trademark NEW I-SITE and I-SITE PLUS.



11. It is averred that the trademark  and ISITE/I-SITE and I-SITE formative trademarks have acquired distinctiveness and enviable goodwill and reputation due to their extensive, long and continuous use since the years 1993 and 1997 respectively. The goods bearing the said trademarks identify Plaintiffs as a source or origin. Plaintiffs have statutory as well as common law rights to the exclusive use of the trademarks and the formative trademarks and, therefore, use of the same or deceptively similar trademarks by an unauthorised person, in relation to similar goods, amounts to infringement of the Plaintiffs' rights under Section 29 of the Trade Marks Act, 1999 (hereinafter referred to as the 'Trade Marks Act'). Plaintiffs further claim that the said trademarks have acquired the status of well-known trademarks under Section 2(1)(zb) of the Trade Marks Act, which entitles them to the highest degree of statutory protection against any form of misappropriation and dilution of distinctiveness, irrespective of the nature of goods or business that they are used for.

12. It is further stated that health supplements sold under the marks I-SITE, NEW I-SITE and I-SITE PLUS, are Over-the-Counter (OTC) products. Once a product is marketed as an OTC product, it is promoted extensively in a manner so as to gain consumer awareness. OTC products

can be purchased over the counter without prescription of medical practitioners and are primarily purchased by consumers who make informed decisions on their own. In such a case, the burden falls heavily on the brand owner to reach out to consumers on its own, by marketing and promotion. Quality consistency and control, goodwill and distinctiveness of the brand for identification of source and origin of the product become significant factors and thus, the trademark acquires greater significance as a source identifier and constitutes valuable trademark rights for the proprietor. Hence, OTC products form a class different from prescription or scheduled drugs and ought to be treated differently for purpose of likelihood of consumer confusion.

13. Plaintiffs have, in the plaint, set out sales figures commencing from the years 1992-93 to 2020-21 as well as statement of sales and promotion for the period between 2012-13 to 2018-19 with respect to the goods sold under the logo. Sales figures for the goods sold under the mark ISITE and its formative marks have also been furnished in para 17 of the plaint.

14. It is averred that Plaintiffs have been vigilant and zealous in protecting their intellectual property rights and have been taking actions from time to time against third parties from using deceptively similar marks. A list mentioning some of the Court orders as brought forth in para 18 of the plaint is as under:

Court and Case Title	Impugned Mark	Status of the suit
Sun Pharmaceutical Industries Ltd. Vs. Max Ceramics Pvt Ltd		Decreed on 07.11.2017

& Anr.; CS (OS) 1585 of 2013 before the High Court of Delhi		
Sun Pharmaceutical Industries Ltd. Vs. Shreeson Lifecare Pvt. Ltd.; Suit No. 5 of 2017 before the Hon'ble District Judge, Thane		Injunction Order dated 22.08.2017
Sun Pharmaceutical Industries Ltd. Vs. Ronald Pharmaceuticals P. Ltd.; Commercial Trade Mark Suit No. 10 of 2017 before the Hon'ble District Court, Vadodara		Suit Decreed vide decree and judgment dated 20.02.2018

15. It is stated that Plaintiffs have also enforced their rights before the Trade Marks Registry and have opposed multiple applications filed for marks deceptively similar to the Plaintiffs' trademark ISITE, leading to abandonment of the following trademarks:-

Applicant's name	Applicant's impugned mark	Application No.
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Pharmacia & Upjohn Cork Ltd.	HYSITE	944105
Narender Kumar Jain (Trading as Isika Pharma Inc.)	ISIACE	1609921
Narender Kumar Jain (Trading as Isika Pharma Inc.)	ISITONE	1609922

16. It is alleged in the plaint that in the second week of May, 2021, Plaintiffs learnt about the Defendants' medicinal product/health supplement under the impugned mark 'EYESITE', which is deceptively similar to Plaintiffs' trademark ISITE/I-SITE and is being used for identical goods, i.e. health supplements. It is further alleged that Defendants are also using the

impugned mark, i.e. KL (Device)/ , which is deceptively similar

to Plaintiffs' SUN (Device)/  .

17. It is averred that from the packaging of the product, it was discovered that the aforesaid products are being marketed by both the Defendants. Upon conducting a search on the official website of the Trade Marks Registry, it was further discovered that Defendant No.1 has filed trademark applications for registration of the impugned mark EYESITE. Application No. 4006600 dated 24.11.2018 for registration of trademark EYESITE (word) was filed on 'Proposed to be Used' basis for goods namely 'medicinal and

pharmaceutical preparation included in class 5', stating that the impugned mark was being used since 11.02.2019 and invoices dated 13.02.2019 and 05.08.2019 were placed on record. Pertinently, registration was rejected by the Registrar of Trade Marks *vide* order dated 13.03.2020 on the ground that the mark is objectionable under Sections 9(1)(a) and 9(1)(b) of the Trade Marks Act. The order has not been challenged and thus, has attained finality.

18. It is further pleaded that application No.4931158 dated 02.04.2021 for



registration of the trademark /EYESITE (Label) was filed on 'Proposed to be Used' basis in class 5 for goods, namely 'pharmaceutical and medicine preparations' and is pending before the Trade Marks Registry, as objection has been raised under Section 9(1)(b) of the Trade Marks Act. It is averred that Defendant No.1 does not hold



registration *per se* for the mark , however, there is a registration



under No.4030881 for the trademark /Kinetic Lifescience (Label) dated 18.12.2018, on an application filed on 'Proposed to be Used' basis.

19. According to the Plaintiffs, being in pharmaceutical business, Defendants are well aware of Plaintiffs' adoption and use of the trademarks and the action of the Defendants in adopting the marks and using them, amounts to infringement of the registered trademarks and copyright as well

as passing off, unfair trade practice, etc. It is in this background that the present suit was filed by the Plaintiffs.

20. Vide order dated 28.05.2021, *ex-parte ad-interim* injunction was granted by this Court in favour of the Plaintiffs. Summons were served on the Defendants. On 02.09.2021, Defendant No.1 was represented by a counsel, however, none appeared for Defendant No.2, despite service. Defendant No.2 was accordingly proceeded *ex-parte*. Despite opportunities, written statement was not filed on behalf of Defendant No.1 and since no one had appeared on behalf of Defendant No.1 on 25.11.2021 as well as on 29.11.2021, Defendant No.1 was also proceeded *ex-parte*. It is pertinent to note that Defendant No.1 challenged the injunction order dated 28.05.2021 before the Division Bench in FAO(OS)(COMM) 101/2021 but there was no appearance on behalf of the Appellant therein and accordingly, the appeal was dismissed in default and on account of non-prosecution, as reflected in the order of the Division Bench dated 28.01.2022, which is on record.

