

..... Plaintiffs Vs. Kepler Healthcare Private

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Court : Kolkata

Decided On : Jan-31-2014

Judge : I. P. Mukerji

Appellant : Plaintiffs

Respondent : Kepler Healthcare Private

Judgement :

IN THE HIGH COURT AT CALCUTTA Ordinary Original Civil Jurisdiction
G.A.No.3276 of 2013 G.A.No.3427 of 2013 With C.S.No.387 of 2013 In the matter
of: SIRMOUR REMEDIES PRIVATE LIMITED & ANR.

Plaintiffs/Petitioners - vs - KEPLER HEALTHCARE PRIVATE LIMITED & ORS.
Defendants/Respondents G.A.No.3277 of 2013 G.A.No.3428 of 2013 With
C.S.No.388 of 2013 In the matter of: MEDIFORCE HEALTHCARE PVT.LTD.&
ANR.

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Plaintiffs -versus KEPLER HEALTHCARE PRIVATE LIMITED & ORS..Defendants
G.A.No.3278 of 2013 G.A.No.3426 of 2013 With C.S.No.386 of 2013 C.C.No.133
of 2013 In the matter of: MANKIND PHARMA LTD.& ANR.

Plaintiffs - vs - KEPLER HEALTHCARE PRIVATE LIMITED & ORS. Defendants
G.A.No.3279 of 2013 G.A.No.3425 of 2013 With C.S.No.385 of 2013 In the matter

of: PHARMA FORCE LAB & ANR.

Plaintiffs -vs KEPLER HEALTHCARE PRIVATE LIMITED & ORS..Defendants For the Plaintiffs : Mr.S.K.Kapoor, Sr.Advocate Mr.Pratap Chatterjee, Sr.Advocate Mr.Debal Banerjee, Sr.Advocate Mr.S.N.Mookerjee, Sr.Advocate Mr.Tilak Bose, Sr.Advocate with Mr.Ranjan Bachawat, Mr.Debnath Gosh, Advocates For the Defendants : Mr.Ajay Kr.

Gupta, Sr.Advocate with Mr.Jatin Trivedi, Mr.Ankur Jain, Mr.Tejendra Singh Jhala, Mr.Nakul Sharadalal, Mr.Heera Jain, Mr.Kaninika Ghosh, Advocates Heard on : 17.01.2014 Judgment on : 31st January, 2014 I.P.MUKERJI, J.

Each of the plaintiff companies (the plaintiff) is a pharmaceutical company.

It sells various medicinal products under different brand names.

They are a group.

They call themselves the Mankind Group.

The second defendant was the Sales Manager of their Ahmedabad division in Gujrat.

The third defendant is his wife.

The fiRs.defendant is a company promoted by the husband and the wife.

This defendant company started selling eleven or twelve medicinal products, under eleven different trade marks, in the market.

Although the marks are eleven, the medicinal products are twelve.

A table showing the twelve products and the eleven marks is set out below: SAME COMPOSITION Sr.KEPLER BRAND No.NAME KEPLER COMPOSITION MANKIND GROUP MANKIND BRAND NAME GROUP COMPOSITION1KEPODIL Cefpodomime KEPODIL Cefpodoxime 2 KEPREB

Rabeprazole KEPREB Rabeprazole 3 D3FLOW Vitamin D3 D3FLOW Vitamin D3
 4 KEPTRON Ondansetron KEPTRON Ondansetron 5 TWAGIC Aceclofenac +
 TWAGIC Aceclofenac + Paracetamol 6 BEE12 OD Methylcobalamin Paracetamol
 BEE12 OD Methylcobala min 7 8 KEP-X KEP-D Terbutaline + KEP-X Terbutaline
 + Guaiphenesin + Guaiphenesin Bromhexine + Bromhexine Dextromethorphan +
 KEP-D Dextromethor Chlorpheniramine phan + maleate + Chlorpheniram
 Phenylephrine ine maleate + Phenylephrine DIFFERENT COMPOSITION
 Sr.KEPLER BRAND No.NAME KEPLER COMPOSITION MANKIND GROUP
 MANKIND BRAND NAME GROUP COMPOSITION1AMOKAV Amoxicillin +
 AMOKAV Clavulanic acid 2 MOISER Cream Aloe Vera + Wheat Amlodipine
 Besilate MOISER Tablet Metformin KEPTAFINE Fluconazole Germ Oil + Honey
 Extract + Tea Tree Oil Cream 3 KEPTAFINE Terbinafine NOSIER Cetirizine +
 NOSIER Cetrizine Phenylephrine + Paracetamol + Zinc One will notice that the
 mark KEP of the Mankind Group is also used with slight variation by the
 defendants by the marks KEP-X and KEP-D.

