

DELHI HIGH COURT

Ganga Prashad Gupta and Sons

Vs.

S.C. Gudimani, (Delhi)

S. No. 233 of 1980

(D.R. Khanna, J.)

14.8.1985

JUDGEMENT

D.R. Khanna, J.

1. This suit for perpetual injunction seeking restraint of the defendant from passing off medicinal preparations under the trade mark 'Goodmans' and for rendition of accounts has been brought with averments that the plaintiff firm is carrying on old and established business of manufacturing and selling medicines of all kinds for the last more than four decades, and has been using the trade mark 'Goodmans' as its house mark with regard to them. The same was incorporated at Sr. No. 4 of the declaration dated 6-7-1937 and registered with the Registrar of Assurances, Calcutta. A copyright registration entitled 'Amodine Cough Syrup' with regard to its artistic label was also registered and house mark 'Goodmans' appears in the same as well. In the circumstances the plaintiffs claim that they have acquired an exclusive right to use the distinctive trade mark 'Goodmans' and the purchasing public has come to recognise and identify their medicines under that trade mark.

2. It has next been averred that from July 1977, the plaintiffs came to know that the defendant has started using the same trade mark, and as such a notice dated 9-7-1977 was served on the defendant. The defendant has, however, continued to use the same, and even applied for registration of trade mark 'Goodmans' on 29-6-1977, claiming user from April, 1976. That application is, it is stated, likely to be rejected. Hence this suit.

3. The defendant has challenged the maintainability of the suit in the absence of the trade mark of the plaintiffs being registered. Its valuation for purposes of court-fee and jurisdiction has also been assailed. It has next been added that the

defendant is manufacturing different description of goods than those alleged to be produced and manufactured by the plaintiffs. The goods manufactured by the plaintiffs are stated to be not available in the market. It is denied that the plaintiffs have been using the trade mark from 1937. It is, however, admitted that the defendant has started using the trade mark 'Goodmans' from April, 1976, and this was because his concern's name has been Gudimani Enterprises. It has not been admitted that there was any registration obtained by the plaintiffs with Registrar of Assurances. It is added that in any case such registration, would not debar the defendant from using the trade mark for his products. The copyright registration of 'Amodine Cough Syrup' has also not been admitted.

4. According to the defendant, he is a leading manufacturer of chlorine ampoules, chlorine tablets and chlorine solution for the last many years and these are water disinfectants, formula of which was obtained by him from the National Environmental Engineering Research Institute (Nagpur), a Government of India Enterprise. His products are, it is next stated, purchased in bulk by government agencies and departments as well as municipal authorities for disinfection of water to prevent outbreak of cholera, diarrhea and such other diseases which are caused by contamination of water on account of floods, mosquitoes etc. This disinfectant, it is pleaded, cannot be termed as medicine/drugs. The defendant, it has also been claimed, has been using, the monogram consisting of two letters 'G' and 'E' which is absolutely distinct and different from the user of the word 'GOODMANS' by the plaintiffs, and further the cartons, color scheme etc. are entirely different. No deception thereby, it is contended, is caused to any member of the public. Earlier, the plaintiffs had applied for registration of the trade mark 'GOODMANS' under the monogram 'GE' in 1979 but the application stood abandoned and the plaintiffs' similar request for registration of their ayurvedic medicinal oil for children under the trade mark too was refused by the Registrar of Trade Marks in April, 1979.

5. The defendant claims that his sales are quite extensive and the trade mark 'GOODMANS' has come to be associated with his disinfectants. The plaintiffs to have abandoned this trade mark and the suit is also delayed.

Along with the suit, the plaintiffs moved an application for interim injunction, restraining the defendant from using the trade mark 'GOODMANS' during the pendency of the suit. This was disallowed by R.N. Aggarwal, J. on 17-10-1980.

It was noted that the defendant was only dealing in the manufacture and sale of disinfectants for drinking water, and the plaintiffs were not dealing in that product, and as such there was no chance of conflict and competition between the parties in the sale of their respective products. This order was upheld in appeal.

6. The following issues were framed :-

" 1. Whether the plaintiff is the proprietor of the trade mark 'GOODMANS' in respect of medicinal preparations by virtue of long user? (Onus of proof on the plaintiff).

