



CASE COMMENT: LUPIN LIMITED V. JOHNSON AND JOHNSON

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ABSTRACT

The business undertaken by the plaintiff company is that of manufacturing, marketing and selling pharmaceutical products. The defendant company is also engaged in the business of manufacturing, marketing and selling of pharmaceutical products. Plaintiff has independently conceived and adopted a distinctive mark "LUCYNTA" and registered it in class-5 of Fourth Schedule 2 to the Trade Marks Rules, 2002 on 9th March 2012 from 20th August 2012.² A new drug was invented by the defendant named "TAPENTADOL" and he got registered a distinctive trademark "NUCYNTA" for it.³

The plaintiff filed a suit against the defendant claiming for the ad interim relief in the form of injunction on the ground of infringement of the trademark, and seeking from the court to restrain the use of the alleged mark by the defendant, since it is infringing the plaintiff's registered trademark "LUCYNTA". The plaintiff has also taken out notice of motion for certain reliefs during the pendency of the suit and also moved this Court for grant of ad-interim orders.⁴

Before deciding whether or not there exist infringement of the trademark, the court considered it necessary to dwell upon the view taken by the Division Bench of this Court in Appeal in M/s. Maxheal Pharmaceuticals v. Shalina Laboratories Pvt. Ltd. that when the court is at the stage of considering whether or not to grant interlocutory orders with respect to the Trademark it is not for the court to dwell into the question of validity of the mark so long the mark remains on the register whether rightly or wrongly.⁵

The provisions relevant to the discourse in this case were Section 27, 28, 33 and 31 of the Trademark Act, 1999. Section 27⁶ provides that any proceedings for the prevention or

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² Lupin Limited v. Johnson and Johnson <https://indiankanoon.org/doc/197290730/>

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ S. 27, Trademarks Act, 1999, Act No. 47 of 1999 (India).

claiming damages with respect to the infringement of an unregistered trademark cannot be instituted however it is subject to the exception of the suit for passing off, giving effect to which sub section (2) of the provision provides that any person who is passing off his goods or services as that of another person can be taken action against by such another person. Section 28⁷ provides for the rights that emanate to the registered proprietor, as a result of the registration which are basically the exclusive right to use and obtain relief upon infringement of the trademark with respect to the goods and services it is registered for. These rights though exclusive, are subject to the conditions or limitations to which the registration is subjected.

Next relevant provision in the case is Section 31(1)⁸ which provides that the registration and the subsequent assignments of it are the evidence prima facie of the validity of the Trademark. Section 33(1)⁹ gives out a limitation on the right of instituting proceedings by placing a bar on seeking declaration or opposing the use thereof by a subsequent registered proprietor of the trademark (allegedly committing passing off thereby) if he doesn't exercise such right within 5 years of being aware of that use and acquiesces for a continuous period, unless the registration was not applied in good faith.

Section 30(1) (d)¹⁰ also referred to by the court for reaching to the conclusion the relevant part of which provides that some acts as mentioned in the provision do not constitute infringement.

ARGUMENTS

It is the contention of the plaintiff that the plaintiff has singly conceived and espoused a distinctive mark "LUCYNTA" and registered it in class-5 of Fourth Schedule 2 to the Trade Marks Rules, 2002 on 9th March 2012 from 20th August 2012. It is the contention of the plaintiff that the defendant would be committing an act of infringement by using the impugned mark "NUCYNTA". In this demesne, the plaintiff has come up with this injunction suit to cause the defendant to cease the usage of the trademark NUCYNTA by him in the wake of the resulting infringement of the trademark LUCYNTA of the plaintiff.¹¹ As against this, it

⁷ *Supra* note 6, s.28

⁸ *Ibid.* 5 §31(1)

⁹ *Ibid.* §33(1)

¹⁰ *Ibid.* §30(1)(d)

¹¹ *Supra* note 2.

is the case of the defendant that a new drug TAPENTADOLE was invented by them and registered under the trademark of the NUCYNTA back in 2008 itself in the international market. The defendants contend that their trademark has been registered in various countries much before the plaintiff's trademark LUCYNTA was registered in India. So, a rather logical approach is that actually the Plaintiffs have infringed the trademark of the defendants by deceptively imitating. It is their stance that the adoption of the plaintiff itself, being deceptive leaves no scope for getting relief to them. The defendants also brought the fact to the light that the plaintiffs have instituted the suit of passing off already in Delhi High Court against them which is still pending.¹²

The plaintiff argued that the defendants by passing off their goods as their own are deceiving the public and thereby hurting the reputation and goodwill of the plaintiff already established taking advantage of the legal technicalities. The defendant to this argued that the plaintiff doesn't hold currently any registration to the trademark claimed by them while the defendants do. Therefore they have the absolute rights to use it and no injunction can be claimed against them.

