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

Reserved on: 6th November 2023

Pronounced on: 16th November 2023

+ CS(COMM) 744/2023

DR REDDYS LABORATORIES LIMITED Plaintiff
Through: Mr. Ranjan Narula, Mr. Shashi
Ojha, Ms Aishani Singh and Ms Shivangi
Kohli, Adv.

versus

SMART LABORATORIES PVT LTD Defendant
Through: Ms. Archana Sahadeva, Mr.
Siddharth Raj Choudhary and Mr. Harshit
Bhoi, Advs.

CORAM:
HON'BLE MR. JUSTICE C.HARI SHANKAR

JUDGMENT

% **16.11.2023**

I.A. 20597/2023(Order XXXIX Rules 1 and 2 of the CPC)

Facts

1. The trade mark AZIWOK was registered under Section 23 of the Trade Marks Act 1999, in favour of Wockhardt Ltd in Class 5, covering “medicinal, pharmaceutical and veterinary preparations and sanitary substances” with effect from 30 December 1994. The registration is valid and subsisting as on date. Wockhardt assigned the registration of the mark AZIWOK in favour of the plaintiff *vide* Assignment Deed dated 9 June 2020, along with goodwill earned by



the mark. The plaintiff has applied to the Registry of Trade Marks on 7 September 2020 for substitution of the name of the plaintiff in place of Wockhardt as the proprietor of the trade mark AZIWOK.

2. AZIWOK is admittedly a portmanteau of “AZI” and “WOK”. “AZI” is an abbreviation for azithromycin, which is the Active Pharmaceutical Ingredient (API) of the product. “WOK” is an abbreviation for “Wockhardt”. Under the name AZIWOK, Wockhardt and, later, the plaintiff has been selling azithromycin in various strengths. Azithromycin, it may be recollected, is one of the most frequently prescribed antimicrobials, which was used fairly extensively during the COVID-19 pandemic.

3. The brand name AZIWOK, asserts the plaintiff, has been in use by Wockhardt since 1994, when it was registered. Cumulative sales figures of AZIWOK have been provided for the financial years 2020-21, 2021-22 and 2022-23. Sales of AZIWOK have earned, for the plaintiff, ₹ 14,27,15,095/- in the 2020-2021, ₹ 21,62,34,124/- in 2021-2022 and ₹ 18,05,33,887/- in 2022-2023.

4. Mr. Ranjan Narula has also drawn my attention to the following documents evidencing use of the trade mark AZIWOK, by the plaintiff, at least since 2003:

(i) In Essentials of Medical Pharmacology, 6th edition by Professor K.D. Tripathi, published in 2003, there is a reference to “AZITHRAL 250, 500 mg cap and 250 mg per 5 ml dry syr;



AZIWOK 250 mg cap, 100 mg kid tab, 100 mg/5 ml and 200 mg/5 ml susp. AZIWIN 100, 250, 500 mg tab, 200 mg/5 ml liq. Also, AZITHRAL 500 mg inj.”

(ii) In the abstract of the article “Voltammetric determination of azithromycin at the carbon paste electrode” by Othman Abd EI-Moaty Farghaly and Niveen Abdel Latif Mohamed, published on 27 February 2004 in Volume 62 of the journal Talanta, Issue 3, the following figures:

“The work presented here shows that a new method for determining azithromycin at trace level in pure, dosage forms (Aziwok® powder for oral suspension and Xithrone® capsules samples) and in the biological samples (spiked and real urine samples), using square-wave anodic adsorptive stripping voltammetry at a paraffin oil CPE. At present, only few studies dealing with azithromycin electrochemical oxidation behavior have been reported [7], [19]. The voltammetric determination of azithromycin by a square-wave stripping voltammetry at a paraffin oil modified carbon paste electrode has not been studied yet.”

(iii) In the journal Emkay Research dated 2 November 2012, the topmost 25 brands, constituting 69% of overall domestic sales have been tabulated, in which AZIWOK figures at the 14th place.

(iv) Similarly, in the list of essential medicines released by the State of Rajasthan in 2013, azithromycin tablets of 500 mg strength figured at Serial No. 129, with the common brands of azithromycin being noted as AZITHRAL, AZEE and AZIWOK.



(v) In the article “cost analysis of commonly used drugs under price control in India; assessing the fact on drug price order on brand price variation”, AZIWOK figured.

(vi) AZIWOK 500 mg tablet found mention in an article titled “Good news: Drugs in India just got cheaper. List inside” published in the Economic Times on 12 May 2016.

(vii) AZIWOK was one of the medicines enlisted by Wockhardt in its response to a notice inviting tenders issued by M/s. Bharat Heavy Electricals Ltd on 15 March 2017.

Thus, submits Mr. Narula, Wockhardt was using the brand name AZIWOK continuously since the time of its registration, and evidence of such use at least since 2003 has been placed on record.

5. The plaintiff avers that, sometime in the third week of August 2023, the plaintiff came to learn of the use, by the defendant, of the mark AZIWAKE, also for azithromycin formulations. The plaintiff, thereafter, undertook a search on the data base of the Registry of the Trade Marks, which revealed that the defendant had applied for registration of the mark AZIWAKE on proposed to be used basis on 14 April 2022.

6. Predicated on these assertions, the plaintiff has instituted the present suit before this Court, alleging that the brand name AZIWAKE is deceptively similar to the plaintiff’s registered trade



mark AZIWOK and that, as both marks are used for azithromycin, there is every chance of likelihood of confusion as well as likelihood of association between the two marks in the mind of a consumer of average intelligence and imperfect recollection. The plaintiff, therefore, seeks a decree of permanent injunction, restraining the defendant and all others acting on its behalf from using, in any manner, the mark AZIWAKE, apart from delivery up, damages and costs.

7. The suit is accompanied by the present application preferred by the plaintiff under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC), seeking interlocutory injunctive reliefs. On 17 October 2023, I issued notice on the present application to the defendant, calling on the defendant to file a reply with liberty to the plaintiff to file a rejoinder thereto.

8. The defendant has filed a reply to the present application. However, no rejoinder has been filed by the plaintiff. Mr. Ranjan Narula expressed his desire on the basis of the pleadings and material on record.

9. I have accordingly heard Mr. Ranjan Narula, learned counsel for the plaintiff and Ms. Archana Sahadeva, learned counsel for the defendant at considerable length.

Rival Submissions



Opening Submissions of Mr. Ranjan Narula

10. Mr. Ranjan Narula reiterated the submissions contained in the plaint and already noted hereinabove.

Submissions of Ms. Archana Sahadeva in reply

11. Responding to the submissions of Mr. Narula, Ms. Sahadeva raises a preliminary objection to the maintainability of the present suit without exhausting the channel of pre-institution mediation envisaged by Section 12A (1)¹ of the Commercial Courts Act, 2015. She relies, for the said purposes, on the recent decision of the Supreme Court in *Yamini Manohar v T.K.D. Keerthi*². She submits that, even as per the assertions contained in paras 15 and 17 of the plaint, the plaintiff came to learn of the use, by the defendant, of the mark AZIWAKE, at least in or before August 2023. Ms. Sahadeva further seeks to point out that, in fact, the defendant had applied for registration of the mark AZIWAKE as far back as on 14 April 2022, as is acknowledged in the plaint. In such circumstances, she submits, relying on *Patil Automation (P) Ltd v. Rakheja Engineers (P) Ltd*³, that the present case is not one in which the plaintiff should be granted exemption from the requirement of the pre-institution mediation.

12. Ms. Sahadeva further submits that the defendant had applied for registration of the mark AZIWAKE on 14 April 2022. Without even

¹ 12A. **Pre-litigation Mediation and Settlement.** –

(1) A suit, which does not contemplate any urgent interim relief under this Act, shall not be instituted unless the plaintiff exhausts the remedy of pre-litigation mediation in accordance with such manner and procedure as may be prescribed by rules made by the Central Government.