2. Whether the defendant's use of the mark 'GOODMAN' in respect of disinfectant is likely to be passed off as the goods of the plaintiff? (Onus of proof on the plaintiff).

3. Whether the plaintiff is entitled to the permanent injunction in view of the prior user of the trade mark 'GOODMANS'? (Onus of proof on the plaintiff).

4. Whether plaintiff is entitled to the rendition of account from the defendant? (Onus of proof on the plaintiff).

5. Relief."

7. Radhey Shyam Gupta, partner of the plaintiffs, has appeared as the only witness of the plaintiff in the suit. According to him, the plaintiff firm has been manufacturing medicines since 1927 and has been using the trade mark 'GOODMANS' for its medicines from 1937. A large number of documents have besides been produced by him which show that the trade mark 'GOODMANS' is being used by the plaintiffs from long. Ex. P.W.1/4 is the certificate of renewal of licence to manufacture drugs granted by the Public Health Department, *Lucknow* dated 28-2-1956 in favor of the plaintiffs with address of Hathras, District Aligarh. The names of six patent drugs are given, and before each of them the word 'GOODMANS' is written. Ex. P. W. 1/2 is the registration with the Registrar of Assurances, Calcutta on 9-7-1937 on behalf of the plaintiffs, and one of the medicines mentioned on which sole and exclusive proprietorship and trade marks claimed, was Goodman's Ague Mixture. Copyright registration obtained of Amodine Cough Syrup with the name 'Goodmans' under the Copyright Act was dated 22-8-1967, and there is price list Ex.A-1 of the year 1965-66 of different medicines marketed by the plaintiffs,

and on its backside the name 'GOODMANS' is mentioned. It is stated that the medicines are Ayurvedic and patent. Ex. A-2 is similar price list but the year on this is written in hand. A copy of the order of the Assistant Registrar of Trade Marks dated 27-2-1980 Ex. P.W. 1/1 has also been filed which shows that the defendant applied for registration of the trade mark, but on opposition from the plaintiffs, the same was abandoned.

8. Then there are printed price lists of the plaintiffs of the years 1959, 1960, 1961, 1966 and 1967 onward on the front pages of which 'Goodmans' is written. There are other price lists of the years 1959 to 1960-61 which also before different medicines mention the name 'Goodmans'. Another price list in which the year 1947 is written in hand, mentions the name 'Goodmans' with regard to different medicines. The bill books have also been produced showing sale of medicines in the years 1960 and 1966-67. Vide Ex.P.W.1/5 and Ex. P.W.1/6.

9. Printed price lists Ex.A.16 to Ex.A.30 have further been filed for a number of years, starting from 1960-61, and there is narration of a number of medicines marketed by the plaintiffs with the name 'Goodmans'. A certificate from the Central Drugs Laboratory of the renewal of registration of patent with regard to 'Goodmans Eye Lotion Netra Bindu' in plaintiffs' name has also been filed. Ex. P. W. 1/10 dated 1-7-1953 shows a reply from the Deputy Registrar to the effect that Goodmans Eye Lotion in Dev Nagri was registered in plaintiffs' name. Various other letters have been filed which are said to have been received by the plaintiffs of placement of orders etc. Another certificate from the Central Drugs Laboratory shows that the Goodmans Sarvdard Nashak medicine was registered in plaintiffs' favor with the address of Hathras on 4-7-1950. Similar registration under the Drugs Rules was obtained with regard to Goodmans Eye Lotion on 24-5-1950 in plaintiffs' favour, and still another in the name 'Goodmans Shant Marham' vide X-1 to X-6. Documents marked X-7 and X-9 to X-11 also show similar registration of medicines with the Central Drugs Laboratory in the years 1954 to 1956. Railway time table published of October, 1970 also contains an advertisement mentioning Goodmans Amodine Cough Syrup. Similar advertisement existed in the time table commencing from May, 1972 vide X-14 and X-15. There are besides a number of newspapers filed of the year 1975, showing advertisements of Goodmans Hara Netra Bindu in the name of the plaintiffs. In the issue of Dinman Weekly of 6th July, 1975, there is again an advertisement of this medicine. Parag magazine of August, 1975 too contains

such advertisement vide Ex. P. W. 1/20 and Ex. P. W. 1/30. Ex. 1-1 to X-35 are Certificates of analysis from 1965 to 1972 of plaintiffs' medicines.