What is shell shocking is that one brand is used to sell two different medicinal
 preparations, one by the plaintiff and the other by the defendants.

This is the case with four brands tabulated in the second part of the table above.

The effect of this is disastrous.

Take the brand AMOKAV.

The composition of the plaintiffs drug helps in reduction of hypertension whereas
 the composition of the defendants` drug is a powerful antibiotic used for many
 purposes.

If a physician just wrote AMOKAV in the prescription there was every likelihood of
 the wrong drug being handed out by the pharmacist.

I had pointed out the public danger in the sale of these kinds of drugs in the interim
 order made by me in this application on 8th November 2013, apart from the utter
 confusion that would be caused in the trade.

The plaintiff is seriously aggrieved.

They claim that all these eleven marks were coined by them and belong to them.

These marks have been allegedly stolen by these defendants (hereafter the defendants). They are trading on the goodwill of the plaintiff by marketing their medicinal products under those brand names and making profit, according to the plaintiff.

They seek an order of injunction restraining the defendants from marketing these eleven medicinal products.

They want a Receiver to take possession of those goods and destroy them so that they cannot be surreptitiously sold in the market.

However, none of these marks are registered, although both the plaintiff and the defendant companies have made applications for their registration.

There are four plaintiff companies.

Mankind Pharma Ltd claims to be the proprietor of seven out of eleven trade marks.

The other three plaintiff companies claim ownership of the other four marks.

The group claims ownership of the mark or brand KEP.

They say that it stands for Keep effective protection.

On or about 8th November, 2013, four suits were filed by these plaintiffs.

Immediately thereafter, four interim applications were moved ex parte before me.

On 8th November, 2013, I passed an interim order restraining the defendants from selling the eleven products, appointed Joint Receivers to take possession of the goods with the help of the police if necessary.

The interim order was made valid till 9th December and the applications made returnable on 26th November, 2013.

On 22nd November, 2013, the defendants in each suit took out an application for discharge of the interim order.

In addition to this evidence, both the parties handed over charts, tables, list of dates of facts pleaded and even not pleaded, supplementary affidavits and so on.

Counsel on both sides agreed that the interim applications as well as the applications for vacating the interim order could be disposed of on the said papers. From time to time and lastly, till judgment, the interim order was extended, whilst the matter was being heard.

It is very important to note that LifeStar Pharma Private Limited, a group had employed the second defendant on 22nd August 2007 with retrospective effect from 6th August 2007, as the Divisional Sales Manager, with his headquarters at Ahmedabad at a gross annual remuneration of Rs.497760/-The term of employment that is most important for the purposes of this case is that he was forbidden from parting with confidential information.

Therefore, the terms of employment contemplated that he would be entrusted with confidential information.

On or about 12th March, 2013 the plaintiff had approached an organisation Prompack, by letter, to suggest brand names or trade marks for the eleven medical products.

By their letter dated 18th March, 2013 this organisation had suggested inter alia these eleven marks.

These marks were accepted by the plaintiff and proposed to be used in their medicinal products.

However, they wrote to Daswani & Daswani on 20th March, 2013 to provide them a report as to whether there were similar marks in the market, to which the Attorneys replied on 21st March, 2013 that the proposed marks may be adopted.

They are as follows: 1.

AMOKAV, 2.

BEE12, 3.

D3 FLOW, 4.

KEPODIL, 5.

KEPTAFINE, 6.

MOISER-500XR, 7.

NOSIER, 8.

TWAGIC, 9.

KEP SYRUP, 10.

KEPTRON, 11.

KEPREB.

The second defendant became aware that the plaintiff had adopted the marks and intended to use them for their medicinal products, as will appear from the letter of the plaintiff to him, dated 8th April, 2013.