21. Learned counsel for the Plaintiffs, at the outset, had urged the Court to proceed with hearing final arguments in the matter and submitted that since the Defendants were proceeded *ex-parte* and no written statement is filed, Plaintiffs are not required to file affidavit by way of evidence. It was further submitted that the averments in the plaint are duly supported by an affidavit and the same be read as an affidavit by way of evidence and the documents filed along with the plaint be looked into. To support the said contention, learned counsel relied on the judgments of Co-ordinate Benches of this Court in *Aktiebolaget Volvo and Ors. vs. Hari Satya Lubricants & Anr., (2016) 234 DLT 524, The Indian Performing Right Society Ltd. vs.*

Gauhati Town Club and Anr., 2013 (134) DRJ 732 and United Coffee House vs. Raghav Kalra and Anr., 2013 (55) PTC 414 (Del).

22. Having perused the judgments in *Aktiebolaget Volvo (supra)*, *The Indian Performing Right Society Ltd. (supra)* and *United Coffee House (supra)* and finding merit in the contention raised, Court had proceeded to hear the arguments without the Plaintiffs filing an affidavit by way of evidence. Be it noted that even today, there is no appearance on behalf of the Defendants to contest the suit and the averments in the plaint are unrebutted.

23. Learned counsel appearing on behalf of the Plaintiffs contends that the Plaintiffs' SUN (Device) constitutes an 'original artistic work' within the meaning of Section 2(c) of the Copyright Act and that the copyright subsists in such artistic work under provisions of Section 13(1) of the said Act. Plaintiff No.1 is, therefore, the first owner of the copyright, having the exclusive right to use the same under provisions of Section 14 of the Act. Use of the impugned device mark by the Defendants is a colourable imitation and substantial reproduction of the Plaintiffs' artistic work amounting to infringement of the copyright in the SUN (Device).

24. It was next contended that the impugned marks EYESITE/EYESITE (Label) and KL (Label) are visually, structurally and phonetically similar to the Plaintiffs' registered trademark SUN (Device) and ISITE/I-SITE, I-SITE formative trademarks and thus, their use by the Defendants will cause confusion and deception, thereby constituting infringement of the Plaintiffs' registered trademarks under Section 29 of the Trade Marks Act.

25. Next plank of argument of the Plaintiffs was that Plaintiffs' trademarks have been extensively and commercially used by the Plaintiffs in the course of trade since 1993 for the SUN (Device) and since 1997 for the

word marks. By virtue of prior adoption, extensive use, voluminous sales and substantial promotional expenses, coupled with extreme quality control exercised by the Plaintiffs, the said trademarks have acquired distinctiveness and formidable goodwill and reputation as a badge of quality products, originating from the Plaintiffs. The unauthorised use of the impugned marks EYESITE/EYESITE (Label) and KL (Label) by the Defendants is likely to cause confusion and/or deception in the minds of the consumers and constitutes acts of misrepresentation, misappropriation and passing off of the Defendants' goods for those of the Plaintiffs and being an actionable tort, is liable to be enjoined.

26. It was strenuously argued that the Defendants are also liable to be enjoined in the larger public interest considering that the goods in question are health supplements. The products in question fall in the category of pharmaceuticals and, therefore, strict standards are required to be applied to prevent likelihood of confusion, as this confusion may result in harmful and adverse effects on the consumers.

27. I have heard the learned counsel for the Plaintiffs and perused the documents placed on record along with the plaint, which is duly supported by an affidavit.

28. It emerges from the pleadings and the documents that the mark ISITE was coined by the Plaintiffs' predecessor in the year 1997 and has been used for various medicinal and pharmaceutical products including health supplements. These supplements are combinations of vital vitamins and minerals, formulated to help in formation of blood cells, improving vision, treating acne and certain skin disorders as well as regulating blood pressure. Plaintiffs have placed on record trademark Registration Certificates for the

trademark ISITE (word and device). The registrations are in Class 5, *inter alia*, for medicinal and pharmaceutical preparations. There is no rebuttal either to the averments in this regard or to the Registration Certificates in the absence of written statement. Plaintiffs have established that they are the owners and registered proprietors of the trademarks ISITE (word and device) and thus have the exclusive right to use them. The registrations are valid and subsisting.

29. Section 28 of the Trade Marks Act confers certain rights by virtue of registration, subject to other provisions of the said Act, including the exclusive right to use the trademark in relation to goods or services, in respect of which it is registered and to obtain relief in respect of infringement of the trademark in the manner provided under the Trade Marks Act. Therefore, clearly, two rights in favour of a registered proprietor of a trademark emanate from Section 28.

30. In ***Rolex SA vs. Alex Jewellery Pvt. Ltd. & Others, 2014 SCC OnLine Del 1619***, a Co-ordinate Bench of this Court, relying on several judgments of the Supreme Court including the judgment in ***Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories, AIR 1965 SC 980*** held as under:-

“31. It is settled law that in order to prove the case for infringement of trade mark, the plaintiff has to show that the essential features of the registered trade mark which has been adopted by the defendant has been taken out from the plaintiff's registration. Only the marks are to be compared by the Court and in case the registration is granted in favour of the plaintiff, he acquires valuable right by reason of the said registration. The following are the judgments which are relevant to be referred for the purpose of infringement of the trade mark:

i. *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories* AIR 1965 SC 980 - at 989-990 page wherein it was held that:

“The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods”

“if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the make would be immaterial”

ii. *In the case of American Home Products v. Mac Laboratories* AIR 1986 SC 137 in Para 36 it was held as under:

“When a person gets his trade mark registered, he acquires valuable rights by reason of such registration. Registration of his trade mark give him the exclusive right to the use of the trade mark in connection with the goods in respect of which it is registered and if there is any invasion of this right by any other person using a mark which is the same or deceptively similar to his trade mark, he can protect his trade mark by an action for infringement in which he can obtain injunction....”

iii. *In the case of National Bell Co. v. Metal Goods Mfg. Co.* AIR 1971 SC 898 at page 903 it was held as under:

“On registration of a trade mark the registered proprietor gets under Section 28 the exclusive right

to the use of such trade marks in relation to the goods in respect of which the trade mark is registered and to obtain relief in respect of any infringement of such trade mark.”

32. By mere reading of these provisions, it is clear that a registered trademark is infringed by a person who not being a registered proprietor, uses in the course of trade a mark which is identical or deceptively similar in relation to the goods or services which are identical or similar to that in respect of which the trademark is registered without the permission of the trademark owner.”

31. In the present case, Plaintiffs have, *inter alia*, alleged infringement of their registered trademarks. It would, therefore, be apposite to examine the provisions of Section 29 of the Trade Marks Act, which provide the ingredients and constituent elements of infringement of registered trademarks. Section 29(1) of the Trade Marks Act provides that a registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade a mark which is: (a) identical with or; (b) deceptively similar to, the trade mark in relation to goods or services in respect of which the trademark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trademark. As per Section 29(2), a registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of its: (a) identity with the registered trademark and similarity of the goods or services; or (b) similarity to the registered trademark and identity or similarity of the goods or services; or (c) identity with the registered trademark and identity of the goods or services, covered by such registered

trademark is likely to cause confusion in public or have an association with the registered trademark. It is settled law that action for infringement is a statutory remedy available to the proprietor of a registered trademark to protect and vindicate his exclusive right to use of the trademark in relation to the goods/services for which it is registered.