² 2023 SCC OnLine SC 1382



issuing, to the defendant, any notice, requiring the defendant to cease and desist from using the mark AZIWAKE, the plaintiff has approached this Court belatedly by way of the present suit. The plaint seeks to aver that the plaintiff came to know of the defendant's product in the third week of August 2023 and that, thereafter, on conducting the search in the records of the Trade Mark Registry, the plaintiff learned of the application, of the defendant, for registration of the mark AZIWAKE. She also submits that it is common practice, in the pharmaceutical trade, to name pharmaceutical products by abbreviating the name of the active ingredient, the organ which is targeted, or the disease which the preparation intends to cure. Thus, she submits that the AZI prefix, both in the plaintiff's AZIWOK as well as the defendant's AZIWAKE, stands, in each case, for azithromycin, which is the API. She submits that, on conducting a trademark search on the website of the Registry of Trade Marks, the plaintiff's mark did not show up as a similar mark to the defendant's AZIWAKE.

13. Apropos the note of caution sounded by the Supreme Court in its decision in *Cadila Health Care Ltd v. Cadila Pharmaceuticals Ltd*⁴, Ms. Sahadeva submits that the principle would not apply in the present case, as the product being sold under each of the rival marks is azithromycin. The Supreme Court has advised adopting a more relaxed standard of deceptive similarity, where the Court was concerned with alleged passing off in the case of pharmaceutical preparations only so as to ensure that an erroneous drug was not

³ (2022) 10 SCC 1



prescribed, because of its name being similar to the registered trade mark of another. That principle, submits Ms. Sahadeva, applies where the two preparations are different, and not where they are the same, as in the present case. Besides, she points out that *Cadila Health Care* was a case which exclusively dealt with passing off and had no application, therefore, where the allegation was of infringement. Ms. Sachdeva also submits, relying on *Kaviraj Pt Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories*⁵, that, where the rival marks are identical, the definitive tests for infringement and passing off coalesce. In this context, Ms. Sahadeva also cites para 91 of the judgment of the Supreme Court in *Ramdev Food Products (P) Ltd v. Arvindbhai Rambhai Patel*⁶ and para 14 of the judgment of the Division Bench of this Court in *Astrazeneca UK Ltd v. Orchid Chemicals & Pharmaceuticals Ltd*⁷. Predicated on these decisions, Ms. Sahadeva seeks to contend that, even while dealing with a charge of infringement, the Court is required to examine the matter keeping in view all surrounding circumstances. She also cites, in this context, 2(A) of the judgment of the division Bench of this Court in *Gufic Pvt Ltd v. Clinique Laboratories LLC*⁸.

14. Ms. Sahadeva submits that AZIWAKE cannot be regarded as either visually or phonetically similar to AZIWOK. She has also drawn my attention to para 22 of the reply filed by the defendant to the present application, which compares the packs of the plaintiff's

⁴ (2001) 5 SCC 73

⁵ AIR 1965 SC 980

⁶ (2006) 8 SCC 726

⁷ 141 (2007) DLT 565 (DB)

⁸ 2009 SCC OnLine Del 1676 (DB)



and defendant's products thus:

Defendant's Trade Dress	Plaintiff's Trade Dress
	

If one were to apply the following definitive test for phonetic similarity between competing word marks, enunciated in *In re. Pianotist Co.'s application*⁹ and adopted by courts in this country times without number, Ms. Sahadeva submits that the competing marks in the present case cannot be regarded as phonetically similar:

“You must take the two words. You must judge 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.”

In this context, Ms. Sahadeva also relies on my decision in *Elyon Pharmaceuticals Pvt. Ltd. v. Registrar of Trademarks*¹⁰ and para 5 of the judgment of the High Court of Bombay in *Medley Pharmaceuticals Ltd v. Khandelwal Laboratories Ltd*¹¹.

⁹ (1906) 23 RPC 774

¹⁰ 2023 SCC OnLine Del 5153

¹¹ (2006) 1 Bom CR 292



15. Mr. Sahadeva submits that there is no evidence of any use, by the plaintiff, of the mark AZIWOK prior to 2020. It cannot, therefore, be sought to contend that the mark AZIWOK has accumulated goodwill. Compared to the adoption of the mark AZIWOK by the plaintiff, the defendant's use of the impugned mark AZIWAKE commenced in 2022.

16. Ms. Sahadeva submits that the AZI prefix is common to the trade in the context of pharmaceutical preparations containing azithromycin. Moreover, consumers who would purchase or consume azithromycin are discerning, and there is little chance of their confusing AZIWAKE for AZIWOK. She further submits that the adoption, by the defendant, of the WAKE suffix for the name of its product is arbitrary, the justification for which is to be found in para 7 of the reply filed by the defendant to the present application, thus:

“Similarly, by adopting a similar practice, the Defendant honestly, *bona fide*ly and independently coined and adopted the Impugned mark viz. AZIWAKE, which is meant to indicate to the public at the large, the presence of the salt Azithromycin in the product and “WAKE” is a fanciful and coined suffix which denotes the ability of the formulation to awaken the human body's ability to fight the growth of bacteria and thereby preventing the infection from spreading any further, as Azithromycin is an antibiotic medication used for the treatment of a number of bacterial infections, including but not limited to middle ear infections, strep throat, pneumonia, traveler's diarrhea, and certain other intestinal infections. Thus, the suffix “WAKE” was consciously adopted by the Defendant to denote to the relevant public the impact and utility and properties of Azithromycin.”

17. Ms. Sahadeva further submits that the considerations of balance of convenience and irreparable loss would also not justify injuncting the defendant from any further use of the mark AZIWAKE, as the



mark has been in the market since July 2022. She cites, in this context, para 9 of the judgment of the Supreme Court in *Wander Ltd v. Antox India (P) Ltd*¹²:

“9. Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. The court, at this stage, acts on certain well settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the interlocutory injunction, it is stated

“...is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial. The need for such protection must be weighed against the corresponding need of the defendant to be protected against injury resulting from his having been prevented from exercising his own legal rights for which he could not be adequately compensated. The court must weigh one need against another and determine where the ‘balance of convenience’ lies.”

The interlocutory remedy is intended to preserve in status quo, the rights of parties which may appear on a prima facie case. The court also, in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the defendant has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet to commence his enterprise, are attracted.”

Ms. Sahadeva submits that the plaintiff has concealed the fact that the defendant’s impugned product AZIWAKE has been in the market since July 2022. Even while referring to the defendant’s application for registration of the AZIWAKE trademark, Ms. Sahadeva submits that the plaintiff has not referred to the invoices attached to the said

¹² 1990 Supp SCC 727



application which disclosed user, by the defendant, of the AZIWAKE mark since July 2022.

18. On the aspect of infringement, Ms. Sahadeva further cites the judgment of a learned Single Judge of this Court in *Schering Corporation v. Alkem Laboratories Ltd*¹³. On the aspect of passing off, she relies on para 35 of the judgment of the Supreme Court in *Cadila Health Care*.

19. In conclusion, Ms. Sahadeva seeks to point out that the plaintiff had abandoned three AZIWOK label marks, which had been assigned to it by Wockhardt, by not renewing the marks. This fact, she submits, has been specifically averred in the reply filed by the defendant to the present application, to which there is no traversal in the rejoinder.

Submissions of Mr. Narula in reply

20. Inasmuch as Ms. Sahadeva questioned the user, by the plaintiff, of the AZIWOK mark prior to 2020, Mr. Narula commenced his submissions by seeking to draw attention to evidence, on record, indicating prior user of the said mark. He points out that AZIWOK was registered as a trademark in 1994, and was assigned by Wockhardt to the plaintiff *vide* Assignment Deed dated 9 June 2020. The assignment was inclusive of the goodwill and reputation earned by the mark. He also drew attention to Certificate dated 22 August

¹³ 2009 SCC OnLine Del 3886



2023 issued by the plaintiff's Chartered Accountant (CA), which certifies that, in the financial years 2020-2021, 2021-2022 and 2022-2023, sales of AZIWOK had earned ₹ 14,27,15,095/-, ₹ 21,62,34,124/- and ₹ 18,05,33,887/- respectively. He further submits that there is ample evidence of use of the AZIWOK mark by Wockhardt even prior to its assignment to the plaintiff. He refers, in this context, to Notice Inviting Tenders (NIT) dated 15 March 2017, issued by Bharat Heavy Electricals Ltd (BHEL) for various medicines manufactured by different vendors, in which AZIWOK 200 mg, manufactured by Wockhardt, was also included. Mr. Narula thereafter drew my attention, once again, to the various documents enumerated in para 4 *supra* which, too, he submitted, evidence use, by the plaintiff, of the mark AZIWOK at least since 2003.

