(2016) 2 Supreme Court Cases 672

(BEFORE VIKRAMAJIT SEN AND SHIVA KIRTI SINGH, JJ.)

NEON LABORATORIES LIMITED . . Appellant;

Versus

MEDICAL TECHNOLOGIES LIMITED AND OTHERS . . Respondents.

Civil Appeal No. 1018 of 2006†, decided on October 5, 2015

A. **Intellectual Property — Trade Marks Act, 1999 — Ss. 34, 27(2), 28(3) and 29 — Prior registration and prior user — Competing equities between — Adjustment of — Trade mark registered and continuing on the register, but non-use of trade mark for 12 years, if can restrain prior user — First user test or "first in the market" test — Held, prior user's rights will override those of a subsequent user even though subsequent user had been accorded registration of its trade mark — Proprietor of a trade mark does not have the right to prevent use by another party of an identical or similar mark where that user commenced prior to the user or prior to date of registration of proprietor — Such user gets rights when its user is prior to the user of registered proprietor or prior to the date of registration of the proprietor, whichever is earlier — Equity — Words and Phrases — "First user test" and "First in the market test"**

B. **Intellectual Property — Trade Marks Act, 1999 — Ss. 34 and 47 — Hoarding of or appropriation, without utilisation of a trade mark, held, is not permitted — Bona fide use of trade mark, requirement of — Non-utilisation of trade mark for continuous period of more than 5 years and three months — Effect — Held, mere registration of a trade mark does not vest permanent right on owner of said trade mark — Such a right is lost if it is not exercised within a reasonable time**

C. **Civil Procedure Code, 1908 — Or. 39 Rr. 1, 2 & 4 and Or. 43 — Temporary injunction in passing off action — Grant of to a prior user, against a registered owner of a trade mark — Interim injunction when should be granted — Long non-user by registered owner — Relevance — Interference by Supreme Court**

— Temporary injunction obtained by respondent-plaintiff, prior user of trade mark PROFOL, restraining appellant-defendant registered owner of trade mark ROFOL, from selling same generic drug under trade mark ROFOL since it is identical and deceptively similar to respondent-plaintiffs' trade mark PROFOL, upheld by High Court — Tenability

— Held, appellant-defendant, though filed for registration in 1992, six years prior to commencement of user by respondent-plaintiffs, took no steps in placing its product in market till 2004 and also in not seeking restraint against respondent-plaintiffs when they introduced their product in 1998 — Respondent-plaintiffs have alleged and prima facie proved that they had already been using their trade mark well before attempted user of an identical or closely similar trade mark by appellant-defendant — Thus, held, respondent-plaintiff is entitled to temporary injunction based on "first in the market" test — Two other

† Arising from the Judgment and Order in *Neon Laboratories Ltd.* v. *Medical Technologies Ltd.*, 2005 SCC OnLine Guj 461 (Gujarat High Court, Appeal No. 361 of 2005, dt. 19-12-2005) **[Affirmed]**

a factors for grant of interim injunction, namely, balance of convenience and irreparable loss, are both in favour of respondent-plaintiffs, given the potential loss of goodwill and business they could suffer if an injunction is denied, also are in favour of respondent-plaintiff — Hence, held, no interference in interim injunction — Intellectual Property — Passing off — Registered trade mark — Protection of — Rights of prior user over prior registration — When have priority — Trade Marks Act, 1999 — Ss. 28, 29, 34, 47 and 135 — Trade b mark already registered and continuing on the register but not used — Effect — Rights of prior user over prior registration (Paras 8 and 9)

D. **Intellectual Property — Trade Marks Act, 1999 — S. 2(1)(zb) — Trade mark — Exclusivity of the user — When obtains — Different standard for pharmaceutical industry, explained — Held, trade mark should normally have attributes of a new creation to claim exclusivity of the user — If it is** c **an existing word, it should not bear descriptive characteristics so far as the product is concerned, nor should it be of an extolment or laudation**

E. **Civil Procedure Code, 1908 — Or. 39 Rr. 1, 2 & 4 and Or. 43 — Interim/Temporary injunction/Interlocutory orders/Stay — Temporary injunction in trade mark/intellectual property matters — Far-reaching consequences of — Interference by appellate court and Supreme Court under Art. 136 of** d **the Constitution — Principles summarised — "Perversity" in exercise of jurisdiction by court below in grant/non-grant of injunction — What is — Words and Phrases — "Perversity"**

