



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH, NAGPUR.

APPEAL AGAINST ORDER NO.66 OF 2023

APPELLANT : **Leben Life Science Private Limited, A**
(Ori. Plaintiff) Private Limited Company, Through its
Managing Director, Having Registered
Office at Plot No.C-20/1 & C-21,
Phase-III, M.I.D.C., Akola

..VERSUS..

RESPONDENTS : 1 **Jarun Pharmaceuticals Private Limited,**
(Ori. Defendant) “Jarun House” Vidya Estate Behind
Ujala Circle, Sarkhej-Bavla Highway,
Sarkhej, Ahmedabad.

Mr A. S. Manohar, Advocate for Appellant.

Mr H. Tolia, Senior Advocate a/b Mr N. D. Khamborkar, Adv. and Mr B. Choksi,
Advocate for respondent (through V.C.)

CORAM : **M. W. CHANDWANI, J.**

DATED : **29th AUGUST, 2024.**

ORAL JUDGMENT

1. Heard.

2. This appeal is an exception to the order dated
26.06.2023 passed by the District Judge, Akola, whereby the
application for temporary injunction in Trade Mark Suit No.1
of 2023 has been dismissed.

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3. The facts germane for deciding the appeal can be summarized as under :

The appellant is a company established in the year 1988. On 12.02.2013, the predecessor-in-title of the appellant adopted a distinctive trade mark “Rben” for medicinal and pharmaceutical preparations. On 28.02.2013, the appellant’s predecessor applied for registration of the trade mark (Rben) to the Registrar, Trade Marks, Mumbai under the provisions of the Trade Marks Act, 1999 (hereinafter referred to as “the Act of 1999” for short). The Registrar, Trade Marks granted certificate of registration to the trade mark (Rben). The trade mark was assigned to the appellant by its predecessor and since the date of assignment, the said trade mark (Rben) is being used by the appellant continuously, openly and exclusively. On 15.12.2022, the appellant came across medicinal preparations named “Reben-20” and “Reben-DSR” manufactured and sold by the respondent which are deceptively similar to the registered trade mark “Rben”, which is being used by the

appellant. A notice in that regard came to be issued to the respondent. The respondent replied to the said notice and came up with the case of being a prior user of the impugned trade mark. Therefore, the appellant has filed a suit for permanent injunction to restrain the respondent from using the said trade mark and also for a decree of damages. The appellant also filed an application before the District Judge, Akola, for temporary injunction and for direction to the respondent not to use the trade mark till final disposal of the suit. The District Judge, Akola, after hearing both the sides, rejected the application for temporary injunction. Feeling aggrieved with the said order, the present appeal came to be filed under Section 104 of the Code of Civil Procedure, 1908.

4. Mr Atharva Manohar, learned counsel appearing on behalf of the appellant submits that, the trade mark (Rben) has been assigned to the appellant by its predecessor under the deed of assignment. The said trade mark is registered for medicinal and pharmaceutical preparations and a certificate

giving registration to the said trade mark is placed on record. On account of continuous use and providing quality goods, the appellant's predecessor-in-title acquired and enjoyed a great reputation and valuable goodwill amongst the members of the medical profession, trade and public throughout India by virtue of the said trade mark. Since, the said trade mark is being used by the appellant continuously, extensively, openly and exclusively, the respondent indulged in infringement of the said trade mark by using it as Reben-20 and Reben-DSR, which is deceptively similar to the trade mark of the appellant.

5. Learned counsel for the appellant would submit that, even if it is presumed that the said trade mark was being used by the respondent prior to the date of registration but, it was not being continuously used by the respondent, much less after 2013. According to him, for claiming vested right in the trade mark on the premise of prior use, a person has to prove that he has continuously used the said trade mark. To buttress his submission, he seeks to rely on the decision of this Court in the

case of *Kamat Hotels (India) Ltd. vs. Royal Orchid Hotels Ltd and another*, 2011(4) Mh.L.J. 71. The relevant extract of para 14 of the said decision is reproduced here as under :

“14. The expression “continuously used that trade mark” by Parliament has a specific connotation. The concept of continuous use emphasizes that a right vests in a person when he puts his goods with the mark in the market. A use which is continuous is distinct from a use which is stray, isolated or disjointed. The notion of a continuous use establishes that a mere adoption of a mark is not sufficient.....”