21. Mr. Narula submits that the structural and phonetic similarity between AZIWOK and AZIWAKE is so pronounced that there is clear likelihood of confusion as well as association, within the meaning of Section 29(2) of the Trade Marks Act. Relying on *Amritdhara Pharmacy v. Satya Deo Gupta*¹⁴, Mr. Narula submits that the rival marks are to be compared as wholes. When so compared, he submits that a consumer of average intelligence and imperfect recollection, who has once come across the plaintiff's AZIWOK, and, at a later point of time, chances upon the defendant's AZIWAKE, is bound to be placed in a state of wonderment as to whether he had seen the mark earlier. That would suffice to constitute likelihood of confusion within the meaning of Section 29(2). He submits that the

¹⁴ AIR 1963 SC 449



likelihood of confusion would not be mitigated merely because of the class of consumers, in a case such as this. He draws attention to the reality that, today, even Schedule H drugs are sold over the counter. He relies on the note of caution sounded by the Supreme Court in *Cadila Health Care* while dealing with passing off in the case of pharmaceutical products, particularly emphasising the following passage of the said decision, which sets out the tests of passing off in the case of unregistered trademarks:

“35. Broadly stated, in an action for passing-off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors are to be considered:

- a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.
- b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.
- c) The nature of the goods in respect of which they are used as trade marks.
- d) The similarity in the nature, character and performance of the goods of the rival traders.
- e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.
- f) The mode of purchasing the goods or placing orders for the goods.
- g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.”

For the proposition that the likelihood of confusion of association



cannot be said to be reduced in view of the category of consumers targeted by the rival marks, Mr. Narula places reliance on my decision in *Zydu Wellness Products Ltd v. Cipla Health Ltd*¹⁵ and para 32 of my decision in *Mankind Pharma Ltd v. Novakind Bio Sciences Pvt Ltd*¹⁶.

22. Insofar as para 5 of the judgment of the High Court of Bombay in *Medley Pharmaceuticals* is concerned, Mr. Narula submits that the reliance, by Ms. Sahadeva is on the observations relating to the earlier judgment of the Division Bench of the same High Court in *Bal Pharma Ltd v. Wockhardt Ltd*¹⁷, which was not forthcoming. Even otherwise, submits Mr. Narula, the said decision is distinguishable, as the rival marks in that case were AZIWOK and AZIWIN. The suffix “WAKE”, he submits, bears no similarity whatsoever to the suffix “WIN”. Besides, the defendant in that case had been found to be concurrently using the impugned mark since 1997.

23. Mr. Narula staunchly denies the allegation of concealment and suppression of fact, levelled by Ms. Sahadeva. He submits that the defendant had applied for registration of the mark AZIWAKE on “proposed to be used basis”. As such, the plaintiff did not feel any need to conduct further investigation or enquiry into the application for registration submitted by the defendant.

¹⁵ 2023 SCC OnLine Del 3785

¹⁶ 2023 SCC OnLine Del 4806

¹⁷ Judgment dated 12 June 2002 in Notice of Motion 725 of 2002 in Suit 1305 of 2002



24. The explanation provided by the defendant for “coining” the mark AZIWAKE, submits Mr. Narula, is clearly fanciful and an afterthought.

25. Mr. Narula, therefore, reiterates his prayer for grant of an interlocutory injunction.

Ms. Sahadeva’s submission in surrejoinder

26. Ms. Sahadeva, in surrejoinder, sought to distinguish the decisions in *Amritdhara Pharmacy* and *Zydus* on the ground that they did not deal with pharmaceutical products and that, therefore, the principle that, in the case of pharmaceutical products, the names were often derived from the compound constituting the API of the product, the disease that it sought to alleviate, or the organ that it sought to treat, did not apply.

Analysis

Preliminary objection predicated on Section 12A of the Commercial Courts Act

27. Section 12A of the Commercial Courts Act is worded in imperative terms. It ordains, mandatorily, that every suit, *which does not contemplate any urgent interim relief*, shall not be instituted without the plaintiff, in the first instance, exhausting the remedy of pre-institution mediation. The word “contemplate”, even by itself, accords pre-eminent place to the intention of the plaintiff. Plainly



read, the decision of whether to require the plaintiff to exhaust the remedy of pre-institution mediation before instituting the suit has, as per Section 12A, to be taken on the basis of the averments in the plaint, and what is contemplated therein.

28. *Patil Automation* was the first decision in which the Supreme Court examined the scope and import of Section 12A of the Commercial Courts Act. The Supreme Court held, ultimately, that Section 12A was mandatory, and that any suit which was instituted violating the mandate of Section 12A had necessarily to be rejected under Order VII Rule 11¹⁸ of the CPC. However, the decision was made applicable prospectively, w.e.f. 22 August 2022. Even so, the Supreme Court, in *Patil Automation*, endorsed the principle that the requirement of the institution mediation would apply only where the plaintiff did not contemplate any urgent interim relief. In para 100, the Supreme Court observed thus:

“100. *In the cases before us, the suits do not contemplate urgent interim relief. As to what should happen in suits which do contemplate urgent interim relief or rather the meaning of the word ‘contemplate’ or urgent interim relief, we need not dwell upon it. The other aspect raised about the word ‘contemplate’ is that there can be attempts to bypass the statutory mediation under Section 12-A by contending that the plaintiff is contemplating*

¹⁸ 11. **Rejection of plaint.** – The plaint shall be rejected in the following cases: –

- (a) where it does not disclose a cause of action;
- (b) where the relief claimed is undervalued, and the plaintiff, on being required by the Court to correct the valuation within a time to be fixed by the Court, fails to do so;
- (c) where the relief claimed is properly valued but the plaint is written upon paper insufficiently stamped, and the plaintiff, on being required by the Court to supply the requisite stamp-paper within a time to be fixed by the Court, fails to do so;
- (d) where the suit appears from the statement in the plaint to be barred by any law;
- (e) where it is not filed in duplicate;
- (f) where the plaintiff fails to comply with the provisions of Rule 9;

Provided that the time fixed by the Court for the correction of the valuation or supplying of the requisite stamp-papers shall not be extended unless the Court, for reasons to be recorded, is satisfied that the plaintiff was prevented by any cause of an exceptional nature from correcting the valuation or supplying the requisite stamp-papers, as the case may be, within the time fixed by the Court and that refusal to extend such time would cause grave injustice to the plaintiff.



urgent interim relief, which in reality, it is found to be without any basis. Section 80(2) CPC permits the suit to be filed where urgent interim relief is sought by seeking the leave of the court. The proviso to Section 80(2) contemplates that the court shall, if, after hearing the parties, is satisfied that no urgent or immediate relief need be granted in the suit, return the plaint for presentation to the court after compliance. Our attention is drawn to the fact that Section 12-A does not contemplate such a procedure. This is a matter which may engage attention of the lawmaker. *Again, we reiterate that these are not issues which arise for our consideration. In the fact of the cases admittedly there is no urgent interim relief contemplated in the plaints in question.*”

(Emphasis supplied)

The position applicable to plaints which *do* contemplate urgent interim relief does not, therefore, stand in anyway diluted by the judgment in *Patil Automation*. With greatest respect, therefore, *Patil Automation* cannot be regarded as an authority applicable to cases in which the plaint does contemplate urgent interim relief. This is made clear by the Supreme Court itself, in the concluding sentence in para 100 of the decision.

