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

Date of Decision: 05.12.2024

+ CS(COMM) 424/2021 & I.A. 33505/2024

SUN PHARMA LABORATORIES LIMITEDPlaintiff

Through: Mr. Sachin Gupta & Ms. Prashansa
Singh, Advs.
(M- 9811180270)

versus

NARENDER KUMAR & ORS.Defendants

Through: None.

CORAM:

HON'BLE MS. JUSTICE MINI PUSHKARNA

MINI PUSHKARNA, J (ORAL)

I.A.33505/2024 (Application for Summary Judgment on behalf of plaintiff under Order XIII-A of Commercial Courts Act, 2015 read with Section 151 CPC, 1908 and Rule 27 of The Delhi High Court IPD Rules, 2021)

1. The present suit has been filed seeking permanent injunction restraining passing off, unfair competition, rendition of accounts of profit, and delivery up.

2. The present dispute between the parties, essentially pertains to the adoption of the mark 'CAFTADAY' by the defendants which as per the plaintiff amounts to passing off of the mark of the plaintiff, i.e. 'CAFTA'.

3. At the outset it is noted that the Predecessor Bench of this Court vide judgement dated 21st March, 2024 has made the *ex-parte ad-interim* injunction dated 09th September, 2021 absolute. The relevant portion of the said judgment, is as under:



“xxx xxx xxx

27. Accordingly, during the pendency of the present suit, defendants, their partners or proprietors, as the case may be, their assignees in business, licensees, franchisee, distributors, dealers, or any person acting for or on their behalf, are restrained from manufacturing, selling, offering for sale, advertising, directly or indirectly, dealing in medicinal and pharmaceutical preparations under the impugned mark “CAFTADAY” or any other mark which may be deceptively similar to plaintiff’s mark “CAFTA”.

xxx xxx xxx”

4. This Court vide order dated 30th March, 2022 allowed for disposal of the pending stocks of defendants product under the mark ‘CAFTADAY’ and directed an affidavit to be filed thereof. The relevant portion of the said order is reproduced as under:

“xxx xxx xxx

6. The matter would be required to be heard on the issue as to whether the injunction deserves to be continued or not. In the meantime, this Court is of the opinion that the ophthalmic solution products of the Defendants, manufactured under the mark ‘CAFTADAY’ ought not to be wasted. Accordingly, without prejudice to the rights of the parties, Defendant Nos.1 & 2 are permitted to dispose of the ‘CAFTADAT eye drops, within a period of three months from now. Let an affidavit be filed by the Defendant Nos.1 & 2 giving the quantity of products disposed of, their batch numbers & their monetary value by 20th July, 2022.

xxx xxx xxx”

5. Further, defendant no. 3, i.e., manufacturer of defendant nos. 1 and 2, stands deleted vide Order dated 02nd August, 2022, with the following observations:

“xxx xxx xxx

8. In so far Defendant No.3 is concerned, since it was manufacturing at the behest of Defendant Nos.1 and 2, it is directed that Defendant No.3 shall be bound by whatever orders would be passed against Defendant Nos.1 and 2 and that Defendant No.3 would not use or manufacture any medicinal preparations under the impugned mark ‘CAFTADAY’ until further orders of this Court.



9. This order is accepted by the Defendant No.3. In view of the fact that Defendant No.3 has agreed to abide by the orders that would be passed against Defendant Nos. 1 and 2 and would not claim any independent right in the mark today, Defendant No.3 is deleted from the array of parties. As and when final orders are passed, Defendant Nos.1 and 2 shall communicate the same to Defendant Nos. 3.

xxx xxx xxx”

6. Learned counsel appearing for the plaintiff has made the submission before this Court that in view of the judgement dated 21st March, 2024, by way of which, the interim injunction in favor of the plaintiff was made absolute, the defendants have stopped participating in the proceedings and have failed to file any reply to the present application.

7. Learned counsel appearing for the plaintiff submits that there has been no appeal preferred challenging the judgement dated 21st March, 2024. Therefore, it is submitted that on account of non-appearance and the defendants not having any prospect of succeeding in the present matter, the matter can be summarily decided.

8. He further submits that the plaintiff has *bonafidely* and continuously used the mark and has garnered immense goodwill in the sale of the products under the mark, with sales of over Rs. 97.67 Lacs in 2019-20 and 176.33 Lacs in 2020-21.

9. I have heard learned counsel for the plaintiff and perused the record.

10. It is noted that the defendants have failed to make any appearance since the passing of judgement dated 21st March, 2024. Further, this Court vide order dated 18th July, 2024, issued notice to the defendant nos. 1 and 2, and directed filing of a reply to the present application, however, the same has not been filed by the defendants despite being served through their counsel and *via* email on 23rd August, 2024.

11. This Court further notes that the present matter is for passing off of the plaintiff's mark 'CAFTA' by the defendants' due to the usage of the



their mark 'CAFTADAY'.