6. Reliance is also placed on para 103 and para 107 of the decision of this Court in the case of *Abdul Rasul Nurallah Virjee and Jalalluddin Nurallah Virjee vs. Regal Footwear*, 2023 SCC OnLine Bom 10, wherein the learned Single Judge of this Court has observed that the burden of prior use of the trade mark is upon the defendant. He has to prove that he was using the said trade mark continuously. Since, the statements of sales between 2000 and 2005 were not produced, this Court granted injunction to the plaintiff by holding that continuous use of the said trade mark has not been established.

7. Lastly, learned counsel for the appellant submitted that continuous use should not only be established prior to the date of registration of the trade mark but, even after the date of registration of the trade mark, till date. There is a long gap in the use of the trade mark by the respondent, who seeks protection under Section 34 of the Act of 1999, therefore, the protection available under the said Section cannot be availed by him. According to him, though the respondent has filed the documents on record in the form of invoice, bills, statement of sales and statement of expenses incurred by it on the advertisement of the said trade mark, but the record reveals that the invoice and bills of the year 2013 have not been placed on record. Thus, there is no material placed on record by the respondent to suggest that the trade mark is being used continuously till date, much less after 2013. According to him, the District Judge, Akola has not considered this aspect and erroneously dismissed the application for temporary injunction.

8. Alternatively, learned counsel for the appellant submitted that, if this Court, for any reason, is not inclined to allow the appeal and restrain the respondent from using the said trade mark pending the suit, then the relief can be moulded by protecting the appellant against damages, which may result after use of the trade mark by the respondent, by directing the respondent to maintain the account towards profit which is being earned by the respondent using the trade marks Reben-20 and Reben-DSR.

9. Conversely, Mr Tolia, learned Senior counsel appearing on behalf of the respondent vehemently opposed the contention raised by the counsel for the appellant. He submits that without divulging into the matter in detail, it can be seen that Section 34 of the Act of 1999 itself is clear in it, which speaks about the continuous use of trade mark from the date prior to the date of registration of the trade mark. According to him, there is sufficient material available on record, at least upto the year 2015, which is evident from the documents filed by the

appellant himself before the District Court regarding continuous use. He further submits that the respondent has also produced the invoice and bills till the year 2013 apart from the amount spent towards advertisement of the trade mark, which is being used by the respondent till date. He submits that the respondent has satisfied all four conditions as laid down by this Court in the Case of *Kamat Hotels* (supra).

10. Taking his argument further, learned Senior counsel appearing for the respondent vehemently submits that Section 34 of the Act of 1999 refers to the continuous prior use of the trade mark in question from the date prior to the date of registration of the trade mark. Therefore, even if as per the appellant, documents of 2013 were not produced, the material available on record is sufficient to demonstrate that the respondent was using the trade marks Reben-20 and Reben-DSR at least prior to 28.02.2013 i.e. the date on which the plaintiff's predecessor-in-title got the trade mark registered with the Registrar, Trade Marks. Referring to the very same

judgment of *Kamat Hotels* (supra), learned Senior counsel would submit that the respondent has fulfilled all four conditions which relate to the nature of goods or services to which the trade mark is used, the nature and character of use of the trade mark, the person who must use, and the date from which the trade mark should have been used.