Lastly, it was argued by the plaintiff that being the imitation of their trademark, the defendant's trademark is not valid.

CASES CITED

The court majorly referred to four cases namely N R Dongre v. Whirlpool Corp.¹³, Milmento Oftho Industries and others v. Allergan Inc.,¹⁴ Lowenbrau AG v. Jagpin Breweries Ltd.¹⁵ and Marico Limited v. Agro Tech Foods Limited.¹⁶ Before advancing to the cases cited the court first and foremost considered the judgment of the court in Hindustan Embroidery Mills Pvt. Ltd. V. K Ravindra and Co.,¹⁷ where it was held that "it is not the practice of this court to consider the validity of registration of a trade mark on a motion for interlocutory reliefs taken out by the person who has got the mark registered in his name. While a mark remains on the register (even wrongly), it is not desirable that others should imitate it. Moreover the respondents have already applied for rectification of the registration in favour of the

¹² *Supra* note 2.

¹³ 1996 PTC (16) 476

¹⁴ 2004 (28) PTC 585 (SC)

¹⁵ 157 (2009) DLT 791

¹⁶ 2010 (44) PTC 736 (Del)

¹⁷ (1974) 76 BOMLR 146

American Remedies."

In *N R Dongre v. Whirlpool Corp.*¹⁸ the Whirlpool Corp. undertook the business of manufacturing, selling and servicing of washing machines registered under the Trademark Whirlpool in India which due to some reason had lapsed but notwithstanding the lapse of registration, the trademark was used in India through sale of its washing machines to U. S. Embassy and U.S.AID offices in New Delhi and also through advertisements in various publications having a circulation in India. It also had entered into a JV with TVS for which the same trademark was sought and the company had the trademark as its global reputation since years. However, upon an application by M/s. Chinara Trust the registrar registered the trademark in its name. The plaintiff filed an infringement petition for cancellation and removal of the said registration where the matter went into appeal and the court held that action for passing off against any subsequent user of an identical trade mark, including a registered user thereof is maintainable. Applying this principle, the court came to the conclusion that the appellants have acquired reputation and goodwill in respect of its goods bearing trade mark 'WHIRLPOOL' in this country. The appellants have been using the trademark WHIRLPOOL despite having no connection at all with the defendants. Prima facie it appears that buyers are likely to be deceived or confused as to the origin and source of the goods. It will cause them to believe the fact that the products have been manufactured by the respondents which is not true. Therefore the interim injunction at the instance of Whirlpool Corp. against the registered proprietor is maintainable.

In *Milmento Oftho Industries and others v. Allergan Inc.*,¹⁹ the court had to consider the matter of injunction based on the passing off with respect to OCUFLOX, an eye care product, of which the plaintiff was the prior user marketed the same in various countries worldwide and sought registration therein. The court here recognized the global characteristic of the drugs and medical products produced nowadays and admitted that there are various forms of literature which make the medical inventions known to all worldwide so allowing a trademark for a product which is already known worldwide having an identical trademark would be the infringement of it. However, the judgment was qualified by the opinion of that court that "Multinational corporations, who have no intention of coming to India or introducing their product in India should not be allowed to throttle an Indian Company by not permitting it to sell a product in India, if the Indian Company has genuinely adopted the mark and

¹⁸ *Supra* note 13.

¹⁹ *Supra* note 14.

developed the product and is first in the market. Thus, the ultimate test should be who is first in the market.”²⁰

The court in the case of Lowenbrau AG v. Jagpin Breweries Ltd.,²¹ an injunction application by the plaintiffs, manufacturers of beer under the registered mark "LOWENBRAU", came before the court on the ground that defendants undertake the same business under the mark "LOWENBRAU BUTTENHEIM" infringing their proprietary rights on the trademark. The court here held that in a bid to decide whether or not to grant injunction, a tentative view on the question of the validity of registration is required but the final decision is that of the court and in that respect, the registration is neither conclusive proof nor binding on the court. Onus however, will be on the party which questions validity of registration to show that the registration is *prima facie* and tentatively bad or invalid.”

In Marico Limited v. Agro Tech Foods Ltd.,²² the plaintiff was using the trademark LOSORB and the defendant used the trademark LOW ABSORB against which the plaintiff filed a suit for injunction on the ground of passing off. Here also the court held itself entitled to venture into the question of validity at the stage of interim relief.