32. In a claim for infringement, it is a settled law that the Court is required to compare the two competing marks, i.e. registered mark of the Plaintiff and the allegedly infringing mark used by the Defendant, in the course of trade. Where the said two marks are identical, no further questions arise as infringement is made out. However, when the two marks are not identical, Plaintiff would have to establish that the impugned mark so closely resembles or is deceptively similar that it is likely to deceive or cause confusion in relation to the goods in respect of which the mark is registered. The resemblance may be phonetic, visual or in the basic idea of the Plaintiff's mark. This proposition clearly flows from the judgment of the Supreme Court in *Kaviraj Pandit (supra)*, relevant part of which is as follows:-

*“29. When once the use by the defendant of the mark which is claimed to infringe the plaintiff's mark is shown to be “in the course of trade”, the question whether there has been an infringement is to be decided by comparison of the two marks. **Where the two marks are identical no further questions arise; for then the infringement is made out.** When the two marks are not identical, the plaintiff would have to establish that the mark used by the defendant so nearly resembles the plaintiff's registered trade mark as is likely to deceive or cause confusion and in relation to goods in respect of which it is registered (Vide Section 21). A point has sometimes been raised as to whether the words “or cause confusion” introduce any*

element which is not already covered by the words “likely to deceive” and it has sometimes been answered by saying that it is merely an extension of the earlier test and does not add very materially to the concept indicated by the earlier words “likely to deceive”. But this apart, as the question arises in an action for infringement the onus would be on the plaintiff to establish that the trade mark used by the defendant in the course of trade in the goods in respect of which his mark is registered, is deceptively similar. This has necessarily to be ascertained by a comparison of the two marks — the degree of resemblance which is necessary to exist to cause deception not being capable of definition by laying down objective standards. The persons who would be deceived are, of course, the purchasers of the goods and it is the likelihood of their being deceived that is the subject of consideration. The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff’s mark. The purpose of the comparison is for determining whether the essential features of the plaintiff’s trade mark are to be found in that used by the defendant. The identification of the essential features of the mark is in essence a question of fact and depends on the judgment of the Court based on the evidence led before it as regards the usage of the trade. It should, however, be borne in mind that the object of the enquiry in ultimate analysis is whether the mark used by the defendant as a whole is deceptively similar to that of the registered mark of the plaintiff.”

(emphasis supplied)

33. The test which has been laid down over the years in several judgments for comparing the registered trademark vis-à-vis the infringing mark is that the two marks have to be considered as a whole and the question has to be approached from the point of view of a man of average intelligence and imperfect recollection. In ***Corn Products Refining Co. vs. Shangrila Food Products Ltd., (1960) 1 SCR 968***, the Supreme Court was dealing with an application for registration of a mark ‘Gluvita’ in respect of biscuits

manufactured by the Respondent, which was opposed by Corn Products, who had registration in the mark 'Glucovita' in respect of Glucose powder, used as an ingredient in food items. The opposition was rejected by the Registrar and the litigation between the parties finally reached the Supreme Court. After analysing the matter, the Supreme Court, disagreeing with the Registrar of Trade Marks that the syllable 'co' between the syllables 'Glu' and 'vi' was enough to ensure that there was no likelihood of confusion, held as follows:-

"15. Now it is a well recognised principle, that has to be taken into account in considering the possibility of confusion arising between any two trademarks, that, where those two marks contain a common element which is also contained in a number of other marks in use in the same market such a common occurrence in the market tends to cause purchasers to pay more attention to the other features of the respective marks and to distinguish between them by those features. This principle clearly requires that the marks comprising the common element shall be in fairly extensive use and, as I have mentioned, in use in the market in which the marks under consideration are being or will be used.

16. The series of marks containing the common element or elements therefore only assist the applicant when those marks are in extensive use in the market. The onus of proving such user is of course on the applicant, who wants to rely on those marks. Now in the present case the applicant, the respondent before us, led no evidence as to the user of marks with the common element. What had happened was that the Deputy Registrar looked into his register and found there a large number of marks which had either 'Gluko' or 'Vita' as prefix or suffix in it. Now of course the presence of a mark in the register does not prove its user at all. It is possible that the mark may have been registered but not used. It is not permissible to draw any inference as to their user from the

presence of the marks on the register. If any authority on this question is considered necessary, reference may be made to Kerly p. 507 and Willesden Varnish Co. Ltd. v. Young & Marten Ltd. It also appears that the appellant itself stated in one of the affidavits used on its behalf that there were biscuits in the market bearing the marks 'Glucose Biscuits', 'Glucose biscuits' and 'Glucose Lactine biscuits'. But these marks do not help the respondent in the present case. They are ordinary dictionary words in which no one has any right. They are really not marks with a common element or elements. We, therefore, think that the learned appellate Judges were in error in deciding in favour of the respondent basing themselves on the series marks, having 'Glucose' or 'Vita' as a prefix or a suffix.

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18. We think that the view taken by Desai, J., is right. It is well known that the question whether the two marks are likely to give rise to confusion or not is a question of first impression. It is for the court to decide that question. English cases proceeding on the English way of pronouncing an English word by Englishmen, which it may be stated is not always the same, may not be of much assistance in our country in deciding questions of phonetic similarity. It cannot be overlooked that the word is an English word which to the mass of the Indian people is a foreign word. **It is well recognised that in deciding a question of similarity between two marks, the marks have to be considered as a whole.** So considered, we are inclined to agree with Desai, J., that the marks with which this case is concerned are similar. **Apart from the syllable "co" in the appellant's mark, the two marks are identical.** That syllable is not in our opinion such as would enable the buyers in our country to distinguish the one mark from the other.

19. We also agree with Desai, J., that the idea of the two marks is the same. The marks convey the ideas of glucose and

life giving properties of vitamins. The Aquamatic case (Harry Reynolds v. Lafferty's Ltd.) is a recent case where the test of the commonness of the idea between two marks was applied in deciding the question of similarity between them. Again, in deciding the question of similarity between the two marks we have to approach it from the point of view of a man of average intelligence and of imperfect recollection. To such a man the overall structural and phonetic similarity and the similarity of the idea in the two marks is reasonably likely to cause a confusion between them."