F. **Constitution of India — Art. 136 — Interim/Temporary injunction/Interlocutory orders/Stay — Interference, by Supreme Court when warranted, particularly in trade mark/intellectual property matters**

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G. **Civil Procedure Code, 1908 — Or. 43 and Or. 39 Rr. 1, 2 & 4 — Interim/Temporary injunction/Interlocutory orders/Stay — Interference by appellate court with injunction — Permissibility — Held, appellate court should not flimsily, whimsically or lightly interfere in exercise of discretion by a subordinate court unless such exercise is palpably perverse — Court has to** f **examine existence or otherwise of: (i) prima facie case in favour of applicant has been established; (ii) balance of convenience lies in favour of applicant; and (iii) irreparable loss or damage will visit the applicant if injunctive relief is declined, before interfering with orders of interim injunctions**

Wander Ltd. v. *Antox India (P) Ltd.*, 1990 Supp SCC 727, *followed*

H. **Courts, Tribunals and Judiciary — Judicial Process — Judicial** g **discipline, accountability and comity — Judicial discipline — Decision of one High Court on another High Court — Extent to which binding — Held, every High Court must give due deference to the enunciation of law made by another High Court though it is free to take a divergent view — However, where litigants and lis are the same, decision of one court bars filing of case in other court in view of Ss. 10 and 11, Civil Procedure Code, 1908 — Civil Procedure** h **Code, 1908 — Ss. 10 and 11 — Bar of filing case on same cause of action by same parties in another court**

Held :

The Supreme Court does not normally entertain appeals against interlocutory orders. In the case of trade marks, however, keeping in perspective the endemic delay in concluding cases/suits in India because of the exponentially increasing docket explosion, temporary ad interim injunctions are of far-reaching consequences, oftentimes effectively deciding the lis and the disputes themselves. Possibly for this reason "leave" has already been granted in the present appeal. However, it is now well-entrenched in our jurisprudence that the appellate court should not flimsily, whimsically or lightly interfere in the exercise of discretion by a subordinate court unless such exercise is palpably perverse. Perversity can pertain to the understanding of law or the appreciation of pleadings or evidence. The appellate court ought not to reassess the material and seek to reach a conclusion different from the one reached by the court below if the one reached by that court was reasonably possible on the material. The appellate court would normally not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion. If the discretion has been exercised by the trial court reasonably and in a judicial manner the fact that the appellate court would have taken a different view may not justify interference with the trial court's exercise of discretion. (Para 5)

Before granting an ad interim injunction, the court in seisin of the litigation has to address its attention to the existence or otherwise of three aspects—

(*a*) whether a prima facie case in favour of the applicant has been established;

(*b*) whether the balance of convenience lies in favour of the applicant; and

(*c*) whether irreparable loss or damage will visit the applicant in the event injunctive relief is declined. (Para 6)

Every High Court must give due deference to the enunciation of law made by another High Court even though it is free to charter a divergent direction. However, this elasticity in consideration is not available where the litigants are the same, since Sections 10 and 11 CPC would come into play. Unless restraint is displayed, judicial bedlam and curial consternation would inexorably erupt since an unsuccessful litigant in one State would rush to another State in the endeavour to obtain an inconsistent or contradictory order. Anarchy would be loosed on the Indian Court system. (Para 7)

To claim exclusivity of the user, the trade mark should normally partake of a new creation, or if an existing word, it should not bear descriptive characteristics so far as the product is concerned, nor should it be of an extolment or laudation. It would be surprising if exclusivity is given to marks such as "bestsoap", etc. However, in the pharmaceutical industry it is commonplace that trade marks reproduce and resonate the constituent composition. While this aspect and feature may be a good ground for declining registration of the trade mark, it may nevertheless remain a favourable determinant in a passing off action. So far as the subject trade marks are concerned, not only do their names constitute part of the generic drug "Propofol", but they are also so similar that even the medical practitioner/anaesthesiologist concerned could fail to discern the difference between them. (Para 3)

Section 34 of the Trade Marks Act, 1999 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 respondent-plaintiffs is furthered by the fact that their user commenced prior to that of the appellant-defendant, 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 appellant-defendant filed for registration in 1992, six years prior to the commencement of user by the respondent-plaintiffs. The appellant-defendant was, thus, not prevented from restraining the respondent-plaintiffs' 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 respondent-plaintiffs. (Para 9)