29. A Division Bench of this Court, in *Chandra Kishore Chaurasia v. R.A. Perfumery Works Pvt Ltd*¹⁹, after noting the decision in *Patil Automation*, held thus:

“33. This Court also finds it difficult to accept that a commercial court is required to determine whether the urgent interim reliefs ought to have been claimed in a suit for determining whether the same is hit by the bar of Section 12A(1) of the Commercial Courts Act, 2015. The question whether a plaintiff desires any urgent relief is to be decided solely by the plaintiff while instituting a suit. The court may or may not accede to such a request for an urgent interim relief. But that it not relevant to determine whether the plaintiff was required to exhaust the remedy of pre-institution mediation. The question whether a suit involves any urgent interim

¹⁹ 2022 SCC OnLine Del 3529



relief is not contingent on whether the court accedes to the plaintiff's request for interim relief.

34. The use of the words “*contemplate any urgent interim relief*” as used in Section 12(1) of the Commercial Courts Act, 2015 are used to qualify the category of a suit. This is determined solely on the frame of the plaint and the relief sought. The plaintiff is the sole determinant of the pleadings in the suit and the relief sought.

35. This Court is of the view that the question whether a suit involves any urgent interim relief is to be determined solely on the basis of the pleadings and the relief(s) sought by the plaintiff. If a plaintiff seeks any urgent interim relief, the suit cannot be dismissed on the ground that the plaintiff has not exhausted the pre-institution remedy of mediation as contemplated under Section 12A(1) of the Commercial Courts Act, 2015.”

(Italics in original)

30. In *Yamini Manohar*, the Supreme Court, having taken note of *Patil Automation* and *Chandra Kishore Chaurasia*, explained the legal position:

“9. We are of the opinion that when a plaint is filed under the CC Act, with a prayer for an urgent interim relief, the commercial court should examine the nature and the subject matter of the suit, the cause of action, and the prayer for interim relief. The prayer for urgent interim relief should not be a disguise or mask to wriggle out of and get over Section 12A of the CC Act. The facts and circumstances of the case have to be considered holistically from the standpoint of the plaintiff. Non-grant of interim relief at the ad-interim stage, when the plaint is taken up for registration/admission and examination, will not justify dismissal of the commercial suit under Order VII, Rule 11 of the Code; at times, interim relief is granted after issuance of notice. Nor can the suit be dismissed under Order VII, Rule 11 of the Code, because the interim relief, post the arguments, is denied on merits and on examination of the three principles, namely, (i) *prima facie* case, (ii) irreparable harm and injury, and (iii) balance of convenience. The fact that the court issued notice and/or granted interim stay may indicate that the court is inclined to entertain the plaint.

10. Having stated so, it is difficult to agree with the proposition that the plaintiff has the absolute choice and right to paralyze



*Section 12A of the CC Act by making a prayer for urgent interim relief. Camouflage and guise to bypass the statutory mandate of pre-litigation mediation should be checked when deception and falsity is apparent or established. The proposition that the commercial courts do have a role, albeit a limited one, should be accepted, otherwise it would be up to the plaintiff alone to decide whether to resort to the procedure under Section 12A of the CC Act. An ‘absolute and unfettered right’ approach is not justified if the pre-institution mediation under Section 12A of the CC Act is mandatory, as held by this Court in **Patil Automation Private Limited (supra)**. The words ‘contemplate any urgent interim relief’ in Section 12A(1) of the CC Act, with reference to the suit, should be read as conferring power on the court to be satisfied. They suggest that the suit must “contemplate”, which means the plaint, documents and facts should show and indicate the need for an urgent interim relief. This is the precise and limited exercise that the commercial courts will undertake, the contours of which have been explained in the earlier paragraph(s). This will be sufficient to keep in check and ensure that the legislative object/intent behind the enactment of section 12A of the CC Act is not defeated.”*

(Emphasis supplied)

In essence, what the Supreme Court has held in the afore-extracted paras from **Yamini Manohar**, is that Commercial Courts must be vigilant to ensure that, by artful drafting, or creation of artificial urgency where no such urgency exists, a plaintiff is not allowed to bypass Section 12A of the Commercial Courts Act. The use of the words “deception” and “falsity” are indicative of the intent of the Supreme Court in holding as it does. Subterfuge and stratagem must not be permitted to be used as a resort to escape Section 12A. Ultimately, what matters is, as the Supreme Court has clearly held, “the plaint, documents and facts”. The matter has, nonetheless, to be examined from the standpoint of the plaintiff. If a plaintiff, in its plaint, seeks urgent interim relief, the Commercial Court must, therefore, ordinarily defer to the request of the plaintiff. However, if it is seen that, by practising deception or falsehood, or by cleverly



worded in the plaint in such a manner as to make it appear that urgent interim relief is necessary, though the plaint, in the light of the facts and the documents which a company or, does not in fact reflect such urgency, the plaintiff would necessarily have to be relegated to exhausting, in the first instance, the remedy of pre-institution mediation.

31. The Court has, therefore, while examining whether the plaintiff is required to exhaust Section 12A before instituting the plaint, to first examine whether the plaint contemplates any urgent interim relief. If it does not, the matter must rest there, as held in *Patil Automation* and the plaint, if it has been instituted without exhausting pre-institution mediation, has necessarily to be rejected under Order VII Rule 11 of the CPC. If, however, the plaint does contemplate, or envisage grant of urgent interim relief, the Court has then to satisfy itself that the plea is genuine, and that the plaintiff has not ingeniously engineered a situation in which it appears that urgent interim relief is needed, though the plaint, seen in the light of the facts and the documents accompanying the plaint, does not in fact disclose the need for any such urgent relief. If the plea for interim relief is genuine, the Court has necessarily to entertain the plaint without requiring the plaintiff to exhaust pre-institution mediation. In arriving at this decision, the Court is not concerned, in any way, with the merits of the plea for interim relief. All that the Court is required to determine is that the plea is genuine and bona fide.



32. These principles would apply as much to intellectual property suits, as to others. After *Yamini Manohar*, however, it is quite clear that commercial courts cannot presume that every intellectual property suit, necessarily and *ipso facto*, requires urgent interim relief. The plea for urgent interim relief, if raised, has to be examined on the touchstone of the above principles.

33. That said, it is significant that, even in *Yamini Manohar*, the Supreme Court held, in para 6, as under:

“6. In the present case, it is an accepted fact that an urgent interim relief has been prayed for and the condition that the plaint “contemplates” an urgent interim relief is satisfied. Therefore, the impugned judgment/order of the Delhi High Court dated 08.05.2023, which upholds the order of the District Judge (Commercial Court)-01, South District at Saket, New Delhi dated 06.02.2023, rejecting the application under Order VII, Rule 11 of the Code, is correct and in accordance with law.”

Thus, the Supreme Court found, on facts, that the plaint in *Yamini Manohar* did satisfy the requirement, contained in Section 12A of the Commercial Courts Act, of contemplated urgent interim relief and that, therefore, the decision of the learned Single Judge of this Court, upholding the dismissal, by the learned Commercial Court, of the defendant’s application under Order VII Rule 11 of the CPC, was in order.

34. It is instructive, therefore, to examine the basis on which the learned Single Judge, in his decision in *Yamini Manohar v. T.K.D. Keerthi*²⁰, found the case to be one which contemplated urgent interim

²⁰ (2023) 95 PTC 328



relief and, therefore, justify dispensation with the requirement of pre-institution mediation. Paras 17 to 19 of the judgment of the learned Single Judge, which contain the reasons for his decision, read thus:

“17. In light of the aforesaid findings, what has to be examined in the present suit is whether the plaintiff in the present suit contemplated any urgent interim relief or not. To determine this, a reference may be made to the relevant part of the plaint, which is set out below:

“37. That the Defendant's adoption of an identical mark is dishonest and motivated by a desire to usurp the vast reputation and goodwill which is enjoyed by the Plaintiff in India but throughout the world. The Defendant's unlawful adoption of an identical mark is calculated to cause loss and injury to the Plaintiffs reputation and business and dilute the distinctiveness of its LIFEIMPRESSIONS and mark. *The loss and injury to the Plaintiffs hard earned reputation being caused/likely to be caused by such dilution is not capable of being calculated in monetary terms. Hence, an immediate order of injunction restraining the Defendant is imperative.*”

18. The plaintiff has also filed along with the plaint an application for grant of *ex parte* interim injunction under Order XXXIX Rules 1 and 2 of the CPC against the defendant from using the impugned mark. In the said application also, it has been pleaded that the plaintiff shall *'suffer an irreparable loss and injury, which cannot be compensated in monetary terms unless an immediate order of injunction is passed'*. The plaintiff also filed an application seeking exemption from complying with the provisions of Section 12A of the Commercial Courts Act on the ground that the plaintiff is seeking *ex parte* ad interim injunction against the defendant.