(emphasis supplied)

34. Another judgment of the Supreme Court, which is relevant to the present case is in the case of ***Amritdhara Pharmacy vs. Satya Deo Gupta, (1963) 2 SCR 484***. The issue before the Supreme Court in the said matter was the registration of the trade name 'Lakshmandhara' by the Respondent therein, which, according to the Respondent, had acquired a distinctiveness, being used since 1923, in respect of a biochemical medicinal preparation. Registration was opposed by the Appellant on the ground that the word 'Amritdhara' was registered as a trade name for medicinal preparation and was in use much prior and had attained popularity. The Supreme Court held that the two names were in respect of the same description of goods, i.e. medicinal preparation, which were likely to be purchased by the literate as well as the illiterate. Relying on the test laid down in ***Corn Products (supra)*** that the question has to be approached from the point of view of a man of average intelligence and imperfect recollection, the Supreme Court held that to such a man, the overall structural and phonetic similarity of the two names is likely to deceive or cause confusion. It was also held that a critical comparison of the two marks may disclose some points of difference but to

such a man, overall similarity of the two marks, having regard to the nature of medicine he is looking for with a vague recollection of having purchased a similar medicine on an earlier occasion, could cause confusion. Paras 7 and 8 of the said judgment are as follow:-

*“7. Let us apply these tests to the facts of the case under our consideration. It is not disputed before us that the two names “Amritdhara” and “Lakshman-dhara” are in use in respect of the same description of goods, namely a medicinal preparation for the alleviation of various ailments. **Such medicinal preparation will be purchased mostly by people who instead of going to a doctor wish to purchase a medicine for the quick alleviation of their suffering, both villagers and townfolk, literate as well as illiterate.** As we said in *Corn Products Refining Co. v. Skangrila Food Products Ltd.* [(1960) (1) SCR 968] the question has to be approached from the point of view of a man of average intelligence and imperfect recollection. To such a man the overall structural and phonetic similarity-of the two names “Amritdhara” and “Lakshmandhara” is, in our opinion, likely to deceive or cause confusion. We must consider the overall similarity of the two composite words “Amritdhara” and “Lakshmandhara”. We do not think that the learned Judges of the High Court were right in saying that no Indian would mistake one for the other. An unwary purchaser of average intelligence and imperfect recollection would not, as the High Court supposed, split the name into its component parts and consider the etymological meaning thereof or even consider the meaning of the composite words as “current of nectar” or “current of Lakshman”. He would go more by the overall structural and phonetic similarity and the nature of the medicine he has previously purchased, or has been told about, or about which has otherwise learnt and which he wants to purchase. Where the trade relates to goods largely sold to illiterate or badly educated persons, it is no answer to say that a person educated in the Hindi language would go by the etymological or ideological meaning and see the difference between “current*

of nectar” and “current of Lakshman”. “Current of Lakshman” in a literal sense has no meaning; to give it meaning one must further make the inference that the “current or stream” is as pure and strong as Lakshman of the Ramayana. An ordinary Indian villager or townsman will perhaps know Lakshman, the story of the Ramayana being familiar to him; but we doubt if he would etymologise to the extent of seeing the so-called ideological difference between “Amritdhara” and “Lakshmandhara”. **He would go more by the similarity of the two names in the context of the widely known medicinal preparation which he wants for his ailments.**

8. We agree that the use of the word “dhara” which literally means “current or stream” is not by itself decisive of the matter. What we have to consider here is the overall similarity of the composite words, having regard to the circumstance that the goods bearing the two names are medicinal preparations of the same description. We are aware that the admission of a mark is not to be refused, because unusually stupid people, “fools or idiots”, may be deceived. **A critical comparison of the two names may disclose some points of difference, but an unwary purchaser of average intelligence and imperfect recollection would be deceived by the overall similarity of the two names having regard to the nature of the medicine he is looking for with a somewhat vague recollection that he had purchased a similar medicine on a previous occasion with a similar name. The trade mark is the whole thing-the whole word has to be considered. In the case of the application to register “Erectiks” (opposed by the proprietors of the trade mark “Erector”) Farwell, J., said in William Bailey (Birmingham) Ltd. Application [(1935) 52 RPC 137] :**

“I do not think it is right to take a part of the word and compare it with a part of the other word; one word must be considered as a whole and compared with the other word as a whole.... I think it is a dangerous method to

adopt to divide the word up and seek to distinguish a portion of it from a portion of the other word.”

(emphasis supplied)

35. It is relevant to note that the Supreme Court in the aforementioned case placed reliance on the observations of Parker J. in **Pianotist Co. Ltd's** application [23 RPC 774 at 777] as under:-

“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 to be 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 trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion, that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods — then you may refuse the registration, or rather you must refuse the registration in that case.”

36. In **Parle Products (P) Ltd. v. J.P. & Co., Mysore, AIR 1972 SC 1359**, the Supreme Court held as follows:-

“According to Karly's Law of Trade Marks and Trade Names (9th Edition Paragraph 838) “Two marks, when placed side by side, may exhibit many and various differences, yet the main idea left on the mind by both may be the same. A person acquainted with the one mark, and not having the two side by side for comparison, might well be deceived, if the goods were allowed to be impressed with the second mark, into a belief that he was dealing with goods which bore the same mark as that with which he was acquainted.”

It would be too much to expect that persons dealing with trademarked goods, and relying, as they frequently do, upon marks, should be able to remember the exact details of the marks upon the goods with which they are in the habit of dealing. Marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole. Moreover, variations in detail might well be supposed by customers to have been made by the owners of the trade mark they are already acquainted with for reasons of their own.

It is therefore clear that in order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him.”

37. In **K.R. Chinna Krishana Chettiar vs. Shri Ambal and Co., Madras and Anr., (1969) 2 SCC 131**, the question before the Supreme Court was whether the proposed mark of the Appellant was deceptively similar to the Respondent’s mark. It was held that the resemblance in the two marks must be considered with reference to the ear as well as the eye, as ocular comparison may not always be a decisive test. Therefore, even if there is no visual resemblance between the two competing marks, a close affinity of sound could be a decisive factor. On the basis of phonetic similarity and affinity of sound between the words ‘AMBAL’ and ‘ANDAL’, the Supreme Court held that they were deceptively similar, despite the fact that they had distinct meanings and represented separate divinities. Reliance was placed

on an earlier judgment of the Supreme Court in *De Cordova vs. Vick Chemical Co., 1951 68 RPC 103*, wherein it was held that the Defendants by advertising their ointment as 'Karsote Vapour Rub' had infringed the registered marks of the Plaintiffs, who were proprietors of the registered trademarks 'Vaporub'. Lord Radcliffe observed that a mark is infringed by another trader if, even without using the whole of it upon or in connection with his goods, he uses one or more of its essential features.

38. In *F.Hoffmann-La Roche & Co. Ltd. vs. Geoffrey Manners & Co. Pvt. Ltd., (1969) 2 SCC 716*, the Supreme Court was dealing with the question as to whether the mark 'Dropovit' was deceptively similar to 'Protovit' within the meaning of Section 2(1)(d) of the Trade and Merchandise Marks Act, 1958. It was held that the marks must be compared as a whole. It is not right to take a portion of the word, dissect it and then hold that a part of the word differs from the competing mark and thus, there is no sufficient similarity to cause confusion. The true test is whether the totality of the proposed trademark is such that it is likely to cause deception or confusion in the mind of the persons accustomed to the existing trademark. Reliance was placed on the *Lavroma case [Tokalon Ltd. v. Davidson & Co., 32 RPC at 133 at 136]* case where Lord Johnston observed that the comparison of marks is not a matter for microscopic inspection but is to be taken from the general and even casual point of view of a customer walking into a shop.