It is in the following terms. To, Harpal Vala, Sales Manager, Ahmedabad We are sending you promotions material for Terbinaforce Dusting Powder.

Kindly start your market survey as per doctor selection.

You are also informed that we are launching the following products KEPODIL for Cefpodoxime, MOISER for Metformin, BEE12 for Mecobalamin + Vitamin B12, KEPTRON for Ondansetron, KEPTAFINE for Fluconazole, NOSIER FOR Cetrizine Hydrochloride, TWAGIC for Aceclofenac and paracetamol combo, KEP for Tebutaline Sulphate, AMOKAV for Amlodipine Besilate, D3FLOW for Vitamin D3, and KEPREB for Rabeprazole.

Trade dispatches form depot, promotions & samples shall be dispatched to concerned tem shortly.

Kindly start doctor selection and keep it ready.

As you also know that your Region did not do too well during the last quarter we would expect much better results this time.

Rgd, Dr.

Sanjay Koul Head PMT The plaintiff thinks that this was confidential information of the highest degree and top trade secret entrusted by them with the second defendant.

On or about 11th April, 2013 the second defendant caused his wife, the third defendant to incorporate the fiRs.defendant company, it is alleged.

Her husband continued to work with the plaintiff.

On 15th June, 2013, he submitted his resignation letter which was forthwith accepted by the plaintiff.

It appears from the records that although by this letter, the second defendant had given one months notice to the company, the company discharged him forthwith.

Now it appears that the defendants applied for Drug Licence for the selfsame brands or marks or in the chemical composition constituting them.

The plaintiff also obtained similar licence, a few days before the defendants.

The plaintiff and the defendant started selling the products, quite contemporaneously.

The plaintiff was a few weeks ahead in the race.

The defendants application for registration was earlier.

A helpful chart was handed up by counsel indicating the dates when the drug controller granted permission, and the date of the fiRs.Invoice for each product of the parties.

This chart tends to show that in terms of making the fiRs.sale each of the plaintiffs products was fiRs.in the market, although by only a few days.

The chart is inserted below: PLAINTIFFS Name DEFENDANTS Product Manufact
FiRs.FiRs.Invoice Product Sr.Permissio urer Inv.

Invoice Date (deduced Permission No n Date Date Date from Annex-H, Date .

Pg.46 of Vacating 1 2 3 4 5 AMOKAV2708.20 29.08.20 30.08.20 TABLETS1313
13 BEE12 27.08.20 29.08.20 30.08.20 TABLETS1313 13 D3 FLOW2708.20
29.08.20 30.08.20 TABLETS1313 13 KEPODIL0508.20 29.08.20 30.08.20
TABLETS1313 13 KEPTAFIN0508.20 24.08.20 27.08.20 E1313 13 2.09.2013
12.07.2013 2.09.2013 15.07.2013 2.09.2013 12.07.2013 17.09.2013 15.07.2013
TABLETS6MOISER - 15.05.20 29.08.20 30.08.20 500XR1313 13
NOSIER1405.20 25.08.20 27.08.20 TABLETS1313 13 TWAGIC2708.20 30.08.20
30.08.20 TABLETS1313 13 KEP0407.20 14.07.20 14.07.20 SYRUP1313 13
KEPTRON0407.20 14.07.20 14.07.20 TABLETS1313 13 13.09.2013 12.09.2013
2.09.2013 15.07.2013 TABLETS78 9 10 12.7.2013 19.08.2013 17.07.2013
2.09.2013 12.07.2013 2.09.2013 12.07.2013 (pg.31922) 11 KEPREB - 04.07.20
14.07.20 14.07.20 20 13 13 13 TABLETS According to learned counsel for the
defendants, they had invented or coined the mark.

The process by which these names were coined was mentioned in a sheet of paper handed up to this Court.

It is as follows as per table below: KEPLER BRAND ADOPTION LOGIC
Sr.Defendants Brand Defendants Adoption Logic Plaintiff Company No.1.

AMOKAV Amoxycillin + Clavulanic Acid Mankind Combination 2.

BEE12OD Vitamin B12 Extra Efficient Mankind Once a Day 3.

D3 FLOW Flow of Vitamin D3 Mankind 4.