10. P. W. 1 Radhey Shyam further stated that the plaintiffs' medicines are sold at Chemist's shops and so is the defendant's water purifier. By the use of the word 'Goodmans' by the defendant, he stated that the plaintiffs are suffering huge loss. The same also operates to represent to the people as if the defendant's purifier is manufactured and marketed by the plaintiffs. In cross-examination, he added that the medicines manufactured by the plaintiffs are Unani, Ayurvedic and Allopathic, and that chlorine is used by the plaintiffs for purifying water for eye drops. He admitted that the only medicine manufactured by Gudimani he has bought, is the purifying tablets. He did not know if the defendant is manufacturing any other medicines. He admitted that the packing designs are not similar of the plaintiffs and the defendant, and the color scheme is also not the same. No water purifying tablets are besides, he conceded, manufactured by the plaintiffs. No statement with regard to the decline of sales since 1976 was placed on record by him. The plaintiff firm, he stated, was initially started by his father. About 70/80 types of medicines are manufactured by them. In 1977 a notice was served upon the defendant to refrain from using the word 'Goodmans', but without result. The suit, itself was brought in 1980. He admitted that he did not take any step against the defendant between the period 1977 and 1980, though added that he was collecting evidence for filing the suit. He answered in affirmative to the suggestion that there was no similarity between the products, bottles and packing manufactured by the plaintiffs and the defendant except for the use of the word 'Goodmans'.

11. From the side of the defendant apart from he himself appearing in the witness-box, five other witnesses have been examined. The defendant stated that he is registered as a small scale entrepreneur with the Delhi Administration, and is manufacturing chlorine tablets, liquid and chloroscope for the purpose of water purification used in the public health, organizations. This business he is carrying on from 1976. All these are marketed under the name 'Goodmans'. He has produced packing material Ex. P. W. 1/1 to Ex. P. W. 1/4. The formula for the manufacture of the said items, according to him, was obtained from N. R. D. Laboratory, Government of India. The said items are used during floods and cyclones extensively by the government agencies and World Health Organization. These products, he added, are not in the category of medicines

and are, therefore, exempt from the operation of the Drug Control Act. He has his telegraphic address 'Goodmans'. After the receipt of the notice from the plaintiffs, he stated that he personally as well as through relatives and friends tried at various places, like Delhi, Bombay, Patna, Kanpur, if medicines manufactured by the plaintiffs under the name 'Goodmans' were available in the market, but found none. He produced advertisements in the newspapers Ex. P. W. 1/8 to Ex. P. W. 1/31 of his products and stated that his average turnover is approximately rupees 20 lacs per annum. He admitted that his application for registration of his trade mark 'Goodmans' was opposed by the plaintiffs, and that till this day no certificate of registration has been issued in his favour. His products were available in Chemists' shops, but denied the suggestion that he adopted the trade mark 'Goodmans' after knowing that the plaintiffs had been using the same for their goods.

12. D.W.2. Nirmal Kumar Kohli is a diploma holder in Homoeopathy medicines and surgery, and stated that he is in the profession from three years, and has known only Goodmans Chlorine tablets and this trade mark is associated with these tablets. He had not come across any Ayurvedic or other medicines associated with the name of 'Goodmans'. D.W. 3 Madhusudan Sharma is the supplier of medicines of different established concerns, and stated that in 1978 he took agency of Goodmans Chlorine Tablets for Rajasthan from the defendant and that no other tablets have been seen by him under the same name. Although he used to go to Aligarh and Hathras he never came across any other medicines associated with the name 'Goodmans'. From 1978 to 1982, he secured orders worth rupees 11 lacs on behalf of the defendant He did not bring his account books. The defendant's chlorine tablets he stated, are sold from Chemists' shops, and at other places also.