39. Another relevant judgment in the context of phonetic similarity is in the case of *M/s. Hitachi Ltd. v. Ajay Kr. Agarwal and Ors., 1995 (2) Arb. LR 348*, wherein Division Bench of this Court was dealing with the question of similarity between two trademarks 'Hitachi' and 'Hitaish'. Applying the

test of the point of view of an average man with imperfect memory, the Court held that the two marks, one written in English and the other in Hindi may be visually dissimilar on account of the difference in the script, however, there was a marked phonetic similarity since the two words are pronounced in almost the same way and an average purchaser will not be able to differentiate the two when he goes to purchase the product. This, according to the Division Bench, was likely to cause confusion and deception.

40. Relevant would it be to refer to the judgment of the Supreme Court in *Cadila Health Care vs. Cadila Pharmaceuticals Ltd.*, (2001) 5 SCC 73, wherein the Supreme Court disagreed with the observations of the Supreme Court in an earlier judgment in *S.M. Dyechem Ltd. vs. Cadbury (India) Ltd.*, (2000) 5 SCC 573, wherein it was held that stress must be laid on common features rather on differences in essential features and went on to hold that the real test is to see the similarity in the competing marks. Supreme Court examined the test applied in the *S.M. Dyechem Ltd.*'s case wherein the marks "PIKNIK" and "PICNIC" were under examination viz. (i) is there any special aspect of the common feature which has been copied? (ii) mode in which the parts are put together differently, i.e. whether dissimilarity of the part or parts is enough to make the whole thing dissimilar? and (iii) whether, when there are common elements, should one not pay more regard to the parts which are not common? Applying the three tests, the Supreme Court in *S.M. Dyechem Ltd.(supra)* had come to a conclusion that seeing the manner in which the two words were written and the peculiarity of the script, the words were dissimilar despite the phonetic similarity in the two marks. In *Cadila Health Care (supra)*, the Supreme

Court held that the Court was unable to agree that the principle of phonetic similarity has to be jettisoned when the manner in which the competing words are written is different and that the tests followed in *S.M. Dyechem Ltd.(supra)* were contrary to the binding precedent of the Supreme Court in *Amritdhara Pharmacy (supra)*.

41. Useful would it be to refer to the case of *Ruston & Hornsby Ltd. vs. Zamindara Engineering Co., (1969) 2 SCC 727*, wherein the Appellant before the Supreme Court was a registered proprietor of the trademark “RUSTON” in class 7 in respect of diesel internal combustion engines. Respondent was found using the trademarks “RUSTAM” and “RUSTAM INDIA”. The Supreme Court held that the trademark “RUSTAM” was deceptively similar to the Appellants trademark “RUSTON” and mere addition of the word “INDIA” was of no consequence and the Appellant was thus entitled to succeed in its action for infringement of its trademark. Before drawing curtains on the aspect of confusing similarity and/or identity of trademarks, since the products in question in the present case are health supplements, it would be pertinent to refer to the observations of the Supreme Court in *Cadila Health Care (supra)*. The Supreme Court held that in medicinal and pharmaceutical products, a much lower threshold is to be applied to determine confusing similarity while comparing the competing marks. This aspect has been brought out in a later part of this judgement.

42. Coming to the present case and applying the principles enunciated in the aforesaid judgments viz. (i) competing marks have to be seen as a whole; (ii) marks are not to be kept side by side for comparison and are not to be dissected or compared syllable by syllable; (iii) if the marks are visually and/or phonetically identical or similar, confusion/deception is likely to

occur; and (iv) public interest supports lesser degree of proof showing confusing similarity in case of trademarks in respect of medicinal and pharmaceutical products, in the opinion of this Court, Plaintiffs' registered mark ISITE, when compared as a whole with the impugned mark EYESITE, leaves no doubt that they are phonetically identical and visually similar. When both the words are articulated, an ordinary prudent man would be unable to distinguish them by their sounds and there would be likelihood of deception and confusion on account of their phonetic identity. While it may be true that the trademark of the Plaintiffs has a prefix 'I' to the word 'SITE' while that of the Defendants has a prefix 'EYE' and a critical comparison of the two marks may disclose some difference, however, the likelihood of confusion and deception on account of phonetic identity and overall similarity of the two marks, when taken as a whole, cannot be ruled out *albeit* the test is of phonetic similarity and not identity. It needs no reiteration that phonetic identity or similarity is an important index of similarity or deceptive similarity of one mark against the other competing mark and the tests of phonetic, visual and structural similarity or identity are disjunctive and not conjunctive.

43. Furthermore, use of the letters "EYE" in the impugned trademark by the Defendants, in my view, would be inconsequential in view of the clear law laid down by the Supreme Court and this Court that the question really is of the first impression, which is especially true in case of phonetic similarity where a meticulous comparison of the words, syllable by syllable is to be avoided, keeping room for callous pronunciation and speech of not only the unwary purchaser but also the shopkeeper. Examined on the said anvil and viewed from the perspective of a person with imperfect

recollection, there is no doubt that “EYESITE” and “ISITE” are phonetically identical and the mere difference between the spellings “EYE” and “I” will not render the marks phonetically dissimilar. In the present case, not only are the marks phonetically identical, there is similarity in products, i.e. health supplements as well as identity of trade channels and customer base and, therefore, the triple identity test, which has been evolved over the years stands satisfied.


44. Another factor, which weighs in favour of the Plaintiffs, is that Defendant No.1 had filed a trademark application dated 24.11.2018 under No. 4006600 for registration of the trademark “EYESITE” (word) on “Proposed to be Used” basis in class 5 for the goods “medicinal and pharmaceutical preparations included in class 5”. An affidavit was also filed to state that Defendant No.1 had been using the mark since 11.02.2019 and had placed invoices dated 13.02.2019 and 05.08.2019 on record. The request for registration was refused by the Registrar of Trade Marks *vide* order dated 13.03.2020, on the ground of being objectionable under Section 9(1)(a) and 9(1)(b) of the Trade Marks Act and the order was not assailed by the Defendants and has attained finality. Relevant would it be also to note that the application filed by the Defendants under No.4931158 dated 02.04.2021,



for registration of the trademark EYESITE (Label) on “Proposed to be Used” basis in class 5, for goods namely ‘pharmaceutical and medicine preparations’, is stated to be pending before the Trade Marks Registry, as objection has been raised under Section 9(1)(b) of the Trade Marks Act.


45. On the above analysis, this Court comes to the conclusion that use of




the marks “EYESITE”/ ‘’ by the Defendants, which are deceptively similar to the mark “ISITE” of the Plaintiffs, is likely to confuse the consumers of similar products and dilute the distinctive character of the said mark, resulting in erosion of their goodwill and reputation. Courts have repeatedly applied a lower threshold of proving deceptive similarity in the case of medicinal products, since confusion between the two marks is likely to have a deleterious effect on the public. The adoption and use of the impugned marks by the Defendants in relation to health supplements, in my view, meets the said threshold and amounts to infringement of the Plaintiffs’ statutory rights in the registered trademark “ISITE”.