11. Lastly, learned Senior counsel appearing on behalf of the respondent has submitted that the respondent has produced sales figure certified by the Chartered Accountant as well as expenses incurred by the respondent on advertisement of the trade mark which would itself suggest the volume of sales and promotional expenditure which assumes significance. All this material demonstrates that the respondent was using the trade mark since the year 2008. To buttress his submission, he seeks to rely on the decision of the Hon'ble Supreme Court in the case of *Neon Laboratories Ltd. vs. Medical Technologies Ltd. and others, (2016) 2 SCC 672*, wherein the Hon'ble Supreme Court in para 9 has held as under :

“9 Section 34 of the Trade Marks Act, 1999 (the Act) deserves reproduction herein:

34. Saving for vested rights.—Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior—

(a) to the use of the first-mentioned trade mark in relation to those goods or services be the proprietor or a predecessor in title of his; or

(b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor or a predecessor in title of his;

whichever is the earlier, and the Registrar shall not refuse (on such use being proved), to register the second mentioned trade mark by reason only of the registration of the first mentioned trade mark.

This Section palpably holds that a proprietor of a trade mark does not have the right to prevent the use by another party of an identical or similar mark where that user commenced prior to the user or date of registration of the proprietor. This “first user” rule is a seminal part of the Act. While the case of the Plaintiff-Respondents is furthered by the fact that their user commenced prior to that of the Defendant-Appellant, the entirety of the Section needs to be taken into consideration, in that it gives rights to a subsequent user when its user is prior to the user of the proprietor and prior to the date of registration of the proprietor, whichever is earlier. In the facts of the case at hand, the Defendant-Appellant filed for registration in 1992, six years prior to the commencement of user by the Plaintiff-Respondents. The Defendant-Appellant was, thus, not prevented from restraining the Plaintiff-

Respondents' use of the similar mark PROFOL, but the intention of the Section, which is to protect the prior user from the proprietor who is not exercising the user of its mark prima facie appears to be in favour of the Plaintiff-Respondents."

12. The sum and substance of the argument of learned Senior counsel appearing for the respondent is that, the respondent is the prior user of the trade marks Reben-20 and Reben-DSR, much before the date of registration of the trade mark "Rben" by the appellant's predecessor-in-title and therefore, the respondent is very well protected by Section 34 of the Act of 1999. The action for infringement in the form of suit for injunction will not be maintainable against the respondent, much less the prayer of interim relief for restraining the respondent from using the said trade mark pending the suit.

13. Having heard learned counsels for the respective parties, it will be apt to refer Sections 28 and 34 of the Act of 1999, relied by the parties. Section 28 of the Act of 1999

confers on the registered proprietor of the trade mark, the exclusive right to use the trade mark in relation to the goods or services in respect of which the trade mark is registered. However, Section 34 of the Act of 1999 carves out an exception, which is reproduced for ready reference as under :

“34. Saving for vested rights.— Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior—

(a) to the use of the first-mentioned trade mark in relation to those goods or services be the proprietor or a predecessor in title of his; or

(b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor or a predecessor in title of his,

whichever is the earlier, and the Registrar shall not refuse (on such use being proved), to register the second mentioned trade mark by reason only of the registration of the first mentioned trade mark.”

14. Section 34 creates an overriding provision which, within the sphere of its operation, prevents a proprietor or registered user of a trade mark from interfering with the use of

an identical trade mark or a mark, which nearly resembles the registered mark and therefore, in consequence, provides for a defence of statutory entitlement, which flows from the registration of the trade mark. Essentially, what Section 34 provides is a defeasance of the right of the proprietor or registered user of a trade mark, in a certain specific eventuality. That eventuality is where another person is using a trade mark identical to or nearly resembling a registered trade mark in relation to goods or services in relation to which that person or a predecessor-in-title has continuously used that trade mark. Before the protection under Section 34 can be availed, the conditions which are spelt out in Section 34 must demonstrably exist. In order to facilitate analysis, it would be convenient to break down Section 34 into its component elements :

(i) Section 34 commences with a non obstante provision which gives it overriding force over the other provisions of the Act;

(ii) The effect of Section 34 is that, a proprietor or registered user of a registered trade mark is disabled from interfering with or restraining the use by any person of a trade mark identical with or resembling

it;

(iii) The use by the other, of a trade mark identical with or nearly resembling the registered trade mark must be in relation to goods or services in relation to which that person or a predecessor-in-title has continuously used that trade mark;

(iv) The use by the other must be from a date prior (a) to the use of the first mentioned trade mark in relation to those goods or services by the proprietor or a predecessor-in-title; or (b) to the date of registration of the first mentioned trade mark in respect of those goods or services, in the name of the proprietor or a predecessor-in-title of his, whichever is earlier.”