13. D.W.4 S.N. Mathur is the Assistant Sales Manager in Shri Ram Food and Fertilizers Ltd., a unit of D.C.M. According to him one of the major raw materials used by the defendant in the making of 'Goodmans' chlorine tablets and chlorine liquid is manufactured by Shri Ram Food and Fertilizers Ltd. They have been supplying to him this product. He added that the product manufactured by the defendant is used for the purification of drinking water, and is based on the formula developed by NEERI, a Government of India Undertaking. In the year 1977 the raw material supplied to the defendant was worth rupees 40 to 50 thousand. Chlorine tablets, he further stated, are sold

mainly from general stores as also chemical shops. He admitted that certain medicines like aspirin and anacine are also sold from general stores.

14. D. W. 5 Ram Prasad is running a medicine shop in Chandni Chowk from 1939, and stated that the 'goodmans' chlorine tablets and liquids are in seasonal demand, and are being sold from 1979. No cough syrup, oils or other products manufactured by the plaintiffs under the name 'Goodmans' came across him. According to him, medical and sales representatives of various drugs manufacturing firms usually visit him and inform him of their products. None of the plaintiffs, however, ever visited him.

15. Another witness examined has been C. Toppo, working as Assistant Examiner in the Trade Mark Registration Office. He stated that the application for registration of 'Goodmans' trade mark by the defendant is pending final decision because of the opposition from the plaintiffs.

16. Advertisements in newspapers which the defendant effected from 1977 onward are marked on record as Ex.D.W. 1/8 to Ex. D.W.1/31. There are next a number of letters produced by him from different departments and government institutions for supply of chlorine tablets for disinfection of drinking water. Some have been addressed by Director of Medical and Health Services of different States, railways etc. Another one is from the World Health Organization and still another from the National Institute of Cholera and Enteric Diseases vide Ex.D.W.1/93 and Ex. D.W.1/91.

17. There is little doubt from the perusal of all this evidence that though the defendant has created a name in the market as well as the Government and other public bodies for his water disinfectant and purifier tablets and liquid under the name 'Goodmans' and his sales are substantial every year, he started manufacturing and marketing them from 1976-77. The plaintiffs on the other hand have been using the trade mark 'Goodmans' for their various kinds of medicines from long and this has been so from before the fifties. They of course have been operating from Hathras, a township in Utter Pradesh, but publicity that they had been effecting in newspaper etc. and the circulation of price lists show that they are having their sales in much wider area. The position of law in this regard is well-settled that a trader acquires a right in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and the extent of his trade, and this is independent of its

registration which merely affords further protection under the statute. Priority in adoption and use of trade mark is superior to priority in registration. Common law rights are left wholly unaffected by registration. See in this regard the decision of the Bombay High Court in *Consolidated Food Corporation v. Brandon and Co. Pvt. Ltd.*,¹. However, as provided by Section 27 of the Trade and Merchandise Marks Act, 1958 no action for preventing or to recover damages for, the infringement of an unregistered trade mark lies. The action can only be by way of passing off goods as the goods of another person or the remedies in respect thereof. The present suit therefore, can be treated as one on the basis of passing off only.

18. It has next to be ascertained whether the goods of the plaintiff and of the defendant are of the class as to cause confusion in the mind of the general public commonly purchasing or using them. In other words can they be treated as cognate goods or goods having common field of activity, or same description? In this regard it has not been much disputed that they are sold from the same channel i.e. chemists though the defendant's goods are also sometimes sold by others as well. As per Appendix 3 Schedule 4 relating to classification of goods, pharmaceutical, veterinary and sanitary substances; infants' and invalids' foods, plasters, material for bandaging; materials for stopping teeth, dental wax; disinfectants; preparation for killing weeds and destroying vermin are classed in one category. The plaintiffs medicines can be termed as pharmaceutical while that of the defendant disinfectant. Of course the former are curative in nature while the later preventive.

