

**Trademark Infringement Suit Has To Be Stayed Till Disposal Of Rectification Proceedings Before Registrar: Delhi High Court**

**2022 LiveLaw (Del) 9**

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

**ASHA MENON; J.**

**CS (COMM) 551/2020; 6<sup>th</sup> January, 2022**

**HAMDARD NATIONAL FOUNDATION (INDIA) & ANR. *versus* SADAR LABORATORIES PVT. LIMITED**

*Plaintiffs Through: Mr. S.P. Singh and Mr. Sunil Mishra, Advocates*

*Defendant through: Mr. N.K. Kantawala and Mr. Prakhar Sharma, Advocates*

**ORDER**

**I.A.12032/2020 (by the plaintiffs under Order XXXIX Rules 1 and 2 read with Section 151 CPC for grant of ad interim injunction)**

1. This order will dispose of the application [I.A.12032/2020] under Order XXXIX Rules 1 and 2 CPC filed by the plaintiffs along with the suit seeking permanent injunction, restraining the defendant from infringing their registered trademarks and seeking protection against disparagement, dilution and tarnishment of trademarks, damage to reputation and tarnishment of brand equity and damages.

2. The plaintiff No.1 is Hamdard National Foundation (India), a charitable institution registered under the Societies Registration Act, 1860 and the plaintiff No.2 is Hamdard Dawakhana, also trading as Hamdard Laboratories (India) which is a business held in trust, earlier trading as Hamdard Dawakhana (Wakf). The Plaintiffs are engaged in the business of manufacturing and selling *inter alia*, Unani and Ayurvedic medicines, oils, syrups, and non-alcoholic beverages for over 100 years.

3. The defendant company/Sadar Laboratories Pvt. Ltd. since the year 1949, through its predecessor, M/s. Sadar Dawakhana, is also engaged in the business of manufacturing Unani medicines, syrups and botanical products.

4. The present case has been filed on the ground that the defendant was not only infringing the well-known trademark of the plaintiffs in 'Hamdard' and 'Rooh Afza' but was also passing off its products as those of the plaintiffs by using the name 'Dil Afza'. The plaintiffs claim that they had acquired immense reputation and goodwill in relation to 'Rooh Afza' and the value of the sales had reached Rs.30983.57 lakhs in 2019-20 and Rs.16,281.41 lakhs in 2020-21 (till August 2020). Heavy promotional expenses have been incurred by the plaintiffs, as reflected in their spending of Rs.459.10 lakhs in the year 2019-20 in advertisements and Rs. 577.89 lakhs in 2020-21, upto August, 2020.

5. It is further claimed that the word 'Rooh Afza' was used in several products of the plaintiffs as listed in the plaint/application. The plaintiffs have also set out in detail, the years since when the trademark 'Rooh Afza' in relation to these products had been registered, the first one being on 3<sup>rd</sup> August, 1942. The registration continues to be valid even now. The product/sharbat of the plaintiffs sold under the trademark 'Rooh Afza' in bottles, has a unique colour combination, layout, get-up and arrangement of features, particularly, a unique and distinct floral arrangement.

6. It is alleged that in the month of March, 2020, the plaintiffs came to know that the defendant had issued an advertisement launching its syrup/sharbat, bearing the mark 'Dil Afza' in deceptively similar ringlet bottles as that of the 'Rooh Afza' bottle. The defendant had with *mala fide* intention, also adopted a deceptively similar mark, unique get-up, and design for its product. An application for registration of the mark 'Sharbat Dil Afza' in the name of the

defendant seems to have been filed on 10<sup>th</sup> June, 2018 on the basis of 'proposed to be used'. Another application was filed on 4<sup>th</sup> July, 2018, claiming 'user' since 1949. The plaintiffs claim that it was due to oversight that this application could not be opposed by the plaintiffs and therefore, the defendant has been granted registrations in respect of the mark 'Sharbat Dil Afza'.