12. The mark of the plaintiff under application no. 4313518 dated 05th October, 2019 in Class 5 is not registered and currently pending registration before the Trade Marks Registry on account of the opposition dated 05th November, 2021, filed by the defendants herein. Further, the mark of the defendants under application no. 4928579 dated 31st March, 2019 in Class 5 on a 'proposed to be used' basis, also stands opposed by way of opposition dated 26th August, 2021. The said oppositions are currently pending before the Trade Marks Registry.

13. At this stage it would be relevant to compare the two products. The table of comparison, reproduced as under:

PARTICULARS	PLAINTIFF	DEFENDANT
Mark	CAFTA	CAFTADAY
TM Applications	5.10.2019 Objected- currently pending. <i>See @ pg. 7-9; Plf.'s LOD dt. 4.09.2021</i>	31.03.2021 Opposed- currently pending. <i>See, @ pg.15-16;</i>
Salt	Alcaftadine	Alcaftadine
Form	Eye Drops	Eye Drops
Use	2019	2021
Annual Sales	Rs. 97.67 lacs (2019-20); Rs. 192 lacs (2020-21), <i>See Plaint Para 1 @ pg. 11</i>	Not Specified

14. From perusal of the table above, it can be culled out that despite the plaintiff not having a registration of their mark, they are the prior user since 2019 in comparison to the use by the defendants since 2021. Moreover, the plaintiff has made substantial sales, under its mark 'CAFTA' used for the product, i.e. eye drops.

15. Further, the defendants last sold their products as per directions in the order dated 30th March, 2022, by way of which this Court had allowed the defendants to exhaust their stocks within a period of three months.



16. As recorded above, this Court has taken a *prima facie* view in the judgement dated 21st March, 2024, that the plaintiff made out a clear case of misrepresentation of its mark ‘CAFTA’ by the defendants’ adoption and use of the mark ‘CAFTADAY’. The relevant portion of the said judgement is reproduced as under:

“xxx xxx xxx

22. *It is clear that plaintiff has made out a prima facie case of misrepresentation of its mark “CAFTA” by defendants. However, this Court has not expressed any views on whether such misrepresentation was mala fide. In any case, in proving misrepresentation, plaintiff need not prove any mala fide intention, and the question of innocent misrepresentation would only be relevant at the stage of final relief per the decision in **Satyam Infoway** (supra).*

xxx xxx xxx”

17. The products, i.e. eye drops, of both parties being pharmaceutical goods, require the highest level of scrutiny and protection towards any possibility of confusion. Further, the word, ‘CAFTA’ of the plaintiff is completely encompassed by the mark of the defendants, i.e. CAFTADAY and the usage of the said term for the same product in the same market is bound to cause confusion. Further, on account of the prior use and revenue earned on part of the plaintiff, it is clear that the mark of the defendants would likely cause confusion in the eyes of a consumer.

18. Thus, the Supreme Court in the case of *Cadila Health Care Ltd. Versus Cadila Pharmaceuticals Ltd., (2001) 5 SCC 73*, while observing the aspect of passing off and degree of care required in case of pharmaceutical products, has held as follows:

“xxx xxx xxx

31. Trade mark is essentially adopted to advertise one's product and to make it known to the purchaser. It attempts to portray the nature and, if possible, the quality of the product and over a period of time the mark may become popular. It is usually at that stage that other people are tempted to pass off their products as that of the original owner of the mark. That is why it is said that in a passing-off action,



the plaintiff's right is

“against the conduct of the defendant which leads to or is intended or calculated to lead to deception. Passing-off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation which another has established for himself in a particular trade or business. The action is regarded as an action for deceit”. [See *Wander Ltd. v. Antox India (P) Ltd.* [1990 Supp SCC 727] , SCC p. 734, para 16.]

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. The decisions of English courts would be relevant in a country where literacy is high and the marks used are in the language which the purchaser can understand. While English cases may be relevant in understanding the essential features of trade mark law but when we are dealing with the sale of consumer items in India, you have to see and bear in mind the difference in situation between England and India. Can English principles apply in their entirety in India with no regard to Indian conditions? We think not. In a country like India where there is no single common language, a large percentage of



population is illiterate and a small fraction of people know English, then to apply the principles of English law regarding dissimilarity of the marks or the customer knowing about the distinguishing characteristics of the plaintiff's goods seems to overlook the ground realities in India. While examining such cases in India, what has to be kept in mind is the purchaser of such goods in India who may have absolutely no knowledge of English language or of the language in which the trade mark is written and to whom different words with slight difference in spellings may sound phonetically the same. While dealing with cases relating to passing off, one of the important tests which has to be applied in each case is whether the misrepresentation made by the defendant is of such a nature as is likely to cause an ordinary consumer to confuse one product for another due to similarity of marks and other surrounding factors. What is likely to cause confusion would vary from case to case. 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.

xxx xxx xxx”

(Emphasis Supplied)

19. The present case, being a case of passing off for a mark not registered, will have no effect on the aspect of confusion that is bound to occur between the products of the plaintiff and the defendants. The product of the defendants, i.e. eye drop, is clearly similar to that of the plaintiff with similar mark, i.e. ‘CAFTADAY’ being used for the same type of products. Therefore, the mark of the defendants is evidently deceptively similar to that of the plaintiff’s mark.

