

Commercial Suit No.1/2021
(CNR No. : MHPU01-000107-2021)

Cutis Biotech

Vs.

Serum Institute of India Pvt.
Ltd.

ORDER BELOW EXH. 5

1] This is an application under Order XXXIX, Rule 1 and 2 of Code of Civil Procedure by plaintiff for seeking temporary injunction to restrain defendant company temporarily from committing act of passing off of the trade mark, namely, 'Covishield', so also, to restrain it temporarily from using the trade mark, namely, 'Covishield' and also to direct defendant to maintain and submit the accounts of profit earned through using the trade mark 'Covishield'.

2] Plaintiff is a sole proprietorship concern, namely, "Cutis Biotech". The address of plaintiff is shown at Nanded, Maharashtra. The sole proprietor of plaintiff firm is Smt.Archana Ashish Kabra. As per plaintiff, they are in business of pharmaceuticals since 2013. They have got the required licences from Foods and Drugs authorities. On 25/04/2020 plaintiff coined the word 'Covishield' and decided to use the same in respect of pharmaceuticals and other related products. Therefore, plaintiff took search about the trade mark 'Covishield' for the products mentioned in Class-5 category. As no one had obtained such trade mark previously, plaintiff applied for the registration of trade mark 'Covishield' in respect of veterinary, Ayurvedic, Allopathic, medicinal and pharmaceutical preparations

and vitamins and dietary food supplements for human and animals in Class-5 category. The application is placed on record of dated 29/04/2020. The application is made to the trade mark office at Gaziabad for the jurisdiction of Delhi.

3] Plaintiff further submits that, then it is started using the trade mark 'Covishield' and thereby placed orders to manufacturers. Since 30th May 2020 plaintiff started receiving products like antiseptic, disinfectants, sanitizers, surface spray, fruit and vegetable washing liquid bearing the trade mark 'Covishield'. After receiving the products bearing the name of 'Covishield', plaintiff started selling the products in the market from 30/05/2020. Plaintiff submits that, products which their firm is selling under the above said trade mark is of high quality and earned good reputation. The photographs of the products are placed on record.

4] Copies of invoices issued by the manufacturers are also placed on record. Plaintiff submits that, up till now i.e. since 30/05/2020 to 31/12/2020 it has done the turn over of about Rs.16,00,152/- by doing the trade of the products, named as 'Covishield'. However, on 07/12/2020 plaintiff came to know through news that defendant has applied before the Drugs Controller General of India for approval of vaccine for preventing disease Covid-19, under the brand/trade mark, namely, 'Covishield'. Then, plaintiff took the trade mark search on website of Trade Mark Registry and found that, on 06/06/2020 defendant has applied for the trade mark 'Covishield' in the same class-5 bearing application No. 4522244 for the product i.e. vaccine for human use. Defendant

has applied not only for getting trade mark, namely, 'Covishield', but for other five alternate trade marks for the product i.e. vaccine for human use i.e. Covidshield, Covid Protect, Covid-Vac, Covi-Vac, Covi-Vaxx.

5] Plaintiff further submits that, on 15/08/2020 one of the trade partners of plaintiff i.e. Indorama Engineers denied to supply multi-vitamin injection to plaintiff under brand name 'Covishield' as there is possibility of confusion. Thereafter, on 11/12/2020 plaintiff filed Civil Suit No.1/2020 against defendant before the District Court at Nanded, in which defendant appeared and raised ground of jurisdiction. That suit is still pending at Nanded Court.

6] Plaintiff submits that, a fresh cause of action to file present suit has arisen on 02/01/2021 when plaintiff came to know through website that, director of the defendant company Mr. Poonawalla announced that, they are launching vaccine to prevent Covid-19 under the brand name 'Covishield'. As soon as plaintiff got the knowledge of the proposed launching of the said vaccine under the trade mark 'Covishield', plaintiff immediately approached to this Court by filing the present suit on 04/01/2021.

7] Plaintiff submits that, plaintiff and defendant are trading in the common field of activity. Defendant is using the same trade mark 'Covishield', which is firstly used by the plaintiff firm. Therefore, plaintiff is the prior user. The act of defendant is of misrepresentation and deceitful to the customers/consumers. Due to the act of defendant, dealers of the plaintiff are not ready to sell the product of the plaintiff; thereby plaintiff is suffering losses. The act

of defendant is passing off of the trade mark 'Covishield', which is already earned goodwill and reputation and used by the plaintiff. As such, plaintiff submits that, it has prima facie case, balance of convenience and likely to suffer irreparable loss. Therefore, plaintiff is seeking temporary injunction against the defendant.