JUDGMENT

The court interpreted the provisions involved so as to find the stand of prior user to question the registration in favour of current registered user. Section 28(1) begins with the words, “subject to other provisions” which make it unmistakably clear that the rights conferred thereunder are not absolute and are subject to other provisions which, as further is clarified by the reading of the statute, is section 27(2) of the Act, which provides that any person who is passing off his goods or services as that of another person can be taken action against by such another person. Thus, section 27(2) holds an overriding effect over section 28 and all other provisions. Similarly section 33, laying down a limitation on the right of instituting proceedings, by placing a bar on seeking declaration or opposing the use thereof by a subsequent registered proprietor of the trademark (allegedly committing passing off thereby), if he doesn’t exercise such right within 5 years of being aware of that use and acquiesces for a continuous period, unless the registration was not applied in good faith, saves vested rights of a prior user. Thus the right created by section 28(1) of the Act in favour of a

²⁰ *Supra* note 14.

²¹ *Supra* note 15.

²² *Supra* note 17.

registered proprietor of a trade mark is not an absolute right.²³ Placing reliance on section 28(3) of the Act the learned counsel for the appellant contended that when two registered proprietors of identical or near similar trademarks cannot be deemed to have acquired exclusive right to the use of any of those trade marks against each other, how can an unregistered user of the trade mark maintain an action for passing off against a registered use of the same mark and seek an injunction restraining him from using it. Answering this contention of the defendant that being registered gives those unquestionable absolute rights to use the trademark, on the basis of the above reasoning court also said that the registration of a trade mark under the Act is an irrelevant consideration in an action for passing off. Now as to the question whether the grant of injunction in favour of plaintiff will be in consonance with the settled principles the court cited an excerpt from *NR Dongre v. Whirlpool Corp.*, which meant that injunction is an equitable relief so if a mark is used by the plaintiff for a long time which has established a worldwide (transborder) reputation in favour of the plaintiff then where ever used it will give the impression of being originated from the plaintiff only and thus defendant's act of using the same trademark is nothing but passing off and creating confusion in the minds of the consumers even though plaintiff's mark is unregistered. Thus, the injunction can be granted.²⁴ The court in this case adopted the reasoning propounded in the *Whirlpool* case and found no ground to take a different view and thereby interfere with the injunction order.²⁵ The court thereby agreed with the contention of the plaintiff that defendants are actually deceiving the public by depicting the trademark similar to that of the plaintiff's with respect to the goods similar or identical to that of the plaintiff.

The court adopted the principle laid down in *Marico Ltd. Case* that looking into the validity of the registration is very well accepted practice by the courts.

The Full Bench of this Court in *Abdul Cadur Allibhoy v. Mahomedally Hyderally*²⁶ has taken a view that the plaintiff, who himself has imitated his mark from somebody else's mark, is not entitled to an equitable relief of injunction. In this case, the plaintiffs' label was designed by combining the labels of four other manufacturers and therefore were so unoriginal in their origin and conception that no relief could be granted on the basis of it. The court answered the question as to the entitlement of the plaintiff to an injunction against the defendants was answered negatively on the basis of the principles stated by Lord Westbury in the *Leather*

²³ *Supra* note 13.

²⁴ *Supra* note 14.

²⁵ *Id.*

²⁶ 1901 (3) Bom.L.R. 220

Cloth Company Ltd. v. The American Leather Cloth Company Ltd.²⁷ The same was held in the case of M/s. J. K. Sons v. M/s. Parksons Games & Sports.²⁸ These judgments have led the court to draw the conclusion that if the registered proprietor has himself imitated someone else's trademark then they can't have absolute enjoyment of rights under S. 28(1). The court on the basis of Maxheal and M/s J. K. Sons judgment clearly held that "an action for passing off would lie at the instance of prior user even against the registered user."²⁹

The effect on the Indian economy of the liberalization, privatization and globalisation cannot be totally ignored even under the Intellectual Property regime. At the same time, it also cannot be ignored that technological advancement has put the worldwide information and knowledge on the fingertip and any drug or innovation launched anywhere outside India will be available in India right after being introduced to the general public, via internet and vice versa. This is the fact that local manufacturers, as soon as come to know of any product launched overseas, imitate immediately and get registered in their favour. The perplexing question is whether, even in such a case, the courts would be precluded from considering the question of validity of registration and would be forced to grant an order of injunction in favour of the registered proprietor of the trademark merely on the ground that the Court cannot go into the question of validity of registration so long as the mark remains on the register whether wrongly or rightly. Going as per the judgment of M/s. Maxheal Pharmaceuticals v. Shalina Laboratories Pvt. Ltd.,³⁰ the courts would be bound to grant injunction in favour of the registered proprietor.³¹ Thus here again the court agreed with the contention of the plaintiff that they first started using the trademark in the world market therefore using a deceptively similar trademark is violation of plaintiff's rights.