19. In the case of *Players Trade Mark 1965 RPC 363* the registration of confectionery cigarettes under the name 'Players' was declined on opposition from the owners of the same trade mark registered in respect of tobacco. Electrical accessories and electric lamps were treated as similar businesses. In *Crystalite Gramophone Record Manufacturing Co. Ltd. v. British Crystalite Co. Ltd*² Trade mark 'Telerad' in respect of domestic electrical appliances was held likely to deceive or cause confusion with the registered trade mark 'Telerad' in respect of Radio, Receiving sets and components thereof. In *Jugmug Electric and Radio Co. v. Telerad Private Ltd.*,³ The Mysore High Court treated Agarbattis as articles of perfumery both in their composition and in their use and therefore, declined registration of trade mark which was being used by another for soaps, perfumery, cosmetics, hair lotions and essential oils in case *B.*

L. Betaiah Setty v. V. R. Subramanyam trading as Manyam and Co., ⁴

20. The Supreme Court in the case of *Corn Products Refining Co. v. Shangrila Food Products Ltd.*, ⁵ observed that the absolute identity of the two competing marks or their close resemblance is only one of the tests for determining the question of likelihood of deception or confusion. Trade connection between different goods is another such test. In that case the respondent had applied for registration of the mark 'Gluvita' used with reference to biscuits manufactured by him. The appellant who had been using the registered mark 'Gulcovita' with respect to his glucose with vitamins opposed the application under Section 8(a) of the Trade Marks Act, 1940. It was established that the appellant's trade mark had acquired a reputation among the buying public. Applying these tests it was held that the commodities concerned were so connected as to make confusion or deception likely in view of the similarity of the two trade marks. The registration was, therefore, declined.

21. At the same time there can obviously be no monopoly in the use of the trade mark. A manufacturer of cigarettes under an undoubted trade mark such as an animal, or any other device, cannot legally object to the use of the identical mark on, say, hats, or soap, for the simple reason that purchasers of any of the latter kinds of goods could not reasonably suppose, even if they were well acquainted with the mark as used on cigarettes, that its use on hats or soap denoted that these goods were manufactured or marketed by the cigarette manufacturer. See in this regard the decision of the Privy Council in the case of *Thomas Bear and Sons (India) Ltd. v. Prayag Narain*, ⁶ It was noted in this decision that in trade mark cases conditions peculiar to India must be borne in mind in applying any doctrine of English law, and English decisions which turn or partly turn on questions of fact - as do most cases of common law trade marks and passing off - can only be applied with care and circumspection. Further it is not an answer to the claim of a trader who establishes the right to a trade mark to say that, apart from the device or the word, the labels or containers of the rival trade are very different from those of the trade mark owner. But the differences in get-up are not immaterial for, they must inevitably form an element in considering the question of probability of deception by the use of the mark. The vital element in such cases it was observed is the probability of deception. This may depend upon a number of matters as well as the question of similarity of marks or the get-up. Witnesses can be called to

prove the circumstances and places in which the articles are sold, the classes of persons who buy them and whether they include persons who are illiterate or ignorant or the reverse, the manner in which the public are accustomed to ask for the articles, and any other matters which will assist the Court to decide whether deception is probable. In the present case of course the get-up, color scheme and nature of cartons in which the defendant is marketing his disinfectant are different from those of the plaintiff.

22. The Bombay High Court declined registration of the trade marks 'Caltex' in connection with watches as it was likely to cause deception and confusion with the same registered mark of the opponent who were dealing in petrol and various oil products, vide ⁷ *Sunder Parmanand Lalwani v. Caltex (India) Ltd.*

23. The Delhi High Court has in the case of *Century Traders v. Roshan Lal Duggar and Co.*, ⁸ held that proof of actual damage or fraud is unnecessary in a passing off action whether the relief asked for is injunction alone or injunction, accounts and damages. If there is a likelihood of the offending trade mark invading the proprietary right, a case for injunction is made out. In *K. M. Multani v. Paramount Talkies of India Ltd.* ⁹ the Bombay High Court observed that in a suit for injunction the Court can grant relief in the alternative as and by way of damages in the event of the Court holding that though there was an infringement, the plaintiff was not entitled to the equitable relief of injunction but could be adequately compensated by payment of damages. That was a case of prior use of a particular name for a film. It was held that the registration of the name of film by a film company conferred no right whatever upon the company.

24. The nearest that comes to the present case is the decision in the matter of J. Brown and Co. Ltd., as reported in (1920) 38 RPC 15. In that case registration of the word 'Eykol' in respect of chemical substances used for agricultural, horticultural, veterinary and sanitary purposes was refused on the opposition by the proprietor of trade mark 'Zee-kol' registered in respect of medicines for human use. It was observed that the primary object of every disinfectant whether liquid or solid is medicine.