8] Defendant company appeared through advocate and filed its reply below Exh.20. Defendant company has strongly contended that, plaintiff has no prima facie case, because firstly, plaintiff is not manufacturing any vaccine for human use, for that matter any vaccine to prevent Covid-19. Plaintiff has applied for registration of trade mark 'Covishield' for products disinfectant spray, sanitizer etc. in category Class-5. Defendant is not manufacturing any of the articles/products in which the plaintiff has applied for the registration of trade mark. Defendant has only manufacturing vaccine to prevent Covid-19 and for human use only. Therefore, there is no common nature of activity between plaintiff and defendant company.

9] Further, defendant submits that, it is seriously doubtful whether plaintiff is using the trade mark 'Covishield' prior to the defendant. Further, the nature of products, visual appearance of the products of plaintiff and defendant are totally different. There is no possibility of creating any confusion, misrepresentation or deceit in the mind of consumers. Further, at the most, plaintiff has entered into the market in May 2020, then also it cannot be said that, plaintiff has earned substantial goodwill or reputation of such nature that defendant is taking undue advantage of it. Therefore, the basic

ingredients of the action of passing off are missing in this matter.

10] Further, defendant has no intention to divert the customers of plaintiff, nor it has any intention to produce any such products similar to the plaintiff's product. Therefore, neither there is goodwill of plaintiff's products nor there is misrepresentation on the part of defendant. Therefore, there is no question of any financial damage to the plaintiff through the act of defendant. As such, plaintiff has no prima facie case against the defendant.

11] Defendant further submits that, plaintiff has concealed the material fact and document that it had applied to the Trade Mark Registry at Gaziabad on 12/12/2020 for registration of trade mark 'Covishield' for the product i.e. vaccine for human use also. That application is placed on the record by the defendant to show that, plaintiff has not approached to the present Court with clean hands. Therefore, defendant submits that, plaintiff has concealed the material fact and document; it amounts fraud on the court. Therefore, plaintiff is not entitled for equitable relief.

12] Defendant further submits that, balance of convenience lies in favour of the defendant only, because the vaccine innovated by the defendant company is a medicine to prevent a deadly disease i.e. Covid-19. Defendant presently supplying the human vaccine under trade mark 'Covishield' to Government of India and also exporting it to many other countries. Therefore, the consumers of the product of defendant i.e. vaccine 'Covishield' are much much larger in numbers than the number of consumers of the product of plaintiff. At this stage, if the preventive order is passed against

defendant, a major portion of society in the world is going to affect; who is trying hard to fight with the deadly disease Covid-19. On the other hand, the product of the plaintiff is being used at the most by the consumers within limited area and limited numbers and that too the product of disinfectants. Therefore, the balance of convenience fully lies in favour of the defendant. Ultimately, defendant is going to face comparative more hardship and irreparable loss if the preventive interim order is passed against defendant. As such, defendant has contended that, plaintiff is not entitled for any interim relief.

13] After going through the contentions of both the sides, I prefer to frame following points for adjudication of this application alongwith the findings for the reasons discussed below.

<u>Points</u>	<u>Findings</u>
1] Whether Plaintiff proves the prima facie case ? No.
(1a) Whether Plaintiff prima facie proves that, it has established goodwill in the market?	
(1b) Whether Plaintiff prima facie proves that, Defendant has misrepresented or likely to misrepresent the trade mark "Covishield" to the public at large ?	
(1c) Whether Plaintiff prima facie proves that, it has suffered damages due to the act of Defendant ?	

- 2] Whether balance of convenience lies in favour of the Plaintiff ? No.
- 3] Whether Plaintiff prima facie proves that, it would suffer irreparable loss if the Defendant is not temporarily restrained from using the trade mark, namely, 'Covishield' ? No.
- 4] What Order ? As per final order.

14] Heard the learned Advocate Mr. Aditya Soni for Plaintiff and learned Advocate Mr.S.K.Jain for Defendant. Perused the papers.

REASONS

AS TO POINT NO.1 [(1a), (1b) & (1c)] :

15] Learned advocate for plaintiff has contended that, plaintiff's firm has coined the trade mark 'Covishield'. Plaintiff has applied for the registration of trade mark 'Covishield' by filing application on 29/04/2020 itself bearing No. 4493681. Advocate for plaintiff has relied upon the invoice dated 30/05/2020 and contended that, they started using the trade mark 'Covishield' since 30/05/2020. He further pointed out the E-mails of their trade partner Indorama Engineers, dated 07/12/2020. As such, on 07/12/2020 their trade partner refused to manufacture injection under name 'Covishield' because of upcoming 'Covishield' vaccine of defendant institute. Advocate for plaintiff has relied upon

certificate issued by their Chartered Accountant to show their actual turn over through the brand name 'Covishield'.