7. Mr. S.P. Singh, learned counsel for the plaintiffs, submitted that in the circumstances set out hereinabove, clearly the defendant was liable to be injuncted. It was submitted that the defendant had been using its trademark for medicines i.e., in Class-32, whereas, in 2018, it had sought registration in Class-5 claiming to have been in use of the said trademark for medicines since 1949. However, the drugs licence had been obtained only in 1976, whereas the plaintiffs have been producing and marketing their product/sharbat under the name 'Rooh Afza' since 1907 and had obtained the first registration of its trademark in 1942. It is further submitted that in the matter of **Unani Dawakhana v. Hamdard Dawakhana**, 1930 SCC OnLine Lah 300, the Lahore High Court had found that the trademark 'Roof Afza' was a well-known mark, thus fitting the definition of a 'well-known trademark' under Section 2(1)(zg) of the Trade Marks Act, 1999. Learned counsel has relied on several judgments/orders viz. **Hamdard Dawakhana (Wakf) v. Hans Raj**, 1973 SCC OnLine Del 162; **Hamdard Dawakhana (Wakf) v. Prem General Stores** [Order dt. 05<sup>th</sup> August, 1988 in Suit No. 1144/1988]; **Hamdard Dawakhana (Wakf) v. Aggarwal Ayurvedic Sansthan and Ors.** [Order dt. 12<sup>th</sup> December, 1989 in Suit No. 1477/1989]; **Hamdard National Foundation v. Hussain Dalal** [Order dt. 13<sup>th</sup> August, 2014 in CS(OS) 1225/2013]; **Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.**, (2001) 5 SCC 73; **Midas Hygiene Industries (P) Ltd. v. Sudhir Bhatia**, (2004) 3 SCC 90; **Pankaj Goel v. Dabur India Ltd.**, 2008 SCC OnLine Del 1744; **Novartis AG v. Crest Pharma (P) Ltd.**, 2009 SCC OnLine Del 4390; **Suresh Kumar Jain v. Union of India**, 2012 SCC OnLine Del 12; **Raj Kumar Prasad v. Abbott Healthcare (P) Ltd.**, 2014 SCC OnLine Del 7708; **Mex Switchgears (P) Ltd. v. Max Switchgears (P) Ltd.**, (2014) 8 HCC (Del) 347; **Allied Blenders & Distillers (P) Ltd. v. Shree Nath Heritage Liquor (P) Ltd.**, (2014) 7 HCC (Del) 483; and **Insecticides (India) Limited v. Parijat Industries (India) Pvt. Ltd.**, 2018 SCC OnLine Del 9748 to submit that the plaintiffs have established a case for interim protection.

8. Mr. N.K. Kantawala, learned counsel for the defendant, has opposed the grant of any interim relief on various grounds. It was firstly contended that since both the marks were registered, the suit for infringement did not lie in view of the provisions of Section 29 of the Trade Marks Act, 1999. Further, it has been submitted that the word 'Afza' has become common to the trade of sharbat and there are many players in the sharbat market who are using 'Afza'. It was submitted by the learned counsel that it is for this reason that the plaint also refers to 'Hamdard' along with 'Rooh Afza', as it was 'Hamdard' which was the reputed and well-known mark and not 'Rooh Afza' alone. The learned counsel has also submitted that **Unani Dawakhana (supra)** related to a case where identical trademarks were used, and the infringement had been by an entity which had no registration in its favour. Moreover, that decision was rendered under the old Act and whereas, the new Act provided for certain pre-requisites to be met before a mark was to be considered as a 'well-known trademark'.

9. Learned counsel for the defendant further submitted that 'Dil Afza' had been in use since 1949 in Class-5. 'Rooh Afza' was also being used in Class-5. Since 1949 till 2020, clearly no confusion had arisen. Therefore, the adoption of 'Dil Afza' for syrups and sharbats by the defendant was not *mala fide* and was not intended for creating confusion. It was submitted that the defendant had its own reputation built over a long period of time and as such, there was no requirement for the defendant to adopt a deceptive trademark to benefit from the reputation of the plaintiffs. It was submitted that both parties were members of the

Unani Drug Manufacturers Association and were known to each other and therefore, the plaintiffs were well aware of the defendant's reputation.

**10.** It was also the contention of the learned counsel for the defendant that the word 'Afza' had a distinct dictionary meaning, namely "increasing; adding". The extract of the Urdu-English dictionary has also been placed on the record by the learned counsel. It was also his submission that the plaintiffs had not obtained separate registrations for 'Rooh' and 'Afza' and the registration was for the label in entirety i.e., 'Rooh Afza'. Similarly, the defendant had got the registration for the entire label/trademark of 'Dil Afza' and also could not have got the words 'Dil' or 'Afza' individually registered. Such registrations would have been refused under Section 9(a) & (c) and Section 11 of the Trade Marks Act, 1999. The learned counsel further submitted that there could be no confusion between the product of the defendant, namely, 'Dil Afza' and the product of the plaintiffs, namely, 'Rooh Afza' also on account of the get-up, layout and labelling of the two products.