The important factor which has been directed to be taken into consideration in such matters by the Apex Court in the case of Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.³² of ensuring public interest, if the injunction is to be granted in favour of such fraudulent and deceptive registered user of trademark. So the court held the judgment of the M/s J K Sons case applicable equally to this action of infringement and passing off, would have the effect of permitting the question of tentative validity of the registration being gone into at the stage

²⁷ 4 De. G.J. & S. P.144

²⁸ 2011 (113) BLR 1150.

²⁹ *Supra* note 13.

³⁰ Appeal No.88/2005 in Notice of Motion No.2638/2004 in Suit No.2663/2004 dated 16th February 2005

³¹ *Supra* note 123.

³² 2001 PTC 300 (SC).

of granting injunction.³³ The task of finding whether the plaintiff himself has imitated someone else's trademark or not can't be undertaken without deciding the question of validity. The perusal of section 28 of the Act would also reveal that the protection granted in favour of the proprietor of the registered trademark is on the condition that the said registration is valid.

The court considering the view of the court in M/s J.K. Sons to be more appropriate opined for the Maxheal judgment to be referred to a larger bench and disposed of the matter.

ANALYSIS

Thus, no new right is conferred upon the proprietor by the registration of the trademark than what he already has under common law without registration. The right of goodwill and reputation in a trade mark was recognised at common law even before it was subject of statutory law. The earlier situation was also that no provision for registration existed and the right over the trademarks was obtained by use only. So prior use, going by this reasoning, has the right to save his goodwill and reputation vested in the trademark used by him which for some reason is not registered currently but the business under the Trademark is still continuing. For this purpose he is legally entitled to challenge the registered proprietor for using the identical trademark with respect to the same or similar goods misleading or deceiving the public to believe it to be the goods from the prior user.

It is confirmed by various decisions that the relief if injunction can be granted against the registered proprietor at the behest of a prior user where the latter has established such identity of its own trademark. This principle can't be challenged also due to equity consideration as even the common law under equity would consider it the perfect view and the fact that the intention of all laws is derived from the common law itself gives validity to this principle. The court further confirmed that the question would be as to who was first in the world to begin use the trademark.

The law is that the one who has used a trademark for a considerable length of time and whose goods are thereby known by that trademark, gets a practical derivation in his favour that, he has practically got a right to the use of that mark. It appears to me that it would come within the rule *Ex turpi causa non oritur actio*; and if the trade mark contains a false representation calculated to deceive the public, a man cannot by using the fraudulent trademark

³³ *Supra* note 13.

obtain any right at all."³⁴

Subsequently, the world is a home. After globalization has spread across the globe and especially after it has been accepted as part of the policy in India in 1991, the inventions made in one country don't just remain indigenous thereto. Rather they naturally are circulated to the entire world by way of various literatures. It is pretty easy to look up for the foreign inventions not introduced in the country and copy it by one's own product claiming it to be their trademark. However there is no novelty to be protected here as the invention is not their own. Thus the rights of the actual innovators of a trademark though not in the market of the country have to be protected. Thus who came first in the global market must be considered.

Additionally the rights of a registered proprietor of a trademark are not absolute as no right is absolute not even the constitution rights. Thus the contention that having a registered trademark makes the registered proprietor unaccountable to any questions upon the validity therein is beyond reason. Therefore the researcher totally agrees with the decision of the court in the case of *Lupin Limited v. Johnson and Johnson* that the validity of a registered trademark can be questioned in the interim proceedings.

CONCLUSION

Lupin Limited v. Johnson and Johnson is a case regarding trademark where the previous proprietor's trademark lapsed for some reason and was not renewed. The defendant then got the identical trademark registered as his own for the similar product. The use of such trademark for the manufacturing and selling of such product was challenged by the plaintiff in an injunction proceeding on the ground of passing off. Passing off is the action meant for the protection and safeguarding of an unregistered trademark. So in case of the breach of proprietor's rights under a registered trademark the infringement suit is filed and that under an unregistered one the action of passing off is undertaken. The principle of passing off, i.e. "Nobody has the right to represent his goods as the goods of somebody else" was decided in the case of *Perry v. Truefitt*. Section 27 of the Trademarks Act, 1999 provides for it. The main issue in the case was whether at the stage of merely granting interim injunction, the court can or not look in the validity of the trademark of the registered proprietor. In some initial cases it was held to the effect that at the stage of injunction the matter is not decided upon merits so the courts are not at all entitled to look into the validity of the trademark of the registered proprietor but in later cases some of which have been referred to in this case, the

³⁴ *Supra* note 123.

ciurts were of the opinion that in order to decide whether or not the injunction should be granted the prima facie instance of infringement, balance of convenience and damages to the plaintiff are to be proved. Here the damages will be caused to the plaintiff only when he legitimately owns the right to the trademark otherwise it will be the cause of 'no cause, no action'. Thus, it will completely be valid for the court to look into the validity of the trademark at the stage of interim relief itself.