KEPODIL Cefpodoxime of Kepler Mankind 5.

KEPTAFINE Terbinafine of Kepler Mankind 6.

MOISER Moisturizer Mankind 7.

NOSIER Nos.clear Mankind 8.

TWAGIC Magic of Two Analgesics Mankind 9.

KEPTRON¹⁰ KEP D Ondansetron of Kepler Keplers Cough syrup for Dry Pharma Force Sirmour Cough 11.

KEP X Keplers Expectorant Sirmour 12.

KEPREB Rabeprazole of Kepler Medi Force It is astonishing that these eleven marks are identical to the marks claimed to have been invented by the plaintiff.

According to the defendants, the plaintiff became aware that the defendants were preparing to market these marks.

Since the second defendant had left the employment of the plaintiff, they had a deep grudge against him.

They would not allow him to set up his own business.

So they decided to manufacture the self-same medicinal products with the self-same trade marks or brand names.

To establish prior user they fabricated the correspondence made to the organisation Prompack, apparently requesting them to coin the names.

Further the defendants say, the plaintiff pretended to write to Daswani & Co. Trade Marks attorneys for verification whether the brands could be adopted by the company or not, by a backdated letter, to create evidence of bona fide coinage of the marks.

The intention of the plaintiff is to kill the business of the defendants, it is alleged.

Furthermore, it was submitted on behalf of the defendants that the plaintiffs were marketing the self-same eleven products under different marks, as per the table given later on in this judgment.

The plaintiff is still marketing these products under the said trade marks.

Therefore, having a substantial sale with the existing trade marks, there was no need for the plaintiff to adopt eleven other marks and to propose to sell the products under them.

The stand of the plaintiff is that any person is entitled to sell a product with more than one trade mark.

Mr.Kapur submitted that Glaxo & Co.was marketing paracetamol under two brand names, Calpol and Crocin.

Mr.S.N.Mookerjee, learned Senior advocate said that sometimes the same product was sold by a manufacturer in two geographical locations by two different marks.

It was also contended on behalf of the defendants that a mark could not be a trade secret.

An industrial process may be a secret but a mark could not be so.

Therefore, the basic case of the plaintiff of theft of trade secrets had no basis.

The defendants maintained that they made prior use of the marks.

They were entitled to use the eleven marks.

Therefore, a few basic issues arise for consideration in this interim application: i) Whether coinage of the subject trademarks could be called a trade secret or confidential information?.

ii) Whether the defendants were guilty of stealing this trade secret from the plaintiff?.

iii) Whether the defendants were guilty of passing off their goods as those of the plaintiff?.

A Division Bench judgment of Ruma Pal J.

in the case of Allergan Inc versus Milment Oftho Industries and Others reported in AIR1998 Cal 261 had settled several important points in this branch of the law.

In the case of a passing off action, where both the marks are unregistered, prior user of the mark would entitle its owner or licensee to claim its exclusive use.

It does not matter whether a particular product is actually sold in a particular market.

Reputation of a product (international) may precede its introduction and may exist without trade in such product in the company. If at an earlier point of time, the mark is able to establish some kind of reputation in the market then the owner of that mark can claim exclusive use thereof.

In other words, the people must be able to make some kind of association of a particular mark with its source or manufacturer.

The reputation must be well established or a known one.

Justice Pal went out to say: 16.

FiRs.it is not essential for the plaintiff to prove long user to establish reputation in a passing off action.

It would depend upon the volume of sales and extent of advertisements.

In Stanard v.

REAY, 1967 (19) RPC589the plaintiff started a business under the name of Mr.Chippy of selling fish and chips from a van.

Three weeks later the defendant also started same business under the same name.

Allowing the application of the plaintiff to restrain the defendants from using the same name, Buckley J.

found on evidence that even in the 3 short weeks the sale was sufficient to establish a connection in the mind of the public between the name Mr.Chippy and the plaintiffs business.

Similarly in Consolidated Foods Corporation v.

Brandon & Co., AIR1965 Bom 35 it was said: A trader acquires a right to property in a distinctive mark irrespective of length of user or extent of his trade.

The question according to Their Lordships is - who gets there first?. Mr.Debal Banerjee, learned Senior Advocate cited this in submitting that the Court has to appreciate the prima facie case on the basis of the records before it.