46. The next plank of the argument of the learned counsel for the




Plaintiffs was that the use of the mark  by the Defendants amounts to infringement of Plaintiffs’ registered mark i.e. SUN logo



. It is the pleaded case of the Plaintiffs that the Defendants have a valid and subsisting registration in the composite mark



 in Class 5, for which they had applied on 18.12.2018 and secured registration on 21.05.2021.


47. A bare look at the two marks would show that they are not identical. The question that next arises is whether the mark of the Defendants is similar to that of the Plaintiffs, so as to cause deception or confusion in relation to the goods for which the Plaintiffs' mark is registered. The answer, in my opinion, is an emphatic 'no'. Defendants' registered mark is a composite mark consisting of: (a) a circular device with four spheres, which are not interlocking and contains a spiked wheel in the centre, embossed with the letters "KL"; (b) "Kinetic Lifescience" prominently written in a stylized font; (c) words "OPC Private Limited" written in capitals, below "Kinetic Lifescience"; and (d) the motto of the Defendants, "Our Mission Healthy People" appearing at the bottom of the mark. Component (a) covers one-third of the composite mark on the left side, while the remaining two-thirds is covered by components (b) to (d). The colour scheme throughout the composite mark is purple and fuchsia and it is also relevant to note that it is neither borne out from the pleadings nor the documents on record that component (a) is used by the Defendants separately for their products.

48. Compared and contrasted with the Defendants' mark, the device mark of the Plaintiffs, has four interlocked spheres and the colour scheme is a combination of peach and orange. Learned counsel for the Plaintiffs sought to compare component (a), i.e. the circular device, with the SUN logo of the Plaintiffs. This approach clearly contradicts the "Anti-Dissection Rule", according to which, two marks have to be considered as a whole rather than truncating or dissecting them in parts and then comparing the component parts *albeit* constituent parts can be seen as a preliminary step to determine the ultimate impression that a customer may have when the conflicting

marks are seen as a whole. This principle has been enunciated by a Division Bench of this Court in *M/s. South India Beverages Pvt. Ltd. vs. General Mills Marketing*, 2014 SCCOnLine Del 1953.

49. Examined on the touchstone of the aforesaid principle and viewing the competing marks as a whole, it is not possible for this Court to accept

that the impugned mark  is similar to the SUN

logo  of the Plaintiffs so as to cause confusion or an association with the Plaintiffs. In fact, the three remaining components of the Defendants' composite mark, i.e. components (b), (c) and (d), when seen as a whole with component (a), clearly distinguish the two marks such that a man of average intelligence and imperfect recollection cannot be confused.

50. Furthermore, it is not even the pleaded case of the Plaintiffs that component (a) is the "dominant" part of the mark, such that it can be exempted from strict application of the anti-dissection rule. Even otherwise, it is evident that component (a) as well as the letters 'KL', representing the initials of the Defendants' firm, are dominant parts of the Defendants' mark and it cannot be said that the two marks are deceptively similar. Plaintiffs have relied on various Court orders granting protection with respect to device marks similar to Plaintiffs' SUN logo. Bare perusal of the table extracted in para 14 above shows that the infringing marks therein have striking identity with and/or similarity to the Plaintiffs' SUN (device), which is not the case here. The impugned device mark of the Defendants, as

brought out above, is wholly dissimilar to the Plaintiffs' device mark. This contention of the Plaintiffs is thus rejected, being devoid of merit.

51. Even otherwise, if the Plaintiffs' contention was to be considered *de hors* the rule of anti-dissection *qua* a composite mark, it is evident that the SUN logo of the Plaintiffs and component (a) of the Defendants' mark, i.e. the circular device, are neither identical nor similar so as to cause confusion in the mind of the public. The SUN logo of the Plaintiffs has four interlocked spheres with the colour scheme being a combination of peach and orange, while that of the Defendants' circular device has four spheres which are not interlocking with a colour scheme of purple and fuchsia. Besides, the sphere contains the letters "KL", representing the initials of the Defendants' firm and form a key differentiating feature from the Plaintiffs' SUN logo, which has an empty core. Thus, judged from the perspective of a purchaser with average intelligence and imperfect recollection, it cannot be argued by the Plaintiffs that the overall impression so created would lead to confusion or association.

52. The final contention of the Plaintiffs that requires consideration is whether the Defendants have passed off the products of the Plaintiffs. Law with respect to passing off is well settled by several judgments of the Supreme Court and various High Courts. In order to avoid prolixity, I may only refer to a recent judgment of a Co-ordinate Bench of this Court in ***FDC Ltd. vs. Faraway Foods Pvt. Ltd., 2021 SCC Online Del 1539***, wherein the following principles in relation to the tort of passing off have been culled out, relying on the judicial precedents:-

"75. From the aforementioned decisions, the following clear principles emerge:

(i) Passing off, though an action based on deceit, does not require the establishment of fraud as a necessary element to sustain the action. Imitation or adoption, by the defendant, of the plaintiffs trade mark, in such manner as to cause confusion or deception in the mind of prospective customers, is sufficient.

(ii) The principles for grant of injunction, in passing off actions, are the same as those which govern the grant of injunctions in other cases, i.e. the existence of a prima facie case, the balance of convenience, and the likelihood of irreparable loss in issuing to the plaintiff, were injunction not to be granted.

(iii) Proof of actual damage is not necessary, to establish passing off. However, proof of misrepresentation is necessary, even if intent to misrepresent is not approved. The question of intent may, nevertheless, be relevant, when it comes to the ultimate relief to be granted to the plaintiff.

(iv) Passing off may be alleged by a claimant who owns sufficient proprietary interest in the goodwill associated with the product, which is really likely to be damaged by the alleged misrepresentation.

(v) Grant of injunction, in cases where passing off is found to exist, is intended to serve two purposes, the first being preservation of the reputation of the plaintiff, and the second, safeguarding of the public against goods which are “passed off as those of the plaintiff.

(vi) The ingredients/indicia of the tort of passing off are the following:

(a) There must be sale, by the defendant, of goods/services in a manner which is likely to deceive the public into thinking that the goods/services are those of the plaintiff.

(b) The plaintiff is not required to prove long user to prove established reputation. The existence, or otherwise, of reputation, would depend upon the volume of the plaintiffs sales and the extent of its advertisement.

(c) The plaintiff is required to establish

(i) misrepresentation by the defendant to the public, though not necessarily mala fide,

(ii) likelihood of confusion in the minds of the public (the public being the potential customers/users of the product) that the goods of the defendant are those of the plaintiff, applying the test of a person of “imperfect recollection and ordinary memory”,

(iii) loss, or likelihood of loss, and

(iv) goodwill of the plaintiff, as a prior user.

Elsewhere, the five elements of passing off have been identified as (a) misrepresentation,

(b) made by the trader in the course of trade,

(c) to prospective customers or ultimate consumers of the goods or services supplied by him, (d) calculated to injure the business or goodwill of another (i.e. that such injury is reasonably foreseeable) and (e) actual damage, or the possibility of actual damage, to the business or goodwill of the plaintiff.