16] As such, advocate for plaintiff has contended that, prima facie plaintiff firm is using the trade name 'Covishield' prior to the defendant. It has already started using the trade mark 'Covishield' and thereby earned goodwill in the market. Defendant's application for registration of the trade mark 'Covishield' is of dated 06/06/2020 i.e. subsequent to the plaintiff's application. Defendant's product is presently not available in the market, but it is likely to create confusion in the mind of consumers as the trade name is the same. Therefore, defendant's act amounts to misrepresentation. Further, as per the certificate of Chartered Accountant of plaintiff, they have done turn over through products, namely, 'Covishield' of amount of Rs.16,00,152/-. But, now no dealer is ready to sell the product of the plaintiff. Therefore, plaintiff is suffering financial loss, the actual amount of loss can be calculated during the course of trial. As such, advocate for plaintiff has contended that, it has prima facie fulfilled three ingredients for seeking relief against defendant i.e. goodwill of the plaintiff firm, misrepresentation by the defendant company and financial loss / damages to the plaintiff through the act of defendant. As such, advocate for plaintiff contends that, it has proved the prima facie case against the defendant.

17] Advocate for plaintiff has relied upon following some citations in support of its contention :

- [1] **Neon Laboratories Ltd. Vs. Medical Technologies Ltd. & Ors.**, reported in (2016) 2 Supreme Court Cases 672.

In this case, Hon'ble Supreme Court has discussed about the first user test and first in market test. As respondent/plaintiff is using the trade mark "Profol" well before admitted user of an identical or closely similar trade mark by appellant/defendant. Therefore, by applying the first user test, the injunction in favour of respondent / plaintiff for the act of passing off by appellant/defendant is upheld. It is held that, rights of prior user over prior registration are to be protected applying first in the market test.

[2] **Laxmikant V. Patel Vs. Chetanbhai Shah & Anr.**, reported in (2002) 3 Supreme Court Cases 65.

By passing off cases under Trade Marks act, protection of goodwill of the plaintiff is necessary. If the defendant's act intends to deceive and to divert the business from the plaintiff and if the act of the defendant is likelihood of injury to the business of plaintiff even innocently, then such act of the defendant should be restrained.

[3] **Kirloskar Diesel Recon Pvt. Ltd. & Anr. Vs. Kirloskar Proprietary Ltd. and Ors.**, reported in AIR 1996 Bom 149 (decided by Hon'ble Bombay High Court on 10/10/1995).

Though, the fields of activity of plaintiff and defendant are different, then also, if confusion or deception of public and consequent damage to the plaintiff are prima facie shown or even likelihood of it is shown, then defendant to be restrained from using the similar trade mark.

- [4] **Shri Pankaj Goel Vs. Dabur India Ltd.**, reported in 2008 DGLS (Del.) 1507 (decided by Hon'ble Delhi High Court on 04/07/2008).

When the products of appellants and respondent are not only similar, but are identical and purchased by same class of customers and sold through same trading channel, it is a case of confusion and passing off. Such act of appellants prima facie noticed to be dishonest and hence injunction is upheld.

- [5] **Consolidated Foods Corporation Vs. Brandon and company Pvt. Ltd.**, reported in AIR 1965 Bombay 35 (decided by Hon'ble Bombay High Court on 26/04/1961).

It is held that, registration of a trade mark does not confer any new right or greater right than what already existed at common law and at equity without registration. The trade mark exists independently of registration which merely affords further protection under the statute. Priority in adoption and use of trade mark is superior to priority in registration.

- [6] **Bengal Waterproof Limited Vs. Bombay Waterproof Manufacturing Company & Anr.**, reported in (1997) 1 Supreme Court Cases 99.

It is held that, continuous passing off action on the part of defendants subsequent to filing of earlier suit and continuing till date of filing of second suit, then cause of action in two suits are different. Therefore, bar under Order II, Rule 2 of Code of Civil Procedure would not be attracted.

junction, for grant of interim injunction or denial of it, the above said considerations and points are sufficient to come to a conclusion. As I discussed above that plaintiff could not point out the prima face case i.e., the trinity of the passing off a trade mark i.e., goodwill of the plaintiff, misrepresentation by the defendant and damages to the plaintiff. So also, plaintiff could not point out that, balance of convenience lies in its favor nor plaintiff could point out that, it is going to suffer irreparable loss. The prima facie approach of the plaintiff to this Court with clean hands, is seen to be doubtful. Therefore, in all, I am of the view that, plaintiff is not entitled for the interim injunction. Hence, the following order.

ORDER

- 1] The application (Exh.5) is rejected.
- 2] Cost in cause.

Pune.

Date : 30/01/2021.

[Smt. A. V. Rotte]

District Judge- 2, Pune

CERTIFICATE

I affirm that the contents of this P. D. F. file Order are same word for word as per original Order.

Name of the Court	:-	Smt. A. V. Rotte, District Judge-2 & Additional Sessions Judge, Pune.
Name of the Steno	:-	Shri. D. L. Gudde, Stenographer (Grade-I)
Date of Order	:-	30/01/2021
Order signed by presiding officer	:-	30/01/2021
Order uploaded on	:-	30/01/2021.