**11.** It was submitted by learned counsel for the defendant that since 'Afza' was a word that was not distinctive and there was a great difference between the words 'Dil' and 'Rooh', one meaning 'heart' and the other 'spirit', no class of consumers would be misled into believing that the product of the defendant was somehow connected to that of the plaintiffs and moreover, the ones desirous of buying 'Rooh Afza' would buy 'Rooh Afza' and those satisfied with the product of the defendant namely, 'Dil Afza', would purchase that product. Thus, even with the commonality of the word 'Afza', there was no scope for any confusion.

**12.** It was further submitted that the plaintiffs' label contained flowers whereas the defendant's label had fruits; the fonts were different; the label of the defendant's product also contained the house-mark 'Sadar' and its monogram at the top center clearly indicating the source of the product to be that of the defendant and having nothing to do with 'Hamdard', which was the house-mark of the plaintiffs; the colour of the cap was different as the plaintiffs' product has a yellow cap while the cap of the defendant's product is brown; the bottles are also different as reproduced in para 15 of the written statement; as regards the shape of the bottle, the learned counsel submitted that it was a common shape available in the market and has referred to pages 26-27 of the written statement where the bottles of several products have been reproduced; and, therefore, even the get-up would not mislead the prospective buyers.

**13.** It was also contended on behalf of the defendant that there has been much delay in filing of the present suit inasmuch as in October, 2019, in a fair organized by the plaintiffs, the defendant's product 'Dil Afza' had been displayed. Yet again, in December, 2019, in another fair held by the Ayurvedic and Unani Tibbia College, the product of the defendant 'Dil Afza' had been displayed. Furthermore, at the time of registration in 2018, the mark having been duly advertised, was not objected to by the plaintiffs. The learned counsel has also relied on several judgments viz. **Cadila Laboratories Ltd. v. Dabur India Limited**, 1997 SCC OnLine Del 360; **Titan Industries Ltd. v. Kanishk Jewellery**, 2002 SCC OnLine Mad 869; **Schering Corporation v. Alkem Laboratories Ltd.**, 2009 SCC OnLine Del 3886; **P.P. Jewellers Pvt. Ltd. v. P.P. Buildwell Pvt. Ltd.**, 2009 SCC OnLine Del 3037; **Vardhman Buildtech Pvt. Ltd. v. Vardhman Properties Ltd.**, 2016 SCC OnLine Del 4738 and **Jaideep Mohan v. Hub International Industries**, 2018 SCC OnLine Del 8199, to contend that the plaintiffs could claim only in respect of the whole word, of which it has obtained registration, and that there could be no distinctiveness assigned to common words used in the field. Moreover, the plaintiffs had failed to show that the word 'Afza' had obtained a secondary meaning to relate to their products exclusively.

**14.** Finally, it was submitted that the suit was liable to be stayed under Section 124 of the Trade Marks Act, 1999. Reliance has been placed on **Siel Edible Oils Limited (SEOL) v.**

**Khemka Sales (P) Ltd.** 2009 SCC OnLine Del 3983. It was further submitted that the relief in the interim application being fundamentally the same as that in main suit, no interim injunction could be granted.

**15.** Learned counsel for the plaintiffs in rejoinder has reiterated that the plaintiffs' trademark 'Rooh Afza' has obtained a secondary meaning having built its reputation over a hundred years. It was further submitted that obtaining a drug licence was not sufficient to prove use, and no document had been produced by the defendant despite opportunity to show that the word 'Dil Afza' had been in use since 1949. It was argued that it was by deceptions that the trademark got registered as no proof of use had been submitted to the Registrar. For that reason, the registration was itself invalid and the defendant could not claim any benefit under Section 28 of the Act. The invoice too that has been filed relating to 'Sharbat Dil Afza' is dated 12<sup>th</sup> March, 2020. Reliance has also been placed on **Midas Hygiene Industries (supra)** to submit that differences in packaging and names of the products were found irrelevant, as likelihood of confusion was sufficient. Thus, the prayers for injunction were reiterated.

**16.** I have heard the submissions of learned counsel and have considered the cited judgments as also the written submissions. Admittedly, the mark of the plaintiffs 'Rooh Afza' and the mark of the defendant 'Dil Afza' are both registered. Under Section 28 of the Trade Marks Act, 1999, a validly registered trademark gives to the registered proprietor the exclusive right to use that trademark, except that where two persons are registered proprietors of trademarks that are identical or nearly resemble each other, their exclusive right to use any of those trademarks cannot be enforced against each other.