Section 47 of the Act is in the same vein and statutory strain inasmuch as it postulates the possibility of a registered mark being taken off the register on an application being made by any aggrieved person, inter alia, on the ground that for a continuous period of five years and three months from the date on which the trade mark was registered, there was no bona fide use thereof. In the case in hand, prima facie, it appears that for over five years after a registration application was made by the appellant-defendant, the mark was not used. Facially, the Act does not permit the hoarding of or appropriation without utilisation of a trade mark; nay the appellant-defendant has allowed or acquiesced in the user of the respondent-plaintiffs for several years. The legislative intent behind this section was to ordain that an applicant of a trade mark does not have a permanent right by virtue of its application alone. Such a right is lost if it is not exercised within a reasonable time. (Para 10)

Had the appellant-defendant commenced user of its trade mark ROFOL prior to or even simultaneous with or even shortly after the respondent-plaintiffs' marketing of their products under the trade mark ROFOL, on the appellant-defendant being accorded registration in respect of PROFOL which registration would retrospectively have efficacy from 19-10-1992, the situation would have been unassailably favourable to it. What has actually transpired is that after applying for registration of its trade mark ROFOL in 1992, the appellant-defendant took no steps whatsoever in placing its product in the market till 2004. It also was legally lethargic in not seeking a curial restraint against the respondent-plaintiffs. This reluctance to protect its mark could well be interpreted as an indication that the appellant-defendant had abandoned its mark at some point during the twelve-year interregnum between its application and the commencement of its user, and that in 2004 it sought to exercise its rights afresh. It would not be unfair or fanciful to favour the view that the appellant-defendant's delayed user was to exploit the niche already created and built-up by the respondent-plaintiffs for themselves in the market. The "first in the market" test has always enjoyed pre-eminence. The rights in a passing-off action emanate from common law and not from statutory provisions, nevertheless the prior user's rights will override those of a subsequent user even though it had been accorded registration of its trade mark. (Para 11) *a*

N.R. Dongre v. *Whirlpool Corpn.*, (1996) 5 SCC 714; *S. Syed Mohiden* v. *P. Sulochana Bai*, (2016) 2 SCC 683; *Milmet Oftho Industries* v. *Allergan Inc.*, (2004) 12 SCC 624, *relied on*

In the present appeal the respondent-plaintiffs have alleged, and have prima facie supported with proof, that they had already been using their trade mark well before the attempted user of an identical or closely similar trade mark by the appellant-defendant, respondent-plaintiffs would be entitled to a temporary *b* injunction, in light of the "first in the market" test. The respondent-plaintiffs have made out a prima facie case. The two other factors in an interim injunction, namely, the balance of convenience and an irreparable loss, are both in favour of the respondent-plaintiffs, given the potential loss of goodwill and business they could suffer should an injunction be denied. The appellant-defendant has been injuncted from using the mark ROFOL since 2005, after having launched products bearing *c* the mark only in the previous year, so the balance of convenience is in favour of allowing the injunction to continue. (Para 12)

Neon Laboratories Ltd. v. *Medical Technologies Ltd.*, 2005 SCC OnLine Guj 461, *affirmed*

Neon Laboratories Ltd. v. *Medical Technologies Ltd.*, 2012 SCC OnLine Bom 510 : (2012) 4 Mah LJ 407, *stayed*

Appeal dismissed N-D/55859/CV *d*

Advocates who appeared in this case :
Rakesh K. Sinha and Uday B. Dube, Advocates, for the Appellant;
M.K. Choudhary, Ashutosh Kumar, Yudhister Bhardwaj and Himanshu Setia, Advocates, for the Respondents.

Chronological list of cases cited	***on page(s)***
1. (2016) 2 SCC 683, *S. Syed Mohiden* v. *P. Sulochana Bai*	681*c-d*
2. 2012 SCC OnLine Bom 510 : (2012) 4 Mah LJ 407, *Neon Laboratories Ltd.* v. *Medical Technologies Ltd.*	678*g-h*, 679*b*
3. 2005 SCC OnLine Guj 461, *Neon Laboratories Ltd.* v. *Medical Technologies Ltd.*	676*g*
4. (2004) 12 SCC 624, *Milmet Oftho Industries* v. *Allergan Inc.*	681*b*, 681*b-c*, 681*d-e*, 681*e-f*, 682*c-d*
5. (1996) 5 SCC 714, *N.R. Dongre* v. *Whirlpool Corpn.*	681*b*, 681*b-c*, 681*d*, 681*e-f*
6. 1990 Supp SCC 727, *Wander Ltd.* v. *Antox India (P) Ltd.*	678*a*

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The Judgment of the Court was delivered by

VIKRAMAJIT SEN, J.— This appeal assails the judgment dated 19-12-2005[1] of the learned Single Judge of the High Court of Gujarat at Ahmedabad, who returned the opinion that the trial court had rightly granted an *g* injunction in favour of the plaintiffs (the respondents before us) till the disposal of the suit.