19. In light of these pleadings, the Commercial Court correctly came to the conclusion that the suit filed by the plaintiff contemplated grant of urgent interim reliefs against the defendant and therefore, the plaintiff was not required to exhaust the remedy of pre-institution mediation as contemplated under Section 12A(1) of the Commercial Courts Act.”

(Emphasis in original)



35. In my opinion, in understanding the scope and impact of the decision in *Yamini Manohar*, in the context of the requirement of exhausting of pre-institution mediation in intellectual property suits, para 6 of the report from the judgment of the Supreme Court, vis-à-vis the afore-extracted passages from the judgment of the learned Single Judge of this Court, are of considerable significance. The learned Single Judge upheld the decision of the learned Commercial Court exempting the plaintiff from the requirement of pre-institution mediation *solely on the ground that, in the plaint, the plaintiff had averred that the adoption, by the defendant, of any infringing mark, would damage the goodwill and reputation of the plaintiff and result in brand dilution, the consequent loss and injury as a result of which could not be compensated in monetary terms. The Supreme Court has, therefore, lent its imprimatur, in Yamini Manohar, to the position that, in intellectual property suits, where the plaintiff avers that the defendant's mark is infringing in nature, and that said infringement would damage the plaintiff's goodwill and reputation which was not capable of being monetarily compensated, urgent interim relief would, ipso facto, stand contemplated in the plaint.*

36. The note of caution sounded in para 10 of *Yamini Manohar* has, therefore, to be understood in the light of para 6, read with the judgment of the learned Single Judge of this Court, from which the appeal before the Supreme Court emanated. The general principle that, in intellectual property suits involving infringement or passing off, continuation of the alleged infringement would result in loss and injury which cannot be compensated in monetary terms and that,



therefore, the suit could be instituted without, in the first instance, exhausting the remedy of pre-institution mediation under Section 12A of the Commercial Courts Act, continues, therefore, to hold the field. The limited caveat that the Supreme Court has, in *Yamini Manohar*, entered, in this regard, is that commercial courts cannot blindly, or mechanically, allow requests for dispensation with the requirement of pre-institution mediation, and are required, in every case, to examine the merits of the request individually. This is essentially so as to prevent misuse of Section 12A by creating artificial grounds of urgency where none exist. Again, such cases would normally be cases in which the plaintiff practices deception or falsehood. In cases where the request for urgent interim relief, as contained in the plaint, is not tainted or artificial, ordinarily the Court must defer to the perception, of the plaintiff, that it is in need of urgent interim relief.

37. That, in my respectful considered opinion, is how the judgment of the Supreme Court in *Yamini Manohar* is required to be understood and applied.

38. Applying *Yamini Manohar*, thus understood, to the facts of the present case, one finds the following assertions, in paras 7 to 10 of the present application:

“7. The extent of similarity between the rival marks leaves no doubt that the Defendant has wilfully and deliberately used phonetically and conceptually similar marks with intent to mislead the members of trade and public. Furthermore, being in the pharmaceutical industry, the Defendant is deemed to be aware of the business activities of the Plaintiff including knowledge of their well-known mark AZIWOK. Given the vide and extensive use of Plaintiff’s AZIWOK mark, it is incomprehensible that the



Defendant was not aware of the Plaintiff's use. The Defendant had constructive notice of Plaintiff's prior rights and has deliberately adopted a deceptively similar marks AZIWAKE for similar medicinal products.

8. The Plaintiff submits that it is also a settled law that the handwriting of the medical practitioners on prescriptions can lead to confusion or mistake cannot be ruled out. Therefore, in cases where the marks appear too much alike when handwritten or sound too much alike when pronounced, the conclusion must be avoided. Therefore, the Defendant must be restrained from using the mark AZIWAKE to protect consumer confusion.

9. The Plaintiff submits that it has suffered and is likely to suffer irreparable loss and injury to their goodwill and reputation on account of the aforesaid acts of unfair trade practice committed by the Defendant. The Plaintiff states that the goods allegedly sold by the Defendant under the impugned marks/script packaging may be of inferior quality, and the traders and consumers may get confused and deceived and/or likely to be confused and deceived into buying the impugned products from the Defendant thinking they originate from the Plaintiff. In the circumstances, unless the Defendant is restrained by a perpetual order of injunction of this Hon'ble Court from continuing to commit the acts of unfair trade and passing off as aforesaid, not only the consumers but also the Plaintiff will suffer irreparable loss and injury and pecuniary compensation will not be an adequate relief. The use of the infringing marks/script packaging by the Defendant is mala fide and hence avoid. Therefore, while no loss would be suffered by the Defendant, irreparable loss, injury and damage would be suffered by the plaintiff if the Defendant is allowed to continue with their illegal activities.

10. In view of the above submission and averments, the Plaintiff establishes a prima facie case in its favor. The balance of convenience is also in favor of the Plaintiff and against the Defendant. The Plaintiff shall suffer and continue to suffer irreparable loss and injury which can never be compensated in monetary terms unless an immediate order of interim injunction, including an ex-parte order, restraining the Defendant from committing the impugned acts of passing off and infringement is passed. The said order of injunction is the only effective and appropriate remedy and will also protect the interest of the purchasing public."



39. Quite clearly, the assertions regarding urgency and the necessity of immediate interim relief, as contained in the present application, are far more detailed and comprehensive than were forthcoming before the learned Single Judge of this Court in *Yamini Manohar*. The averments regarding urgency in *Yamini Manohar* having been found, by the Supreme Court, to justify dispensation with the requirement of pre-institution mediation, the plaintiff in the present case would certainly be entitled to similar relief.

40. I do not, therefore, find substance in the objection, raised by Ms. Sahadeva, predicated on Section 12A of the Commercial Courts Act. The objection is therefore rejected.

Difference between infringement and passing off

41. The following passages from the celebrated decision in *Kaviraj Pt Durga Dutt Sharma* classically identify the main ingredients of the torts of infringement and passing off, as well as the differences between them:

“28. The other ground of objection that the findings are inconsistent really proceeds on an error in appreciating the basic differences between the causes of action and right to relief in suits for passing off and for infringement of a registered trade mark and in equating the essentials of a passing off action with those in respect of an action complaining of an infringement of a registered trade mark. We have already pointed out that the suit by the respondent complained both of an invasion of a statutory right under Section 21²¹ in respect of a registered trade mark and also of

²¹ Section 21 of the Trade Marks Act, 1940, which was applicable to the dispute in *Kaviraj Pt Durga Dutt Sharma* effectively combined the principles of exclusivity in respect of a registered trade mark, and it is infringement, and read thus:

“21. **Right conferred by registration.** –



a passing off by the use of the same mark. *The finding in favour of the appellant to which the learned counsel drew our attention was based upon dissimilarity of the packing in which the goods of the two parties were vended, the difference in the physical appearance of the two packets by reason of the variation in the colour and other features and their general get-up together with the circumstance that the name and address of the manufactory of the appellant was prominently displayed on his packets and these features were all set out for negating the respondent's claim that the appellant had passed off his goods as those of the respondent. These matters which are of the essence of the cause of action for relief on the ground of passing off play but a limited role in an action for infringement of a registered trade mark by the registered proprietor who has a statutory right to that mark and who has a statutory remedy for the event of the use by another of that mark or a colourable imitation thereof. While an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. 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” (Vide Section 21 of the Act). The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable imitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two ceases. In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an*

(1) Subject to the provisions of Sections 22, 25 and 26, the registration of a person in the register as proprietor of a trade mark in respect of any goods shall give to that person the exclusive right to the use of the trade mark in relation to those goods and, without prejudice to the generality of the foregoing provision, that right shall be deemed to be infringed by any person who, not being the proprietor of the trade mark or a registered user thereof using by way of the permitted use, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered, and in such manner as to render the use of the mark likely to be taken either –

- (a) as being used as a trade mark; or
- (b) to import a reference to some person having the right either as a proprietor or as registered user to use the trade mark or to goods with which such a person as aforesaid is connected in the course of trade.”



imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, 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 mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.