It has to take the record as correct, unless on their face the records appear to be forged, fabricated or distorted.

22.

There is evidence of voluminous sales of the appellants product OCUFLOX both in terms of quantity and value world wide from 1992 before the respondent thought of the name.

At the interlocutory stage, where the deponents to the affidavits are not subjected to cross-examination, the Court necessarily has to proceed on the basis of affidavit of evidence.

There is no reason at this stage to disregard the statements made on path by the appellant. (Allergan case) He urged me to declare the plaintiff as the fiRs.user of the subject marks, or their inventor, as they had furnished prima facie proof of prior user.

(See also Satyam Infoway versus Sifynet Solutions reported in (2004) 6 SCC145 cited by Mr.Kapur) Mr.Banerjee submitted that the plaintiff had brought adequate materialson-record to prima facie prove its case that they were the prior user of the

marks.

Mr.Gupta had pointed out, discrepancies here and there, in the documents and in the case of the plaintiff.

But he was unable to show that the evidence relied upon by the plaintiff were on the face of it false or fabricated.

In those circumstances the plaintiff was entitled to rely on those documents.

The start dates of the production of the plaintiffs products and that of the defendants products were only a few weeks apart.

Obtaining the drug controllers licence was also a close race.

Prior user of the plaintiff, if at all, according to Mr.Gupta, was small.

He relied on the following passage of Uniply Industries LTD.versus Unicorn Plywood PVT.LTD.And Others reported in (2001) 5 SCC95 8.

Some courts indicate that even prior small sales of goods with the mark are sufficient to establish priority, the test being to determine continuous prior user and the volume of scale or the degree of familiarity of the public with the mark.

Bona fide test of marketing, promotional gifts and experimental sales in small volume may be sufficient to establish a continuous prior use of the mark.

But on some other occasions courts have classified small scales volume as so small and inconsequential for priority purposes.

Therefore, these facts will have to be thrashed out at the trial and at the stage of grant of temporary injunction a strong prima facie case will have to be established.

It has also to be borne in mind whether the appellant had also honestly and concurrently used the trade marks of there are other special circumstances arising in the matter.

The courts below have merely looked at what the prima facie case is and tried to considering decide the the various matter without other aspects arising in the matter.

Therefore, we think, the appropriate order to be made is that injunction either in the favour of the appellant or against them or vice veRs.is not appropriate and the proceedings in the suit shall be conducted as expeditiously as possible or the Registrar under the Trade and Merchandise Marks Act, 1958 may decide the matter which may govern the rights of the parties. On this he argued that the order of injunction was not an appropriate remedy and that the trial should be expedited.

The above Supreme Court judgment would be applicable to this case if it was only a case of doubtful prior user or negligible prior user.

But this case is quite different for many reasons.

The fiRs.and foremost is that preparation of medicinal products is involved.

In such a case there is no room for any doubt or confusion with regard to the mark.

Public health is involved.

Public danger is to be avoided.

The Court would not allow marks even slightly resembling each other so as to protect public health.

The Courts have to be extra careful with regard to medicinal preparations.

(See Cadila Health Care LTD.versus Cadila Pharmaceuticals LTD.reported in (2001) 5 SCC73Paras 28 and 32 and Milmet Oftho Industries And Others versus Allergan Inc.

reported in (2004) 12 SCC624Paras 7 and 9 read with Ciba Geigy LTD.versus Crosslands Research Laboratories LTD.reported in (1996) 16 PTC Page 1; Pfizer Products Inc.

versus Rajesh Chopra and ORS. reported in 2007 (35) PTC59(Del). Therefore, of two similar marks selling the same product of two different manufacturers, only one mark can circulate in the market and not two.

Hence, even if there is only marginal prior user by the plaintiff, the defendant's marks have to give way.

Moreover, the defendants are using four marks, the chemical composition of which is different from those four products sold by the plaintiff under identical names.

For e.g., AMOKAV is sold by the plaintiff to reduce hypertension, whereas, it is sold by the defendants to kill bacteria.

This is dangerous.

It is fraught with the danger of a wrong AMOKAV being sold to a patient, causing him immense damage, if not death.

There is an added reason also.