2. Briefly stated, respondent-Plaintiffs 1 and 2 had filed a suit for injunction, damages and account of profits. The respondent-plaintiffs are engaged in the business of manufacture and marketing of pharmaceutical

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1 *Neon Laboratories Ltd.* v. *Medical Technologies Ltd.*, 2005 SCC OnLine Guj 461

products and medicinal preparation, and as pleaded by them, have acquired high reputation and goodwill in the market. Hematal Biologicals Ltd. or Core Health Care Ltd., the predecessor-in-title of the respondent-plaintiffs is stated to have introduced the molecular preparation and generic drug "Propofol" in India, in respect of which an application had been filed before the Drug Controller of India on 22-4-1998. Product permission was received on 2-5-1998 from the Commissioner of Food and Drugs Control Administration.

3. It has been pleaded that the predecessor-in-title of respondent-Plaintiff 1 had coined and invented the trade mark PROFOL in April 1998 and not applied for registration of the said trade mark on 24-5-1998 in Class V. However, it seems to us that this claim may not find acceptance inasmuch as PROFOL is almost an anagram of and is phonetically almost indistinguishable from the molecular compound, namely, "Propofol". In our opinion, to claim exclusivity of the user, the trade mark should normally partake of a new creation, or if an existing word, it should not bear descriptive characteristics so far as the product is concerned, nor should it be of an extolment or laudation. It would be surprising if exclusivity is given to marks such as "bestsoap", etc. Having said this, we must accept the reality that in the pharmaceutical industry it is commonplace that trade marks reproduce and resonate the constituent composition. While this aspect and feature may be a good ground for declining registration of the trade mark, it may nevertheless remain a favourable determinant in a passing off action. So far as the subject trade marks are concerned, not only do their names constitute part of the generic drug "Propofol", but they are also so similar that even the medical practitioner/anaesthesiologist concerned could fail to discern the difference between them.

4. It has been pleaded in the plaint that the said predecessor-in-title has been openly employing this mark since April 1998. After amalgamating with its predecessor-in-title on 17-2-2000, respondent-Plaintiff 1 became the owner of the trade mark PROFOL, and has been using it since 2000, when it also applied for its registration. Respondent-Plaintiff 2 is a licensee of respondent-Plaintiff 1. On coming to learn that Defendant 1, the appellant before us, had introduced into market the same generic drug under the trade mark ROFOL, the respondent-plaintiffs filed the present suit on 17-7-2005, on the predication that ROFOL is identical and deceptively similar to the respondent-plaintiffs' trade mark PROFOL. As is to be expected, the assertion in the plaint is that the appellant-defendant is marketing and passing off its products as that of the respondent-plaintiffs.

5. This Court does not normally entertain appeals against interlocutory orders. In the case of trade marks, however, keeping in perspective the endemic delay in concluding cases/suits in India because of the exponentially increasing docket explosion, temporary ad interim injunctions are of far-reaching consequences, oftentimes effectively deciding the lis and the disputes themselves. Possibly for this reason "leave" has already been granted in the present appeal. However, it is now well-entrenched in our jurisprudence that the appellate court should not flimsily, whimsically or lightly interfere in the

exercise of discretion by a subordinate court unless such exercise is palpably perverse. Perversity can pertain to the understanding of law or the appreciation of pleadings or evidence. We shall restrict ourselves to reference in *Wander* a
Ltd. v. *Antox India (P) Ltd.*[2], wherein it has been adumbrated that the appellate court ought not to

> "reassess the material and seek to reach a conclusion different from the one reached by the court below if the one reached by that court was reasonably possible on the material. The appellate court would normally not be justified in interfering with the exercise of discretion under appeal b
> solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion. If the discretion has been exercised by the trial court reasonably and in a judicial manner the fact that the appellate court would have taken a different view may not justify interference with the trial court's exercise of discretion". (SCC p. 733,
> para 14) c

We shall be careful not to transgress these frontiers.