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)

These two passages from *Kaviraj Pt Durga Dutt Sharma* condense, in themselves, the wisdom of the ages, where trademark infringement, or passing off, is concerned. As many as eighteen stellar principles, which have withstood the ravages of time since they were enunciated, emerge from these two passages. They may thus be enumerated, without any substantial alteration in the language used by the Supreme Court itself:

(i) Dissimilarity of the packing in which the goods of the two parties were vended, the difference in the physical appearance of the two packets by reason of the variation in the colour and other features and their general get-up together with the circumstance that the name and address of the manufactory of the appellant was prominently displayed on its packets and these features were all set out for negating the respondent's claim that the appellant had passed off his goods as those of the respondent, are matters which are of the essence of the cause of action for relief on the ground of passing off play but a limited role in an action for infringement of a registered trade mark.

(ii) While an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement.



(iii) The action for infringement is a statutory remedy, provided for the vindication of the exclusive right, vested in the proprietor of the registered trademark, to the use of the trade mark in relation to those goods.

(iv) The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off, but is the *sine qua non* in the case of an action for infringement.

(v) Where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions *might* coincide in the sense that what would be a colourable imitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two ceases.

(vi) In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated.

(vii) Expressed in another way, 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 mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.

(viii) 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.

(ix) Where the two marks are identical no further questions arise; for then the infringement is made out.

(x) 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.

(xi) 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”.

(xii) Where the question of deceptive similarity 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.

(xiii) 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.

(xiv) 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.

(xv) The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's mark.

(xvi) 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.

(xvii) 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.

(xviii) 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.

42. Interestingly, while the Supreme Court has, in *Kaviraj Pt Durga Dutt Sharma*, noted the fact that there exists a point of view that the words “or cause confusion” merely extend the concept of likelihood of deception and do not substantially add to the concept, it has demurred from expressing any final view thereon. By noting the point, however, the Supreme Court has clearly, albeit by implication, indicated that the point of view has substance. In fact, in my considered opinion, it is not possible to vivisect Section 29(2) of the Trade Marks Act and compartmentalise, as it were, the concepts of confusing and deceptive similarity, and likelihood of confusion or association. Significantly, though the Trade Marks Act uses “confusion” and “deception” which are, etymologically, distinct expressions with their own connotations, Section 2(1)(h) dovetails, in a manner of speaking, the two concepts into one another, by defining the expression “deceptively similar” thus:

“A mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion.”



While the concluding words of the definition, “deceive or cause confusion”, seem to indicate that “deception” and “confusion” are recognised as distinct concepts, this impression stands dispelled by the fact that, whether the mark deceives, or confuses, it is “deemed to be deceptively similar”. Not much, therefore, would turn on the etymologically understood difference between “confusion” and “deception”. In either case, the mark would be regarded as deceptively similar.

43. On the aspect of phonetic similarity, the *Pianotist* test has, as Ms. Sahadeva correctly submits, come to be regarded as the gold standard, having been followed and adopted in, among others, the decisions of the Supreme Court in *Amritdhara Pharmacy, Khoday Distilleries Ltd v. Scotch Whisky Association*²² and *Cadila Health Care* and by the Division Bench of this Court in *J & P Coats Ltd v. Popular Thread Mills*²³, apart from numerous decisions of other High Courts and of learned Single Judges of this Court. The *Pianotist* test requires the Court to consider

- (i) the look and the sound of the competing words,
- (ii) the goods to which they are applied,
- (iii) the nature and kind of customer who would be likely to buy those goods, and
- (iv) what is likely to happen if each of the marks is used in the normal way as a trade mark for the goods of their respective owners.

²² (2008) 10 SCC 723



44. The competing words are, in the present case, “AZIWOK” and “AZIWAKE”. There is no real distinction between their “look” and “sound”, especially as the plaintiff holds a word mark registration for the word “AZIWOK”. Though, to my mind, it is obvious that AZIWAKE is phonetically similar to AZIWOK, as they sound deceptively alike to the ear, one may, if it is necessary to pare the issue to its essentials, explain why the two words are phonetically similar, thus:

- (i) Each word consists of three syllables.
- (ii) Of the three syllables, the first and second syllables in each word are the same; “a” and “zi”.
- (iii) The third syllable which, therefore, would be determinative in examining phonetic similarity, is “wok” in one case and “wake” in the other.
- (iv) The third syllable in each case has, therefore, three distinct sounds, with an initial and the terminal consonant sound and an intervening vowel sound.
- (v) The initial and terminal consonant sounds are the same in both the words, namely “w” and “k”.
- (vi) The only difference between the two words AZIWOK and AZIWAKE is, therefore, in the intervening vowel sound

²³ (1996) 30 DRJ 686 (DB)



between the consonants forming part of the third syllable (“wok” and “wake”) in each word. In AZIWOK, the intervening sound is “o” and, in AZIWAKE, it is “ay”.

(vii) This minuscule difference between the two words is too slight to detract from the overall phonetic similarity between them.

(viii) To the ear of the consumer of average intelligence and imperfect recollection, it is, therefore, clear that the words “AZIWOK” and “AZIWAKE” are phonetically deceptively similar.

45. Both the marks are used for the same pharmaceutical preparation, namely, azithromycin. Insofar as the consumers who would be dealing with the marks are concerned, the pharmaceutical preparations in question would initially be prescribed by doctors and, thereafter, dispensed by dispensing chemists and purchased by the consumer/patient. It would be unrealistic to expect that every doctor would be aware of the distinction between AZIWOK and AZIWAKE, especially when both marks are used in regard to azithromycin. Even if it were to be so assumed, confusion could always take place at the end of the dispensing chemist, or the purchasing customer. It is a dispensing reality, these days, that not every chemist insists on a prescription before dispensing azithromycin. In such circumstances, the possibility of a customer being dispensed AZIWAKE when, in fact, he wants AZIWOK, cannot be discounted.



46. Moreover, the existence, or otherwise, of confusion is required to be assessed at the “initial interest” stage, i.e., at the time when the consumer of average intelligence and imperfect recollection first chances upon the defendant’s mark. If, at that time, he is immediately likely to wonder whether the mark is the same as the mark of the plaintiff, which he has seen earlier, or whether the two marks are associated in some way, likelihood of confusion or association, within the meaning of Section 29(2)(b) *ipso facto* exists. The fact that, with the acquisition of more information, he may become disillusioned, is irrelevant. What matters is the impression which is formed in his psyche at the initial interest stage. Applying the initial interest test, a consumer of average intelligence and imperfect recollection, who has once come across the plaintiff’s AZIWOK product and, later, comes across the defendant’s AZIWAKE product, has every chance of being placed in a state of wonderment or confusion as to whether he has seen the mark earlier. That, by itself, is sufficient to result in “likelihood of confusion” within the meaning of Section 29(2)(b).

47. In the context of the present dispute, and especially in view of the submissions advanced by Ms. Sahadeva, the judgment of the Supreme Court in *Cadila Health Care* assumes importance, in understanding the concept of “deceptive similarity” in the context of pharmaceutical preparations. Though, it is true, *Cadila Health Care* involved only passing off, and not infringement, the concept of deceptive similarity, with likelihood to confuse, is not different in infringement, as compared to passing off²⁴. The rival marks, in that

²⁴ Refer para 91 of Ramdev Food Products (SC)



case, were “Falcigo” of the plaintiff, Cadila Health Care Ltd (“CHC”, hereinafter) and “Falcitab” of the defendant, Cadila Pharmaceuticals Ltd (“CPL”, hereinafter). CHC’s “Falcigo” mark was not registered under the Trade and Merchandise Marks Act, 1958 (“the TMMA”), though its application for registration was pending. CHC and CPL had both been granted permission by the Drugs Controller General to manufacture the rival products, Falcigo and Falcitab. Both the products were used for treating falciparum malaria.