The second defendant was an employee of the plaintiff.

His contract of employment provided for confidential information of the company to be held by him.

Therefore, when the plaintiff and the second defendant come out with the same marks, there is a strong presumption against the second defendant having pilfered the information or mark of his employer.

The plaintiff argues that the second defendant was their Sales Manager in Ahmedabad.

He held a very responsible position.

He knew their trade secrets and held their confidential information.

He was aware of the plaintiff's coinage of the eleven marks.

He had misutilised the information for this gain and causing loss to his employeRs. The case of Lamb versus Evans, a Court of Appeal decision and reported in 1893 (1) CH218 cited by Mr. Kapur, learned Senior Counsel was a copyright case.

A trade dictionary of advertisements was arranged under careful composed headings.

The Court of Appeal declared that copyright existed in those headings.

The next two cases cited by the same learned Counsel Morison V.

Moat reported in 9 HARE [241].492 and Amber Size And Chemical Company, Limited versus Menzel reported in 1913 (2) CH239 are more important.

Morison V.

Moat related to a secret process of preparing a medicinal preparation.

It appears that the medicinal preparation was the product of a secret compound of a person called Morison.

It was held that Morison had a right to the trade secret not being divulged and could restrain anybody from doing so.

Similar was the case of Amber Size And Chemical Company, Limited versus Menzel reported in 1913 (2) Ch 239, although this case concerned a secret process of manufacture.

The principles laid down in this decision go far enough to say that whenever an information had been communicated to an ex-servant with the understanding expressed or implied that he would not make an improper use of it to the detriment of his master, he could be restrained from doing so.

The following passage in the judgment of the said decision is very important: In my view, after giving the authorities the best attention I can, the law stands thus:- The Court will restrain an ex-servant from publishing or divulging that which has been

communicated to him in confidence or under a contract by him, express or implied, not to do so: *Morison V.*

*Moat (1).*and generally from making an improper use of information obtained in the course of confidential employment: *Truck & Sons V.*

*Priester (2).*and, further, from using to his late masters detriment knowledge information surreptitiously and obtained from him during his, the servants, employment: *Robb V.*

Green.(3) In the case of *Saltman Engineering Co.LTD.And Others V.*

*Campbell Engineering Co.LTD.*reported in [1963].3 ALL ER413(The citation is wrong.

It is a much earlier case reported in 65 RPC203, also cited by Mr.Kapur, Lord Greene sitting in the Court of Appeal said that an information to be confidential must have the necessary quality of confidence about it.

It must have some originality.

The Court said what makes it confidential is the fact that the maker of the document has used his brain and thus produced a result which can only be produced by some body should goes through some process.

The Court referred to a formula, a plan, a sketch.or something of that kind.

Lord Greene added: If a defendant is proved to have used confidential information, directly or indirectly obtained from a plaintiff, without the consent, express or implied of the plaintiff, he will be guilty of an infringement of the plaintiffs rights. The springboard concept was of Roskill J in *Cranleigh Precision Engineering Ltd.V.Bryant* reported in [1964].3 ALL E.R.289 at pages 301 and 302, relied on by Mr.Kapur.

His lordship observed as follows: As I understand it, the essence of this branch of the law, whatever the origin of it may be, is that a person who has obtained information in confidence is not allowed to use it as a springboard for activities

detrimental to the person who made the confidential communication, and springboard it remains even when all the features have been published or can be ascertained by actual inspection by any member of the public. Lord Denning adopted the above principles in the case of *Seager V.*

Copydex LTD. reported in [1967].2 ALL ER415 referred to, by Mr.Kapur.

He thought that he who had received information in confidence should not take unfair advantage of it nor shall use it to the detriment of the person reposing the confidence, without his consent.

Mr.Megarry J grappling with the question as to when an information had to be considered as secret or confidential thought that the Courts would have to fall back upon the test by which a reasonable man would consider an information to be confidential or secret.

(See *Coco V.*

A.N.Clark reported in [1969].RPC Page 41).cited by Mr.Gupta.

A full description of all confidential information had to be given by the plaintiff to enable the order of injunction to be certain and to enable the defendant to know what case to meet, (See the case of *Ocular Sciences LTD.& Anr.V.Aspect Vision Care LTD.& ORS.* reported in [1997].R.P.C.289).cited by Mr.Gupta.