(vii) In cases of alleged passing off, the Court, while examining the likelihood of causing confusion, is required to consider, in conjunction, inter alia,

(a) the nature of the market,

(b) the class of customers dealing in the product,

(c) the extent of reputation possessed by the plaintiff,

(d) the trade channels through which the product is made available to the customer and

(e) the existence of connection in the course of trade. The Supreme Court has also held that, in passing off action on the basis of unregistered trade marks, the Court is required to assess the likelihood of deception or confusion by examining

- (i) the nature of the marks, i.e. whether there were demands/label marks/composite marks,*
- (ii) the degree of similarity between the competing marks,*
- (iii) the nature of the goods,*
- (iv) the similarity in nature, character and performance of the goods of the rival parties,*
- (v) the class of purchasers, and the degree of care which they would be expected to exercise while purchasing the goods, and*
- (vi) the mode of purchasing the goods and placing orders.*
- (viii) That the defendant is not producing the goods manufactured by the plaintiff may not be relevant, where the plaintiff's mark is found to have sufficient reputation.*
- (ix) Courts are required to be doubly vigilant where passing off is alleged in respect of pharmaceutical products, in view of the possibility of adverse effects resulting from administration of a wrong drug. For the said reason, the degree of proof is also lower, in the case of alleged passing of pharmaceutical products.*
- (x) Passing off differs from infringement. Passing off is based on the goodwill that the trader has in his name, whereas infringement is based on the trader's proprietary right in the name, registered in his favour. Passing off is an action for deceit, involving passing off the goods of one person as those of another, whereas an action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for vindication of its exclusive right to use the*

trade mark in relation to the goods in respect of which registration has been granted. Use of the trade mark by the defendant is not necessary for infringement, but it is a sine qua non for passing off. Once sufficient similarity, as is likely to deceive, is shown, infringement stands established. Passing off, however, may be resisted on the ground of added material, such as packing, procurement through different trade channels, etc., which would distinguish the goods of the defendant from those of the plaintiff and belie the possibility of confusion or deception.”

53. In **Satyam Infoway Ltd. vs. Siffynet Solutions (P) Ltd., (2004) 6 SCC 145**, the Supreme Court observed that action of passing off is based on the goodwill and reputation that a trader has in the trademark or trade name and the remedy for an action for passing off is to preserve the goodwill and reputation of the Plaintiff as well as to safeguard the public against deception by believing the goods of one person to be those of another.

54. The essential characteristics of an action of passing off as delineated in the judgment of **Rolex SA (supra)** by a Co-ordinate bench of this Court are as follow:

“38. The following are the essential characteristics of an action of passing off:-

(A) In Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd., 1980 RPC 31, Lord Diplock stated the essential characteristics of a passing off action as under:

(1) misrepresentation, (2) made by a person in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a

reasonably foreseeable consequence and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so.

(B) The essentials of passing off action in Halsbury's Laws of England Vol. 38 (3rd Edition) para 998 as given below are worth noting:

998. Essentials of the cause of action

The plaintiff must prove that the disputed name, mark, sign or get up has become distinctive of his goods in the sense that by the use of his name or mark, etc. in relation to goods they are regarded, by a substantial number of members of the public or in the trade, as coming from a particular source, known or unknown; it is not necessary that the name of the plaintiff's firm should be known..... The plaintiff must further prove that the defendant's use of name or mark was likely or calculated to deceive, and thus cause confusion and injury, actual or probable, to the goodwill and the plaintiff's business, as for example, by depriving him of the profit that he might have had by selling the goods which ex hypothesi, the purchaser intended to buy. Thus, the cause of action involves a combination of distinctiveness of the plaintiff's name or mark and an injurious use by the defendant of the name or mark or a similar name or mark, sign, picture or get-up does or does not amount to passing off is in substance a question of evidence; the question whether the matter complained of is likely to deceive is a question for the Court."

55. In the aforesaid judgment, this Court has also captured the principles enunciated by the Supreme Court in the case of ***Laxmikant V. Patel vs. Chetanbhai Shah and Anr., (2002) 3 SCC 65*** with regard to the test of

confusion and deception to prove a case of passing off. Relevant passage is as follows:-

“39. The test of confusion and deception in order to prove the case of passing off has been very well discussed in the case of Laxmikant V. Patel v. Chetanbhai Shah, a judgment delivered by the Supreme Court, reported in (2002) 3 SCC 65, wherein the Apex Court while considering a plea of passing off and grant of ad interim injunction held that a person may sell his goods or deliver his services under a trading name or style which, with the passage of time, may acquire a reputation or goodwill and may become a property to be protected by the Courts. It was held that a competitor initiating sale of goods or services in the same name or by imitating that name causes injury to the business of one who has the property in that name. It was held that honesty and fair play are and ought to be the basic policy in the world of business and when a person adopts or intends to adopt a name which already belongs to someone else, it results in confusion, has the propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury. It was held that the principles which apply to trade mark are applicable to trade name also. Relevant para 10 of the aforesaid judgment reads as under:-

“The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that his goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.”

In this case, the Apex Court further observed that:

“Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently.””

56. From a conspectus of the aforesaid judgments and the principles propounded therein, it emerges that an action for passing off is brought by a Plaintiff to restrain the Defendant from passing off its goods and/or services to the public and is inherently aimed not only to protect and preserve the reputation of the Plaintiff but also to safeguard the public interest. The action is based on the reputation and goodwill of the Plaintiff *albeit* it is not essential for the Plaintiff to prove a long user to establish reputation and it would depend upon the volume of sales and extent of advertisement in a given case. The pre-requisite of making a claim alleging passing off is that the Defendant must have sold its goods or offered its services in a manner which has deceived or is likely to deceive the public into believing that the goods or services are that of the Plaintiff. Passing off is a common law remedy and does not require registration of the trademark of the Plaintiff. Passing off is ‘goods’ specific as contrasted with infringement, which is ‘mark’ specific. Thus, the *sine qua non* of passing off action is “misrepresentation” by the Defendant to the public, in the course of trade, which does not necessarily mean fraud or *mala fide* intent and can just be an innocent misrepresentation. Injury to reputation and goodwill of the Plaintiff is the second essential element and loss or likelihood of loss is the third ingredient in an action of passing off.

57. Winfield and Jolowicz in their book on Tort (13th Edition) have explained the concept of passing off as follows:

“Although the classic form of the tort is one trader representing his goods as those of someone else, the basis of the liability is wider; it is the injury to the plaintiff’s business goodwill the benefit and advantage of the good name, reputation and connection of a business...the attractive force which brings in customers.”

58. The essential characteristics/elements of the action of passing off have been brought out in ***Erven Warnink BV vs. J. Townend & Sons (Hull) Ltd., [1979] 2 All ER 927*** and it would be apposite to refer to them as under:

“(1) a misrepresentation, (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence), and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or in a quia timet action will probably do so”

59. From the averments in the plaint and the documents placed on record by the Plaintiffs such as the Chartered Accountant certified sales figures as well as sales invoices, which are not refuted, Plaintiffs have proved that the word marks “ISITE”, “NEW I-SITE” and “I-SITE PLUS” have been adopted and extensively and commercially used in relation to the health supplements. Plaintiffs, by their sale figures, media articles and reports, advertisements and trade literature have established that in the course of trade, the word marks have acquired distinctiveness and formidable goodwill and reputation as a badge of quality products originating from the Plaintiffs. Newspaper reports and articles reflect immense goodwill and reputation. Sales figures and expenses incurred on promotion are indicators of the reputation which the Plaintiffs enjoy.