48. On the ground of priority of user, CHC sued CPL and sought an injunction against the use, by CPL, of the “Falcitab” mark, contending that the use of the mark would enable CPL to pass off its “Falcitab” as CHC’s “Falcigo”. An application for interlocutory injunction was also preferred. CPL contended, in response, *inter alia*, that the prefix “Falci” was merely an abbreviation for “falciparum malaria”, and that it was common to the pharmaceutical trade to abbreviate the names of the compounds contained in the product, or the ailment or the organ that it was intended to treat, so as to indicate, to the doctor or chemist, the disease which the preparation was intended to combat. It was further contended that both products were Schedule “L” drugs, which could be sold only to hospitals and clinics, so that there was no chance of confusion or deception.

49. CPL’s contentions were accepted by the learned Trial Court, which consequently dismissed the application for interim injunction. The learned Trial Court held that the products differed in appearance, formulation and price and that, as could be sold only to hospitals and



institutions, there was no chance of deception or confusion. An appeal, preferred against the said decision by CHC, was also dismissed by the High Court. CHC appealed further to the Supreme Court.

50. The Supreme Court noted the principle, enunciated in its earlier decision in *Corn Products Refining Co. v. Shangrila Food Products Ltd*²⁵ that “the question whether the two marks are likely to give rise to confusion or not is a question of first impression” and that “it is for the court to decide the question”. Further applying the principle that the rival marks were to be compared as whole marks, the Supreme Court, in *Corn Products*, held that the marks “Glucovita” and “Gluvita” were deceptively similar, as the only difference between the marks was the central “co” syllable, which was present in one and absent in the other.

51. If “Gluvita” is deceptively similar to “Glucovita”, I fail to see, at least *prima facie*, how it can be said that AZIWAKE is *not* deceptively similar to AZIWOK.

52. Specifically on the aspect of deceptive similarity and likelihood of confusion in the case of pharmaceutical preparations, the Supreme Court explained the legal position thus, in para 27 to 32 of the report:

“27. As far as the present case is concerned, *although both the drugs are sold under prescription but this fact alone is not sufficient to prevent confusion which is otherwise likely to occur. In view of the varying infrastructure for supervision of physicians and pharmacists of medical profession in our country due to*

²⁵ AIR 1960 SC 142



linguistic, urban, semi-urban and rural divide across the country and with high degree of possibility of even accidental negligence, strict measures to prevent any confusion arising from similarity of marks among medicines are required to be taken.

28. Here it will be useful to refer to the decision of *Morgenstern Chemical Co. case*²⁶ where it has been held as under:

*“(5) In the field of medical products, it is particularly important that great care be taken to prevent any possibility of confusion in the use of trade marks. The test as to whether or not there is confusing similarity in these products even if prescribed and dispensed only by professionally trained individuals does not hinge on whether or not the medicines are designed for similar ailments. The rule enunciated by Judge Helen in *Cole Chemical Co. v. Cole Laboratories*²⁷ is applicable here:*

‘The plaintiff and the defendant are engaged in the sale of medical preparations. They are for ultimate human consumption or use. ... They are particularly all for ailments of the human body. Confusion in such products can have serious consequences for the patient. Confusion in medicines must be avoided.

Prevention of confusion and mistakes in medicines is too vital to be trifled with.’

The observations made by Assistant Commissioner Leeds of the Patent Office in *R.J. Strassenburgh Co. v. Kenwood Laboratories, Inc.*²⁸ are particularly apt, that:

‘Physicians are not immune from confusion or mistake. Furthermore it is common knowledge that many prescriptions are telephoned to the pharmacists and others are handwritten, and frequently handwriting is not unmistakably legible. These facts enhance the chances of confusion or mistake by the pharmacists in filling the prescription if the marks appear too much alike when handwritten or sound too much alike when pronounced.’

²⁶ 253 F.2d 390

²⁷ DC Mo 1954, 118 F Supp 612, 616, 617, 101, USPQ 44, 47, 48

²⁸ [106 USPQ 379 (1955)] USPQ 380



*The defendant concedes that physicians and pharmacists are not infallible but urges that the members of these professions are carefully trained to detect difference in the characteristics of pharmaceutical products. While this is doubtless true to dos (sic) not open the door to the adoption by manufacturers of medicines of trade marks or names which would be confusingly similar to anyone not exercising such great care. For physicians and pharmacists are human and in common with the rest of mankind are subject to human frailties. In the field of medicinal remedies the courts may not speculate as to whether there is a probability of confusion between similar names. If there is any possibility of such confusion in the case of medicines public policy requires that the use of the confusingly similar name be enjoined (see **Lambert Pharmacol Ltd. v. Bolton Chemical Corpn.**²⁹).”*

29. In the book titled as McCarthy on Trade Marks, it is observed in the footnote at pp. 23-70 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 Corpn. v. Alza Corpn.³⁰)

30. In the case of **Syntex Laboratories Inc. v. Norwich Pharmacal Co.**³¹ it is 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.”

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

²⁹ DCNY 1915, 219 F 325.326

³⁰ 207 USPQ 504 (TTAB 1980)

³¹ 169 USPQ 1 (2nd Cir 1971)



trade or business. The action is regarded as an action for deceit”.
[See *Wander Ltd. v. Antox India (P) Ltd.*]

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.”

(Emphasis supplied)

53. After *Cadila Health Care*, the plea that the likelihood of confusion between similar marks used for pharmaceutical products is lessened because they are prescribed by doctors and dispensed by chemists who are supposed to know the difference between one drug and another, no longer remains available.



54. Ms. Sahadeva sought to distinguish *Cadila Health Care* on the ground that, in that case, the competing products were different and that, therefore, the possibility of adverse consequences resulting, were the wrong drug to be administered, stood exacerbated, whereas, in the present case, AZIWOK and AZIWAKE are both used for azithromycin, and, therefore, it cannot be said that the administration of AZIWAKE to a patient instead of AZIWOK could be injurious to his health. The submission ignores the ground reality that every formulation of an API may not be equally efficacious. It is well known that physicians choose to prescribe drugs manufactured by particular manufacturers based on their perceived efficacy. As to whether this perception is correct, or justified, or not, this Court is ill-equipped to speak on; the perception, nonetheless, exists. The need to avoid confusion between pharmaceutical preparations, caused by similar trade marks or brand names, is not, therefore, limited to cases in which the rival marks are used for preparations containing different APIs, but also extends – though, arguably, to a slightly lesser extent – to cases in which the two marks are used for preparations containing the same API.

55. In plain terms, if a physician desires his patient to be treated with AZIWOK, the patient must not end up taking AZIWAKE because of the confusion caused by the similar names/marks. The note of caution sounded in *Cadila Health Care* would equally apply to such a case.



56. Turning, now, to *Ramdev Food Products*, *Astrazeneca* and *Gufic*, on which Ms. Sahadeva placed reliance.

57. From *Ramdev Food Products*, Ms. Sahadeva cites para 91, which reads as under:

“91. Although the defendant may not be using the actual trade mark of the plaintiff, the get-up of the defendant's goods may be so much like the plaintiff's that a clear case of passing-off could be proved. It is also possible that the defendant may be using the plaintiff's mark, the get-up of the defendant's goods may be so different from the get-up of the plaintiff's goods and the prices also may be so different that there would be no probability of deception to the public. However, in an infringement action, an injunction would be issued if it is proved that the defendant is improperly using the plaintiff's mark. In an action for infringement where the defendant's trade mark is identical with the plaintiff's mark, the court will not enquire whether the infringement is such as is likely to deceive or cause confusion. The test, therefore, is as to likelihood of confusion or deception arising from similarity of marks, and is the same both in infringement and passing-off actions. (See *Ruston & Hornsby Ltd. v. Zamindara Engg. Co.*³²)

The propositions elucidated in para 91 of *Ramdev Food Products* are trite and well settled. There can be no dispute that, where the rival marks are not identical, there is no presumption of likelihood of confusion, as is statutorily available under Section 29(3) read with Section 29(2)(b) of the Trade Marks Act, and that the Court would have to examine, in each case, whether there is, in fact, likelihood of confusion or association as a consequence of the similarity between the marks. In the present case, I have found, on facts, that such likelihood, in fact, exists. Nothing much, therefore, turns on *Ramdev Food Products*.