25. Before proceeding further it may be mentioned that though the plaintiffs admit that they came to know of the use of the trade mark 'Goodmans' by the defendant for his disinfectants in 1977 and served a notice on him in July 1977

after coming across an advertisement in that month, the suit itself was instituted on 22nd March, 1980. It was thus delayed for too long and during this period the defendant has established his business and made a repute for his disinfectant. The reason given by the plaintiffs for this delay has been that they were collecting material which hardly seems plausible as what they had to do was to collect some advertisements and effect purchases of the defendant's disinfectants from the market. That apart the record of this case shows that the plaintiffs took long to produce their evidence and in fact Malik, J. had closed their case at one stage in the absence of evidence. Ultimately the Division Bench allowed that to be produced subject to payment of Rs. 500/- as costs. It was then that Radhey Shyam partner of the plaintiff firm alone appeared in the witness-box. It is he who has tendered in evidence a large number of documents about which reference has been made above. None of their executants was examined. The figures of annual sales effected by the plaintiff were also not placed on record in order to what extent the plaintiffs' business (was).

26. As noted above, the defendant is marketing disinfectants and purifier of water under the name 'Goodmans'. He is not selling any other medicine. He claims to draw this name from his own which is 'Gudimani'. The plaintiffs on the other hand are not manufacturing and marketing any such disinfectant or purifier though it was stated from their side that chlorine is used by them for purifying the water of their eye drops. That would not make chlorine as a marketable commodity on their behalf. The plaintiffs however, pleaded that the use of the word 'Goodmans' by the defendant is bound to be taken by the public at large as if disinfectant was manufactured by the plaintiffs. According to them they have no objection if the defendant uses his own name 'Gudimani' instead of 'Goodmans' for his disinfectants.

27. With this being the entire background of facts and circumstances of the case and the pleas raised, I have given my utmost and prolonged consideration to the entire matter. So far as the delays committed in the institution of the suit and the leading of evidence, the same may be a factor which may disentitle grant of rendition of accounts. However, the fact remains that the plaintiffs did serve a notice on the defendant in 1977, requiring him to refrain from using the trade mark 'Goodmans', and in spite of that the defendant has continued to use the same. This notice was given shortly after the start of the defendant's business and the plaintiffs coming to know of the use of the trade mark. In the

circumstances, the defendant choosing to still continue using the trade mark was at his risk and responsibility. There is next little doubt that the trade mark 'Goodmans' has been used by the plaintiffs from long, and at least from fifties for their medicines. They being the prior user, have the right to seek its protection. I am further of the opinion that considering the nature of the goods manufactured by the parties the trade channels through which they are marketed and the field of activity that they have, they can be termed as cognate goods. As already noted above in appendix 3 Schedule 4 relating to classification of goods, disinfectants are classified in the same category as the pharmaceutical goods. The likelihood of deception or confusion that the goods of the defendant are as well being manufactured by the plaintiffs, cannot be ruled out. Reference has already been made above to J. Brown and Co. Ltd., (1920) 38 RPC 15, in which case also similarity of name for disinfectants was declined when the other party was found using the name for medicines.

28. Issues Nos.1 to 3 are, therefore, decided in the affirmative, while the relief for rendition of accounts is declined as per discussion above.

29. The result, therefore, is that the suit of the plaintiff is decreed for permanent injunction restraining the defendant from manufacturing and marketing disinfectants and purifier under the trade name 'Goodmans'. As volunteered by the plaintiffs, the defendant will be at liberty to use the trade mark corresponding to his surname 'Gudimani'. The defendant will cease marketing goods under the name 'Goodmans' within a month of this order. The plaintiffs will also be entitled to costs. Counsel's fee Rs. 500/-.

AAA Order accordingly.

Cases Referred.

1. AIR 1965 Bombay 35
2. (1934) 51 RPC 315.
3. ILR (1978) I Delhi 667.
4. AIR 1959 Mysore 85.
5. AIR 1960 Supreme Court 142
6. AIR 1940 PC 86.

7. AIR 1969 Bombay 24

8. AIR 1978 Delhi 250