6. Before granting an ad interim injunction, the court in seisin of the litigation has to address its attention to the existence or otherwise of three aspects—

> (*a*) whether a prima facie case in favour of the applicant has been d
> established;
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> (*b*) whether the balance of convenience lies in favour of the applicant; and
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> (*c*) whether irreparable loss or damage will visit the applicant in the
> event injunctory relief is declined. e

We shall cogitate on the first factor first—is the law favourable to the applicant.

7. The primary argument of the appellant-defendant is that it had received registration for its trade mark ROFOL in Class V on 14-9-2001 relating back to the date of its application viz. 19-10-1992. It contends that the circumstances as on the date of its application are relevant, and on that date, the respondent-
plaintiffs were not entities on the market. However, the appellant-defendant f
has conceded that it commenced user of the trade mark ROFOL only from 16-10-2004 onwards. Furthermore, it is important to note that litigation was initiated by the respondent-plaintiffs, not the appellant-defendant, even though the latter could have raised the issue to the respondent-plaintiffs using a similar mark to the one for which it had filed an application for registration as early
as in 1992. The appellant-defendant finally filed a notice of motion in the g
Bombay High Court as late as 14-12-2005, in which it was successful in being granted an injunction as recently as on 31-3-2012[3]. We may reiterate that every High Court must give due deference to the enunciation of law made

2 1990 Supp SCC 727

3 *Neon Laboratories Ltd.* v. *Medical Technologies Ltd.*, 2012 SCC OnLine Bom 510 : (2012) 4 Mah LJ 407 h

by another High Court even though it is free to charter a divergent direction. However, this elasticity in consideration is not available where the litigants are the same, since Sections 10 and 11 CPC would come into play. Unless restraint is displayed, judicial bedlam and curial consternation would inexorably erupt since an unsuccessful litigant in one State would rush to another State in the endeavour to obtain an inconsistent or contradictory order. Anarchy would be loosed on the Indian Court system. Since the Division Bench of the Bombay High Court is in seisin of the dispute, we refrain from saying anything more. The respondent-plaintiffs filed an appeal against the order dated 31-3-2012[3] and the Division Bench has, by its order dated 30-4-2012, stayed its operation.

8. It may be reiterated that the respondent-plaintiffs assert that their predecessor-in-interest had initiated user of the trade mark PROFOL in 1998, when it commenced production thereof and the respondent-plaintiffs succeeded to the user of the mark upon amalgamation with their predecessor-in-title in the year 2000. The position that emerges is that whilst the appellant-defendant had applied for registration of its trade mark several years prior to the respondent-plaintiffs (1992 as against 26-5-1998 at the earliest), the user thereof had remained dormant for twelve years. We can appreciate that this passivity may be the result of research of the product or the market, but the appellant-defendant will have to explain its supineness through evidence. In this interregnum, the respondent-plaintiffs had not only applied for registration but had also commenced production and marketing of the similar drug and had allegedly built up a substantial goodwill in the market for PROFOL. The legal nodus is whether the prior registration would have the effect of obliterating the significance of the goodwill that had meanwhile been established by the respondent-plaintiffs. Would a deeming provision i.e. relating registration retrospectively prevail on actuality—competing equities oscillate around prior registration and prior user.

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
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> (*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 of a predecessor-in-title of his;

3 *Neon Laboratories Ltd.* v. *Medical Technologies Ltd.*, 2012 SCC OnLine Bom 510 : (2012) 4 Mah LJ 407

> 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 respondent-plaintiffs is furthered by the fact that their user commenced prior to that of the appellant-defendant, 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 appellant-defendant filed for registration in 1992, six years prior to the commencement of user by the respondent-plaintiffs. The appellant-defendant was, thus, not prevented from restraining the respondent-plaintiffs' 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 respondent-plaintiffs.

10. Section 47 of the Act is in the same vein and statutory strain inasmuch as it postulates the possibility of a registered mark being taken off the register on an application being made by any aggrieved person, inter alia, on the ground that for a continuous period of five years and three months from the date on which the trade mark was registered, there was no bona fide use thereof. In the case in hand, prima facie, it appears that for over five years after a registration application was made by the appellant-defendant, the mark was not used. Facially, the Act does not permit the hoarding of or appropriation without utilisation of a trade mark; nay the appellant-defendant has allowed or acquiesced in the user of the respondent-plaintiffs for several years. The legislative intent behind this section was to ordain that an applicant of a trade mark does not have a permanent right by virtue of its application alone. Such a right is lost if it is not exercised within a reasonable time.