³² (1969) 2 SCC 727



58. *Astrazeneca* involved the marks MERONEM (the registered trade mark of the plaintiff) and MEROMER (the allegedly infringing mark of the defendant). Ms. Sahadeva essentially relies on the principle, expounded in the said decision, that exclusivity cannot be claimed over a mark, or a part of a mark, which is *publici juris*. Proceeding from this premise, the Division Bench of this Court held that the prefix MERO, in the rival marks, was *publici juris*, as it was a mere abbreviation of the API which was “Meropenem”, and the suffixes “MER” and “NEM” were not phonetically similar. Resultantly, it was held that the mark MEROMER could not be held to be deceptively similar to the mark MERONEM.

59. As in the case of *Ramdev Food Products*, there can be no cavil with the legal propositions elucidated in *AstraZeneca*. The distinction – which makes all the difference – between *Astrazeneca* and the case at hand is that, while the rival suffixes, in *AstraZeneca*, were “MER” and “NEM”, the rival suffixes in the present case are “WOK” and “WAKE”. There can obviously be no absolute guidelines on the basis of which it can qualitatively, or quantitatively, be determined whether two marks are phonetically similar. Ultimately, it is a call which the Court has to take on its own perception of the rival marks, keeping in mind the principle that deceptive similarity has to be examined from the point of view of a consumer of average intelligence and imperfect recollection. Thus examined, though the suffix “MER” may not have been regarded as deceptively similar to the suffix “NEM”, I am unable to convince myself that the same position would obtain in respect of “WAKE”, vis-à-vis “WOK”. The degree of similarity between



“WAKE” and “WOK”, with the same initial and terminal consonant sounds, in my considered opinion, makes the mark AZIWAKE phonetically deceptively similar to AZIWOK, even if MEROMER was not regarded as phonetically deceptively similar to MERONEM.

60. *AstraZeneca*, therefore, in my opinion, cannot come to the aid of the defendant.

61. *Gufic* is even more distant, on facts, from the present case, as the rival marks in that case were “Clinique” and “Skin Cliniq Stretch Nil”. Besides, the Division Bench, in *Gufic*, also relied on the fact that the style, manner of writing and packaging of the two products were different and the products catered to different customer segments, as one was an Ayurvedic cream, whereas the other was not.

62. My earlier decision in *Elyon Pharmaceuticals*, too, in my view, cannot help Ms. Sahadeva. The rival marks in that case were ELMENTIN and ELEMENTAL. The degree of phonetic similarity between the two marks, if any, is clearly far lesser than the degree of similarity between AZIWAKE and AZIWOK. The number of syllables in the two words were also different. Besides, while ELMENTIN was a coined and arbitrary mark, ELEMENTAL was a common English word having a definite etymological connotation. These features are completely absent in the present case.

The “common to the trade” plea



63. The “common to the trade” submission of Ms. Sahadeva is also, in my considered opinion, misconceived. Ms. Sahadeva sought to contend that the prefix “AZI” was common to the trade when used for pharmaceutical preparations containing azithromycin. Even if it were to be so assumed, it cannot, in my view, make any difference, as the plaintiff is not claiming exclusivity for the prefix “AZI”. (Indeed, Mr. Narula, tongue firmly in cheek, offered the suggestion that the defendant could change its mark to AZISMART.) AZIWAKE is not phonetically deceptively similar to AZIWOK merely because of the common “AZI” prefix, but because the two marks, seen as a whole, are phonetically similar. The fact that the “AZI” prefix may be common to the trade when used for azithromycin does not, therefore, dent the case of the plaintiff to any appreciable extent.

Justification for adoption of the mark AZIWAKE

64. Insofar as the justification provided, in para 7 of the defendant’s reply to the present application, for adoption of the mark AZIWAKE, is concerned, Mr. Narula submits that it is far-fetched and, *prima facie*, I am somewhat inclined to agree. That said, I am not inclined to express any further opinion on this aspect, as it is simply not necessary. If the defendant’s mark is not deceptively similar to the plaintiff’s, the use of the defendant’s mark cannot be enjoined, and the logic for its coinage hardly matters. In the present case, however, the defendant’s AZIWAKE is, in fact, phonetically deceptively similar to the plaintiff’s AZIWOK, especially as both marks are used for Azithromycin and, therefore, an injunction must follow.



Reliance on the decision in *Wander*

65. Para 9 of *Wander*, too, cannot come to the aid of the defendant. The user, by the defendant, of the impugned mark, is only of 2022 vintage, whereas the AZIWOK mark stands registered in favour of Wockhardt in 1994 and there is evidence of user of the mark, by Wockhardt and thereafter by the plaintiff, at least since 2003. The user scales, too, therefore, are tilted heavily in favour of the plaintiff and against the defendant.

The sequitur

66. A clear *prima facie* case of infringement, by the defendant's AZIWAKE mark, of the plaintiff's AZIWOK is, therefore, made out. When assessing infringement, the comparison has to be on mark-to-mark basis. Added matter, or attendant circumstances, cannot mitigate infringement where, on mark-to-mark basis, it is seen that there is deceptive similarity between the marks, and likelihood, as a result, of confusion, or of a consumer of average intelligence and imperfect recollection associating the mark of the defendant with the mark of the plaintiff, is seen to exist.

67. Where such a case of infringement exists, the Supreme Court has clearly held, in *Midas Hygiene Industries (P) Ltd v. Sudhir Bhatia*³³, that, “normally an injunction must follow”. The Supreme

³³ (2004) 3 SCC 90



Court has further clarified, in the said decision, that “mere delay in bringing action is not sufficient to defeat grant of injunction in such cases”. In the present case, given the fact that the defendant has been using the impugned AZIWAKE mark only since 2022, it cannot even be said that the plaintiff is guilty of any inordinate delay in approaching the Court.

Considerations of balance of convenience and irreparable loss

68. As the defendant has been using the impugned mark only since 2022, whereas the plaintiff’s user of its AZIWOK mark dates back to 2003, continuing infringement, by the defendant, of the plaintiff’s mark, is likely to dilute its brand value, and would also result, therefore, in prejudice to the plaintiff which cannot be compensated in monetary terms. The recent decision of the Supreme Court in *Yamini Manohar* also recognises the fact that, where the trademark is infringed, irreparable loss results, which cannot be compensated in monetary terms.

69. Further, given the fact that the defendant has been using the impugned mark only since 2022, and, even if injunction was granted, would only be required to adopt a non-infringing mark, the balance of convenience is also in favour of grant of injunction. No loss can be said to ensue to the defendant, were injunction to be granted. The defendant would only be required to change its mark to something other than AZIWAKE, which does not infringe the plaintiff’s AZIWOK mark. Comparing the inconvenience that would result to



the defendant, who has been using AZIWAKE only since 2022, with the prejudice that the plaintiff would suffer if the defendant's infringing mark continues to remain in use, coupled with the continued likelihood of one preparation being mistakenly prescribed, dispensed, or taken instead of the other, the balance of convenience would also dictate grant, rather than refusal, of interim injunction as sought.

Conclusion

70. Resultantly, the following directions are issued:

(i) The defendant, as well as all others acting on its behalf shall stand restrained, pending disposal of the suit, from using the mark AZIWAKE, with or without any prefixes or suffixes, in respect of pharmaceutical preparations, or for any other allied of cognate goods or services.

(ii) However, I am not inclined to pass any injunction in respect of batches of AZIWAKE (with or without any suffixes) which already circulating in the market, or which are manufactured and available in stock with the defendant. Insofar as existing stock, which is yet to expire, is concerned, therefore, the defendant may sell the stock in the market, after, however, *a priori* filing an affidavit before this Court, within 5 days, providing the batch numbers and dates of expiry of the said stock. Copies of the invoices whereunder the said stock is sold



shall also, consequent on their sale, be placed on affidavit, by the defendant, in the present proceedings.

71. IA 20597/2023 stands disposed of accordingly.

C.HARI SHANKAR, J

NOVEMBER 16, 2023

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Click here to check corrigendum, if any