15. Indisputedly, the trade mark “Rben” has been registered by the appellant’s predecessor-in-title from the date of application i.e. 28.02.2013. The appellant got the right of use of the said trade mark registered on 28.02.2013 under the deed of assignment. It is common ground that the trade mark which is being used by the respondent nearly resembles the registered trade mark of “Rben”, which has been assigned to the appellant. However, documents filed by the respondent in support of its defence goes to *prima facie* establish that the respondent is using the said trade mark since 2008 in the form

of invoice and bills till 2013. That apart, the statement of sales certified by the Chartered Accountant of the respondent towards the products using trade marks Reben-20 and Reben-DSR itself shows the volume of the sales. Therefore, there is sufficient material on record, which *prima facie* suggests that the respondent was using both the trade marks, which are somewhat similar to the registered trade mark “Rben” of the appellant, prior to the date on which the trade mark “Rben” was registered by the appellant as an assignee.

16. This takes me to the argument of learned counsel for the appellant that there is no sufficient material on record to suggest that the respondent is using the said trade mark continuously till date, even after the date of registration of the said trade mark by the appellant’s predecessor-in-title. Prior use of the trade mark for some time will not allow the respondent to claim protection under Section 34 of the Act of 1999. According to him, Section 34 itself contemplates that there

shall be continuous use of the said trade mark, even after the date of registration of it by the registered owner. He vehemently submits that there is nothing on record which *prima facie* suggests that after 2013 till 2022 when the suit came to be filed, the said trade mark is being used by the respondent.

17. As stated above, Section 34 of the Act of 1999 is in the form of protection to a prior user, who was using the said trade mark continuously prior to the date of registration of the trade mark by the registered owner, which is a condition precedent, therefore, the term “continuously used” mentioned in Section 34 has to be interpreted as “continuous use” prior to the date of registration of trade mark by the registered owner. Once this condition is satisfied, a person using a trade mark prior to such registration may defeat the right of the proprietor or registered user of the registered trade mark.

18. The invoices of sales of products in question of the respondent upto the year 2013 themselves show that the respondent was using the trade mark continuously prior to the date of registration of trade mark claimed by the appellant. Even otherwise, the statement of sales of the respondent also shows the figure of sales upto the year 2022-23. Material documents filed on record by the appellant itself showing the alleged infringement by the respondent are of the year 2015 which also *prima facie* suggests that the said trade mark is being continuously used by the respondent not only from the year 2008 i.e. prior to the date of use of registered trade mark by the appellant i.e. before 28.02.2013 and but, even thereafter also. Thus, *prima facie*, there is material on record which goes to suggest that the respondent is continuously using the said trade mark. Thus, all four conditions of Section 34 of the Act of 1999 have been satisfied. Therefore, I do not find any illegality in the order of the District Judge, Akola, refusing the interim relief of restraining the respondent from using the said trade mark pending the suit. The impugned order of the learned

District Judge, Akola, does not call for interference.

19. It is to be noted that the observations made by the District Judge, Akola as well as by this Court are *prima facie* and on the basis of material which has been produced on record by both the parties. Axiomatically, the said material is required to be proved by both the parties during trial before the District Judge, Akola. In case if the appellant succeeds in the suit, he will also be entitled to the damages for the use of registered trade mark by the respondent on the basis of sales of the said products. Therefore, this facet of the case is required to be considered. In order to pass effective decree, the damages will have to be ascertained. In that scenario, the relief sought by the appellant can be moulded and the respondent is directed to maintain the accounts towards profits of use of the similar trade marks i.e. Reben-20 and Reben-DSR, so that in a case if the respondent fails to prove that it is entitled for protection under Section 34 of the Act of 1999, an effective decree towards

damages can be passed.

20. In the above said terms, the appeal against order is disposed of.

(M. W. CHANDWANI, J.)