A Malasyan decision in the case of *Electro Cad Australia Pty LTD.And Others V.*

Mejati Rcs Sdn Bhd And Others reported in FSR (1999) 291 was also cited by Mr.A.Gupta.

This decision expands the same principle as propounded in the earlier English cases.

These principles were followed in the case of *Lancashire Fires Limited V.*

S.A.Lyons & Company Limited And Others reported in Fleet Street Report (1996) 629.

(See also Harvy Tiling Company (Pty.) Limited V.

Rodomac (Pty.) Limited And Another reported in [1977].RPC399, cited by Mr.Pratap Chatterjee, learned Senior advocate.

The letter of 8th April, 2013 of the plaintiff to the second defendant clearly fulfils the factual requirements of the above judgments.

The trade names of the proposed drugs were disclosed by Dr.

Sanjay Kaul, Head PMT to the second defendant and further notifying him that those products were shortly to be launched in the market by the plaintiff.

Furthermore, the second defendant was asked to start the market survey and doctor selection.

He was also told that his region was not also doing well at that stage.

Therefore, information was given to the second defendant regarding the trade marks, the company was proposing to market.

The second defendant was requested to do market survey, improve sales, and make proper doctor selection.

Therefore, this information was given to the said defendant with the confidence that it would be acted upon for the benefit of the plaintiff and not to its detriment.

Having held that the plaintiff had prior use of the eleven marks, I also hold that it is possible for information regarding coinage of new trade marks to be classified as trade secrets and confidential information of an employer which may be entrusted with an employee.

Furthermore the second defendant held the confidential information and trade secret of the plaintiff in respect of these eleven marks.

He misutilised the same for his own gain and causing loss to the plaintiff.

In the case of The British India Corpn.

LTD.versus Kharaiti Ram and ORS.reported in 2000 AIR (Delhi) 289 cited by Mr.Kapur, the Court observed as follows: 12.

It is an admitted positionb that the respondent No.1 was an employee of the petitioner from 19-6-1946 till he was dismissed from service on 26-11-1985.

The said respondent No.1 has adopted a trade mark which is almost similar to that of the petitioner i.e.DWM-DHARIWAL as against DHARIWAL of the petitioner and also using the same device as also using the trade mark in the same script.

The adoption of the aforesaid trade mark cannot be said to be an honest adoption, for dishonesty is writ large on the face of the record.

In Consolidated Foods Corporation v.

Brandon and Co.; AIR1965 Bombay 35 it was held that the discretion under Section 12 (3) of the Act can only be exercised where two or more parties unknown to each other are unaware of the mark used by each other innocently adopt and use the same mark in respect of their respective goods of the same nature.

The present is a case of a contrary nature, for the parties were known to each other, the respondent No.1 being an employee of the petitioner for a long period of time till he was dismissed from service and therefore, respondent No.1 was fully aware of the trade mark used by the petitioner.

Even in spite of such awareness he proceeded to adopt deceptively similar trade mark and thus the user cannot be said to be honest concurrent user.

Thus the adoption of the trade mark is also against the provisions of Sections 12 and 18 of the Act. Before proceeding to the next issue one question requires consideration.

In the midst of hearing of these applications, Mr.Ajay Gupta, learned senior advocate for the defendants revealed, that for each of these 11 trade names or marks, the plaintiff had existing marks or brands.

This meant that the plaintiff was marketing a particular composition with more than one mark or brand name, one already existing and the other claimed to have been coined by them and recently introduced in the market.

A table provided by Mr.Gupta is very helpful and is inserted below.