**17.** Of course, the arguments have been that the mark of the defendant could not have been validly registered on the ground that the mark of the defendant is similar to the trademark of the plaintiffs which was registered in the year 1942 and that too in reference to the same goods, namely, 'sharbat' and there exists a likelihood of confusion on the part of the public [Section 11 of the Trade Mark Act, 1999]. It has also been mentioned in para 19 of the present application that the plaintiffs have filed an application for rectification on the ground that complete details have not been disclosed to the Registrar of Trademarks by the defendant. Now, under Section 124 of the Trade Marks Act, 1999, when rectification proceedings are pending, the suit has to be stayed, pending final disposal of such proceedings. However, learned counsel for the plaintiffs has placed reliance on the decision of a Division Bench of this court in **Raj Kumar Prasad (supra)** to contend that even in such circumstances, interim injunction can be granted. The same is evident even from sub-Section 5 of Section 124 of the Trade Marks Act, 1999.

**18.** Thus, the question of whether the registration of the defendant's trademark is valid, will be appropriately considered in the rectification proceedings. However, the question whether this Court could issue any directions under Section 124(5) of the Trade Marks Act, 1999 would remain. While discussing so, the question whether the use of the defendant's trademark for similar products would result in confusion, would also have to be considered.

**19.** Though it is true that the interim application does not specifically seek an injunction against passing off, considering that the injunction is claimed against the defendant from using its trademark to create confusion, even if *stricto sensu* passing off has not been pleaded in the application under consideration, this aspect may be considered. It is also rightly pointed out by the learned counsel for the defendant that relief qua passing off has been sought in the suit and that the court cannot grant an interim relief that would amount to decreeing of the suit. Nevertheless, since the question raised is not just the use of an infringing trademark, but also confusion arising in the minds of the purchasers as to the source of the product, the question whether any interlocutory order must be passed, will necessarily encompass an evaluation of all of these facts.

20. At the outset, the contention of the learned counsel for the defendant that the trademark of the plaintiffs, namely, 'Rooh Afza' is not a wellknown mark, cannot be accepted, in view of the observations of the Lahore High Court in **Unani Dawakhana (supra)**, which are as follows: -

*“Sir Moti Sagar for the respondent contended that the word “Ruh Afza” should be held to be an unknown word to the exclusive use of which a trader could establish a claim. He cited among other cases the “Glenfield Starch,” “Eureka Shirts” and “Excelsior Soft Soap” cases to which reference has already been made above. The word Ruh Afza, in my opinion, cannot properly be described as an unknown word and therefore the “Glenfield Starch case” is not directly in point. The word is a Persian word which would be understood by educated Urdu speaking people but would probably convey no very definite meaning to the uneducated public, and on the analogy of the “Eureka Shirts” and “Excelsior Soap” cases a claim to its exclusive use might, in my opinion, be established. The word cannot be regarded as a merely laudatory term such as “perfection,” as was held to be in In re Joseph Crosfield & Sons [(1910) L.R. 1 Ch. D.n 130.] . It is not so intrinsically descriptive of Sharbat as “Nourishing” was held to be of “Stout.” The word, therefore, is in itself not such that the acquisition of the secondary meaning is necessarily precluded and the principle adopted in the “Camel Hair Belting” case would apply. Whether or no the word has actually acquired a secondary meaning is clearly a question of fact, and the finding of the learned District Judge in appeal on that point, supported as it is by evidence, cannot be interfered with on second appeal. He has clearly found that the expression “Ruh Afza” as applied to Sharbat has acquired a secondary meaning and denotes a particular Sharbat prepared by the plaintiff Hamdard Dawakhana.”*

21. To that extent, even on a *prima facie* view, the plaintiffs' claim of having built a vast reputation and goodwill in respect of their trademark 'Rooh Afza', cannot be rejected.