20. In view of the discussion as above and the facts as established herein, with regards, the defendants’ mark being deceptively similar, prior use of



the plaintiff in their mark and the similarity of the products sold under the marks, along with the view as substantiated in the judgement dated 21st March, 2024, this Court is of the considered opinion that the defendants have no prospect in succeeding in the present matter.

21. At this stage, reference may be made to the judgment of this Court in the case of *Su-Kam Power Systems Ltd. Versus Kunwer Sachdev, 2019 SCC OnLine Del 10764*, wherein, it has been held as follows:

“xxx xxx xxx

90. To reiterate, the intent behind incorporating the summary judgment procedure in the Commercial Court Act, 2015 is to ensure disposal of commercial disputes in a time-bound manner. In fact, the applicability of Order XIII A, CPC to commercial disputes, demonstrates that the trial is no longer the default procedure/norm.

91. Rule 3 of Order XIII A, CPC, as applicable to commercial disputes, empowers the Court to grant a summary judgement against the defendant where the Court considers that the defendant has no real prospects of successfully defending the claim and there is no other compelling reason why the claim should not be disposed of before recording of oral evidence. The expression “real” directs the Court to examine whether there is a “realistic” as opposed to “fanciful” prospects of success. This Court is of the view that the expression “no genuine issue requiring a trial” in Ontario Rules of Civil Procedure and “no other compelling reason.....for trial” in Commercial Courts Act can be read mutatis mutandis. Consequently, Order XIII A, CPC would be attracted if the Court, while hearing such an application, can make the necessary finding of fact, apply the law to the facts and the same is a proportionate, more expeditious and less expensive means of achieving a fair and just result.

92. Accordingly, unlike ordinary suits, Courts need not hold trial in commercial suits, even if there are disputed questions of fact as held by the Canadian Supreme Court in Robert Hryniak (supra), in the event, the Court comes to the conclusion that the defendant lacks a real prospect of successfully defending the claim.

xxx xxx xxx”

(Emphasis Supplied)

22. At this stage learned counsel for the plaintiff presses for cost and relies upon the affidavit dated 20th July, 2022 filed by the defendants, which discloses the stocks sold by the defendants.



23. This Court is of the view that ends of justice will be met if the defendants are granted certain cost in their favor on account of the present litigation. Thus, the Supreme Court in the case of *Vinod Seth Versus Devinder Bajaj, (2010) 8 SCC 1*, while holding that a successful party should be compensated with cost, held as follows:

“xxx xxx xxx

45. *Before concluding, it is necessary to notice the reason why the High Court was trying to find some way to protect the interests of the defendants, when it felt that they were being harassed by the plaintiff. It made the impugned order because it felt that in the absence of stringent and effective provision for costs, on the dismissal of the suit, it would not be able to compensate the defendants for the losses/hardship suffered by them, by imposing costs. If there was an effective provision for levy of realistic costs against the losing party, with reference to the conduct of such party, the High Court, in all probability would not have ventured upon the procedure it adopted. This draws attention to the absence of an effective provision for costs which has led to mushrooming of vexatious, frivolous and speculative civil litigation.*

46. *The principle underlying levy of costs was explained in Manindra Chandra Nandi v. Aswini Kumar Acharjya [ILR (1921) 48 Cal 427] thus: (ILR pp. 440-41)*

“... **We must remember that whatever the origin of costs might have been, they are now awarded, not as a punishment of the defeated party but as a recompense to the successful party for the expenses to which he had been subjected, or, as Lord Coke puts it, for whatever appears to the Court to be the legal expenses incurred by the party in prosecuting his suit or his defence. ... The theory on which costs are now awarded to a plaintiff is that default of the defendant made it necessary to sue him, and to a defendant is that the plaintiff sued him without cause; costs are thus in the nature of incidental damages allowed to indemnify a party against the expense of successfully vindicating his rights in court and consequently the party to blame pays costs to the party without fault.** These principles apply, not merely in the award of costs, but also in the award of extra allowance or special costs. Courts are authorised to allow such special allowances, not to inflict a penalty on the unsuccessful party, but to indemnify the successful litigant for actual expenses necessarily or reasonably incurred in what are designated as important cases or difficult and extraordinary cases.”

xxx xxx xxx”

(Emphasis Supplied)



24. Accordingly, considering the aforesaid detailed discussion and the facts and circumstances of the case, the following directions are issued:

I. The suit is decreed in favour of the plaintiff and against the defendant nos. 1 and 2 in terms of Paragraph-22 (a) of the plaint.

II. The plaintiff is entitled to a sum of ₹ 5 Lacs towards costs and damages, which shall be paid by the defendants within a period of eight weeks from today.

25. Decree sheet be drawn up.

26. The present suit, along with pending applications, stands disposed of.

MINI PUSHKARNA, J

DECEMBER 5, 2024

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