60. From the documents placed on record by the Plaintiffs, which include screenshots from the interactive websites of the Defendants as well as the e-pharmacy namely 'Mednear', it is evident that Defendants have adopted and are using the trademarks of the Plaintiffs with respect to health supplements and it is clear that the intention is to ride over the Plaintiffs' reputation and goodwill. Plaintiffs have furnished a comparative table in the plaint, drawing similarity between the product of the Plaintiffs and the Defendants and relevant it is to note that both products are OTC drugs at a comparable price range, with the chemical composition almost overlapping. The identity of products, visual similarity and phonetic identity of the trademark is likely to create confusion and may lead to an unwary purchaser with imperfect recollection to purchase the supplements of the Defendants under an impression that they are sourced from the Plaintiffs, with resultant injury to the public and consequential revenue loss to the Plaintiffs. As aforementioned, the word "ISITE" was coined by the Plaintiffs in 1997 and is written differently from the commonly known spellings of the English word "EYESIGHT" and the adoption by the Defendants of part of the mark in an identical fashion clearly shows the intent to misrepresent and pass off the goods as that of the Plaintiffs by riding on their goodwill and reputation. The dishonest adoption by the Defendants leads to an inevitable conclusion that the Defendants are guilty of having committed the tort of passing off. This would not only lead to loss of reputation but also loss of revenue for the Plaintiffs. Defendants have consciously decided to keep away from the proceedings and, therefore, there is no plausible explanation as to why the Defendants adopted the marks visually deceptively similar and phonetically identical for the same products.

61. It is pertinent to note that the products involved in the present case are health supplements and OTC drugs, which can be purchased without prescription of a medical practitioner. Hence, the products are primarily purchased by consumers who would more often than not make informed decisions on their own. Based upon market research, brand recollection and the quality maintained by the product, the consumer makes a choice amongst similar products in the market and, therefore, the trademark acquires grave significance. Courts have repeatedly affirmed that a lower threshold for determining confusion would apply in case of OTC medicinal products, since a lay consumer, lacking knowledge or skill in the field of medicine, would be unable to offset the doubtful impression created while purchasing the products with identical or deceptively similar or similar trademarks. Applying the principles to the present case, a consumer, intending to purchase the health supplement would be prone to confusion on account of the phonetic identity in the competing marks of the Plaintiffs and the Defendants as the product is an OTC and is sold without prescription. It would be useful in this regard to refer to a passage from the judgment of the Supreme Court in ***Cadila Health Care (supra)***:-

“32. Public interest would support lesser degree of proof showing confusing similarity in the case of trade mark in respect of medicinal products as against other non-medicinal products. Drugs are poisons, not sweets. Confusion between medicinal products may, therefore, be life threatening, not merely inconvenient. Noting the frailty of human nature and the pressures placed by society on doctors, there should be as many clear indicators as possible to distinguish two medicinal products from each other. It is not uncommon that in hospitals, drugs can be requested verbally and/or under critical/pressure situations. Many patients may be elderly, infirm or illiterate.

They may not be in a position to differentiate between the medicine prescribed and bought which is ultimately handed over to them. This view finds support from McCarthy on Trade Marks, 3rd Edn., para 23.12 of which reads as under:

“The tests of confusing similarity are modified when the goods involved are medicinal products. Confusion of source or product between medicinal products may produce physically harmful results to purchasers and greater protection is required than in the ordinary case. If the goods involved are medicinal products each with different effects and designed for even subtly different uses, confusion among the products caused by similar marks could have disastrous effects. For these reasons, it is proper to require a lesser quantum of proof of confusing similarity for drugs and medicinal preparations. The same standard has been applied to medical products such as surgical sutures and clavicle splints.”

33.However, the appellants are right in contending that where medicinal products are involved, the test to be applied for adjudging the violation of trade mark law may not be on a par with cases involving non-medicinal products. A stricter approach should be adopted while applying the test to judge the possibility of confusion of one medicinal product for another by the consumer. While confusion in the case of non-medicinal products may only cause economic loss to the plaintiff, confusion between the two medicinal products may have disastrous effects on health and in some cases life itself. Stringent measures should be adopted specially where medicines are the medicines of last resort as any confusion in such medicines may be fatal or could have disastrous effects. The confusion as to the identity of the product itself could have dire effects on the public health.”

62. The Supreme Court relied on the judgment of the United States' Court of Appeal in *Syntex Laboratories Inc. vs. Norwich Pharmacal Co.*, [169 USPQ 1 (2nd Cr. 1971)], wherein it was observed as under:-

“Stricter standard in order to prevent likelihood of confusion is desirable where involved trade marks are applied to different prescribed pharmaceutical products and where confusion could result in physical harm to the consuming public.”

63. In the book titled ‘McCarthy on Trademarks’, it was observed as under:-

“Physicians and pharmacists are knowledgeable in their fields does not mean they are equally knowledgeable as to marks and immune from mistaking one mark from another. (Schering Corp. v. Alza Corp. [207 USPQ 504 (TTAB 1980)])”

64. As a result of the aforesaid discussion and conclusions, the suit is partly decreed in favour of the Plaintiffs and against the Defendants. Defendants, their Directors, partners or proprietors, as the case may be, their assignees, licensees, franchises, distributors, dealers, stockists, retailers, servants and agents are permanently restrained from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in health

supplements under the impugned marks EYESITE/ and/or any other trademark deceptively similar to the Plaintiffs' trademark ISITE/I-SITE and its formative trademarks.



65. Learned counsel for the Plaintiffs, on instructions, had stated that the Plaintiffs are foregoing their claims for damages. Statement of costs has been filed by the Plaintiffs on an affidavit, claiming a sum of Rs.7,49,000/-,

which includes the lawyers' fees as well as the Court Fees. Accordingly, the aforesaid cost is awarded to the Plaintiffs.

66. A decree sheet be drawn up accordingly.

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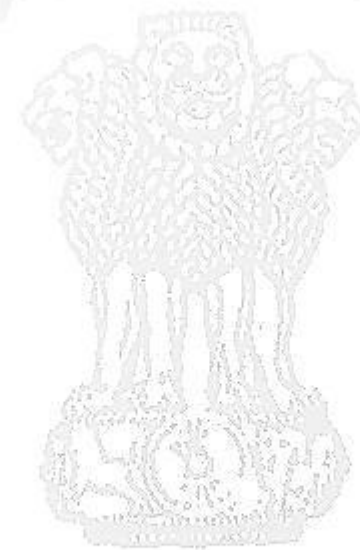
67. In view of the aforesaid, the order dated 28.05.2021 granting interim injunction is accordingly modified.

68. Application is disposed of.

APRIL 12th, 2022

yg/st

JYOTI SINGH, J



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