22. But there are fundamental differences between that case and the case at hand. In that case, the defendant had sought to use 'Rooh Afza' for his own product whereas, in the present case, the defendant's sharbat is called 'Dil Afza'. Thus, there is no identical mark that has been used. The similarity is sought on the ground that 'Dil' and 'Rooh' entail deep emotions and that the word 'Afza' is common to both. As has been repeatedly held by the courts, the standard to be adopted while determining confusion arising in the mind is of a consumer of imperfect memory or recollection and of ordinary sensibilities. It would be taking an extreme position, even if the consumers were connoisseurs, to believe that the use of the word 'Rooh' and 'Dil' would cause confusion because they connote deep emotion. Buying a bottle of sharbat may involve emotions, but not deep to the extent hoped for by the learned counsel for the plaintiffs. In any case, those who appreciate this deep emotion would be the first to be able to distinguish between 'Rooh' and 'Dil'. However, we are concerned with the common consumer, to whom, in ordinary use of the words, 'Dil' and 'Rooh' do not denote the same thing. There cannot be a confusion being created on account of the meaning of the two words. This plea raised on behalf of the plaintiffs deserves rejection and is rejected.

23. Turning to the word 'Afza', it would be useful to refer to the observations of a Co-ordinate Bench of this Court in **Cadila Laboratories Ltd. (supra)**, also referred to by a Division Bench of this court in **Schering Corporation (supra)**, which are reproduced as under: -

*“9. According to the decisions laid down by the various Courts, the importance of the prefix of the word should be taken due weightage and important in case where the suffix is common. Where the suffix of the word is common, regard must be had to the earlier portion of the word which distinguishes one from the other. Where the suffix is common, the earlier portion of the word is the natural, necessary and, in fact, the actual mark of distinction.....As has been settled, while ascertaining two rival marks, as to whether they are deceptively similar or not,*

*it is not permissible to dissect the words of the two marks. It is also held that the meticulous comparison of words, letter by letter and syllable by syllable, is not necessary and phonetic or visual similarity of the marks must be considered.....”*

**24.** A similar view was taken by a Division Bench of this court in **Vardhman Buildtech Pvt. Ltd. (supra)**. In that case, reference was also made to Section 15(1) of the Trade Marks Act, 1999, which permitted a proprietor of a trademark to claim to be entitled to the exclusive use of any part thereof separately, but it noted that in that case the respondents had made no such application. The position is just the same in the present case. The plaintiffs do not state that they had applied for and obtained registration for the exclusive use of the word ‘Afza’. Thus, it is clear that the exclusivity that the plaintiffs can claim is to the complete name ‘Rooh Afza’ and not to either of the two words that constitute the trademark.

**25.** Learned counsel for the defendant has no doubt stressed that ‘Afza’ could not be subject to exclusive use as there have been several sharbats using the name, ‘Afza’, which means “increasing; adding”, as per the Gem Pocket Twenty First Century Dictionary-Urdu to English (New Edition) compiled by M. Raza-ul-Haq Badakhshani, Khawaja Ejaz Rasool and M. Saqlain Bhatti and published by Kutub Khana Hamidia, Delhi. Since ‘Afza’ is not descriptive of the sharbat, but may signify, in keeping with the exposition of the learned counsel for the plaintiffs, an increase in deep enjoyment, either of the ‘Rooh’ or the ‘Dil’, in order to claim exclusivity to the word ‘Afza’, the plaintiffs would have to also show that they had built a reputation leading to the acquisition of a secondary meaning whereby ‘Afza’ would denote only ‘Rooh Afza’, being the product of the plaintiffs. Thus, while ‘Rooh Afza’, that is the complete word, may have acquired a secondary meaning, indicative of sharbat produced by the plaintiffs, ‘Afza’ by itself does not appear to be of that category.

**26.** Next, it is to be seen whether the simultaneous use of ‘Dil Afza’ would prejudice the plaintiffs’ business. Again, admittedly, in Class-5, relating to Unani/Ayurvedic medicines, the defendant has been using ‘Dil Afza’. Even if it is considered to have been in the market only since 1976, even then, for such a long time in the field of a more sensitive market of medicine, apparently, there has been peaceful co-existence with no confusion arising in the minds of the consumers. Even if the sharbat has been produced only since 2020, no case has been made out to restrain the defendant from marketing its sharbat under the name ‘Dil Afza’.

**27.** The application is accordingly dismissed, however, with a direction to the defendant to maintain a true account of sales of ‘Dil Afza’ syrup/sharbat during the pendency of this suit and to submit to the court, a quarterly report and account thereof, till the disposal of the suit.

**28.** In the light of Section 124(1)(b)(i) of the Trade Marks Act, 1999, the suit is stayed pending the final disposal of the rectification application filed by the plaintiffs. On the conclusion of those proceedings, either side may move an application for listing of the suit before the court.

**29.** The order be uploaded on the website forthwith.