11. We must hasten to clarify that had the appellant-defendant commenced user of its trade mark ROFOL prior to or even simultaneous with or even shortly after the respondent-plaintiffs' marketing of their products under the trade mark PROFOL, on the appellant-defendant being accorded registration in respect of ROFOL which registration would retrospectively have efficacy from 19-10-1992, the situation would have been unassailably favourable to it. What has actually transpired is that after applying for registration of its trade mark ROFOL in 1992, the appellant-defendant took no steps whatsoever in placing its product in the market till 2004. It also was legally lethargic in not seeking a curial restraint against the respondent-plaintiffs. This reluctance to protect its mark could well be interpreted as an indication that the appellant-defendant had abandoned its mark at some point during the twelve-year interregnum between its application and the commencement of its user, and that in 2004 it sought to exercise its rights afresh. It would not be unfair or fanciful to favour the view that the appellant-defendant's delayed user was to exploit the niche already created and built-up by the respondent-plaintiffs for themselves in the market. The "first in the market" test has always enjoyed pre-eminence. We shall not burden this judgment by referring to the several precedents that can be found apposite to the subject. In the interest of prolixity we may mention only *N.R. Dongre* v. *Whirlpool Corpn.*[4] and *Milmet Oftho Industries* v. *Allergan Inc.*[5] In *Whirlpool*[4], the worldwide prior user was given preference nay predominance over the registered trade mark in India of the defendant. In *Milmet*[5], the marks of pharmaceutical preparation were similar but the prior user worldwide had not registered its mark in India whereas its adversary had done so. This Court approved the grant of an injunction in favour of the prior user. Additionally, in the recent decision in *S. Syed Mohiden* v. *P. Sulochana Bai*[6] this Court has pithily underscored that the rights in a passing-off action emanate from common law and not from statutory provisions, nevertheless the prior user's rights will override those of a subsequent user even though it had been accorded registration of its trade mark. The learned counsel for the appellant-defendant has endeavoured to minimise the relevance of *Whirlpool*[4] as well as *Milmet*[5] by drawing the distinction that those trade marks had attained worldwide reputation. However, we think that as world shrinks almost to a global village, the relevance of the transnational nature of a trade mark will progressively diminish into insignificance. In other words, the attainment of valuable goodwill will have ever increasing importance. At the present stage, the argument in favour of the appellant-defendant that we find holds more water is that in both *Milmet*[5] and *Whirlpool*[4], as distinct from the case before us, the prior user of the successful party predated the date of application for registration of the competing party. The question to examine, then, would be whether prior user would have to be anterior to the date of application or prior to the user by the appellant-defendant. In other words, the question before the Court would remain whether the situation on the date of application for registration alone would be relevant, or whether the developments in the period between this date and the date of grant of registration would have any bearing on the rights of the parties. All these considerations will be cast into a curial cauldron to be appreciated by the Court before which the suit is being contested. In these premises, we cannot conclude that a prima facie case has not been disclosed by the respondent-plaintiffs.

4 (1996) 5 SCC 714
5 (2004) 12 SCC 624
6 (2016) 2 SCC 683 : (2015) 7 Scale 136

12. Since we are confronted with the legal propriety of a temporary injunction, we must abjure from going into minute details and refrain from discussing the case threadbare, in order to preclude rendering the suit itself an exercise in futility and the decision therein a foregone conclusion. All that we would say in the present appeal is that since the respondent-plaintiffs have alleged, and have prima facie supported with proof, that they had already been using their trade mark well before the attempted user of an identical or closely similar trade mark by the appellant-defendant, the former would be entitled to a temporary injunction, in light of the abovementioned "first in the market" test. We find that the respondent-plaintiffs have made out a prima facie case. The two other factors in an interim injunction, namely, the balance of convenience and an irreparable loss, are both in favour of the respondent-plaintiffs, given the potential loss of goodwill and business they could suffer should an injunction be denied. The appellant-defendant has been injuncted from using the mark ROFOL since 2005, after having launched products bearing the mark only in the previous year, so the balance of convenience is in favour of allowing the injunction to continue. In *Milmet*[5], this Court had taken note of the fact that the unsuccessful litigating party had in the duration of the litigation started using another mark, and found that this would prima facie assume significance in assessing "irreparable loss".

13. For manifold and myriad reasons, we are of the opinion that the decision of the trial court, as affirmed by the first appellate court, is reasonable and judicious, and does not suffer from perversity by any dialectic that the appellant-defendant may proffer. The appeal is accordingly dismissed, but with no order as to costs.

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5 *Milmet Oftho Industries* v. *Allergan Inc.*, (2004) 12 SCC 624