NO	PLANTIFF BRAND	PLAINTIFF BRAND	COMPOSITION	EXISTING NAME
1	MKD/MFD	AMOKAV	Amlodipine	AMLOKIND
2	MANKIND/MEDIFORCE	NUROKIND	Besilate	NUROKIND
3	BEE12	Mecobalamin + Vitamin B12	D3FLOW	Vitamin D3
4	MANKIND/RAVENBHEL	KEPODIL	Cefpodoxime	GUDCEF
5	LIFESTAR/RELAX	KEPTAFINE	Fluconazole	NUFORCE
6	MANKIND/PHARMAFORCE	MOISER	Metformin	METATIME
7	BIOTECH	NOSIDER	Cetirizine	COPE
8	MAGNET/NEXT	WARE	ACECLOFENAC	DOLOKIND
9	MANKIND/MANKIND	VOMIKIND	ASTHAKIND	LIFESTAR/SIRMOUR
10	MANKIND/PHARMAFORCE	ASTHAKIND	LIFESTAR/SIRMOUR	RABEKIND
11	MANKIND/MEDIFORCE	KEPTRON	Ondansetron	KEP
12	Terbutaline + Guaiphenesin + Bromhexine	KEPREB	Rabeprazole	

The defendants produced evidence in the supplementary affidavit that the existing brands and the newly introduced brands were being marketed at the same time by the plaintiff.

The plaintiff in their rejoinder of the supplementary affidavit very casually stated that they were entitled to do so.

Learned Counsel on both sides advanced arguments.

Mr.Debal Kumar Banerjee, learned senior advocate stated that one product may be marketed through two brands by the same manufacturer.

But one brand could not have two manufacturers or sources.

Mr.S.N.Mookerjee, learned Senior advocate said that different marks may be used by a manufacturer in different geographical locations.

Mr.Gupta submitted that the contention of Mr.Banerjee was correct but as far as a medicinal preparation was concerned a particular molecular formulation could not be sold under two brands or trade names/marks which could cause deception to the public.

I consulted KERLY on trade marks.

KERLY states 8.

Miscellaneous points 8.1 Primary, Secondary And Limping Marks Potentially, this is a problem which faces any trader who claims that there is more than one badge of origin for his product or service.

The trader has a primary mark which the public see as a badge of origin.

However, the trader wishes to establish a secondary mark as an additional badge of origin.

Whether he succeeds obviously depends on the facts.

The potential problem is avoided if, for example, the secondary mark has an inherent distinctive character of its own particularly if such a mark joins a group of other secondary marks on a range of products all sold under a recognised house mark.

However, the problem faces any trader who adopts as his secondary mark a descriptive or laudatory word, some feature of the goods or their get-up which is seen as decorative or, worse, functional.

The problem inherent in the mark itself is then compounded by being used in conjunction with a distinctive mark.

Here, the trader faces a dilemma.

He does not want to remove his primary distinctive mark form the product altogether, for fear that the public would then be unable to identify the origin of the product.

On the other hand, he must reduce the public's reliance on the primary mark and attempt to increase recognition and hence reliance on the secondary mark or feature of the product.

This exercise is very difficult to do on the product itself, but is much easier to achieve in advertising where a campaign emphasizes the secondary mark to the public.

In time, the advertising may even drop the primary mark, indicating a degree of confidence on the part of the trader in the ability of his secondary mark to distinguish. Fifteenth Edition of Year 2011 Hence, one manufacturer or source may have two marks or brands.

Therefore the plaintiff's simultaneous use of two marks for a product is not wrongful.

For all those reasons each of the interim applications (G.A.No.3276 of 2013, G.A.No.3277 of 2013, G.A.No.3278 of 2013 and G.A.No.3279 of 2013) succeeds.

In each of these applications, I confirm the interim order dated 8th November, 2013, subject to the modification below till the disposal of the suit.

The Joint Special Officers are to continue till the disposal of the suit.

Each of the Joint Special Officers may be paid a further ad hoc remuneration of 1200 Gms by the plaintiff-petitioner and thereafter 300 Gms per month from February, 2014.

The defendants will, however, have the option of removing the active ingredients, only from the bottles, sachets, phials, strips, cartons etc. seized by the Special Officers under their strict supervision.

The other materials are to be retained by the Joint Special Officers. These chemicals may be used by the defendants for whatever purpose they like, without infringing the subject trade marks, in accordance with law.

Each of the applications (G.A.No.3425 of 2013, G.A.No.3426 of 2013, G.A.No.3427 of 2013 and G.A.No.3428 of 2018) for discharge of the interim order dated 8th November, 2013 is hereby dismissed.

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JUDGMENT / ORDER

, if applied for, be supplied to the parties subject to compliance with all requisite formalities.

(I.P.MUKERJI, J.)

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