

Legal Issues in Branding Medicinal Products

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Received 8 July 2008

Branding of a drug raises important trademark principles. Some of the important trademark law decisions have come up in the area of pharmaceutical branding. This article examines these decisions, practises in the market and analyses legal issues surrounding trademark in pharmaceutical field.

Keywords: Pharmaceutical branding, generic name, infringement, passing off, trademark law

Every medicinal preparation has an active ingredient, the ingredient that produces the therapeutic effect. The active ingredient, the drug, has a chemical name and a generic name. The chemical name specifies the molecular structure of the drug and is used primarily by researchers. The chemical name is usually long, sometimes may have numbers indicating the molecular structure in them and is therefore difficult to pronounce and remember. For reference purposes, the drug is known by its generic name in the scientific community. The main consideration in assigning the generic name is the usefulness to scientific and medical research, education and medical journals. This international non-proprietary name is important to doctors, pharmacists and other health care providers. As it is a non-proprietary name, it is in public domain and is not protected by exclusive rights.

The medicinal preparation containing the drug will have a brand name, chosen by the entity marketing the medicine. The brand name is the trademark of a medicine and is thus a proprietary name for which the trademark owner has an exclusive right to use.

If the drug is patented, only the patent holder or its licensee will be manufacturing the medicine containing the drug. Thus, usually there will only be a

single brand, that of the patent holder, in the market. The prices are determined by the patent holder or manufacturer and therefore will be high. Once out of patent, there will be multiple manufacturers, manufacturing the medicines under their own brands. Thus there will be different brand names for treatment of the same disease. The industry that manufactures the medicines using drugs in public domain is usually referred to as generic drug industry. The competition offered by the generic drug industry brings down the price of the medicine.

Trademark law provides legal protection to brands. Broadly defined trademark is a mark which is capable of distinguishing the goods and services of one person from those of others.¹ Registration of trademark is not mandatory for obtaining protection. The use of the mark in the market for a period sufficient for consumers to form an association of the goods and its origin is sufficient to qualify as a trademark eligible for protection under law. But the remedies available for a registered trademark and a trademark which is used in the market but not registered are different. In the case of a registered trademark, the proprietor gets an exclusive right to use the trademark in relation to the goods or services in respect of which the trademark is registered and to obtain relief in respect of 'infringement' of this exclusive right to use the trademarks.² In the case of unregistered marks, 'passing off' action is the remedy available.³ When one trademark is alleged to infringe another, the dispute has to be resolved by comparison of the two marks. The plaintiff would have to establish that the mark used by the defendant so nearly resembles the plaintiff's trademark as is likely to deceive or cause confusion.

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The brand names may be coined in such a way so as to recall the name of the active ingredient in the medicine to medical practitioners. Thus in the pharmaceutical trade one finds names of various medicines almost similar to each other – having a common prefix or suffix – for the reason that it conveys what drug it is derivative of. To illustrate, Amoxicillin is the generic name of an antibiotic.⁴ Of the total 171 drugs that are available in the market today, 114 have the letters MOX in their trademark; eight of them have AMOX as the first letters.⁴ This practise in the pharmaceutical industry has the potential to generate trademark disputes and predictably there has been a catena of decisions on these disputes. The attempt in this article is to take a close look at the principles that the courts are following while upholding a trademark.

The decision of the Supreme Court in *Cadila Healthcare Ltd v Cadila Pharmaceutical Ltd* 2001 PTC 541 (SC) (hereinafter *Cadila*) is considered as a landmark decision in trademark law and laid down certain principles on deciding trademark disputes of pharmaceutical products. In the first part of this article broad trademark principles applicable to pharmaceutical industry as laid down by the Supreme Court in various decisions are discussed. In the next part is how these decisions were applied to some disputes before the *Cadila* decision. Then the *Cadila* decision and the principles laid down are discussed. In the next section some post *Cadila* decisions are discussed. Finally an analysis of the *Cadila* rule and its impact is carried out.

The Judicial Precedents

Trademark Principles

In *National Sewing Thread Co Ltd v James Chadwick and Bros Ltd*, AIR 1953 SC 357, the Supreme Court held that in deciding whether a particular trademark is likely to deceive or cause confusion to another mark, a mark should not be merely compared with another. The real question is to see how a purchaser who must be looked upon as an average man of ordinary intelligence would react to a particular mark and in what respect he would connect the trademark with the goods he would be purchasing.

In *Durga Dutt Sharma v Navaratna Pharmacuetical Laboratories* AIR 1965 SC 980, the respondent who manufactured medicinal products had got the mark NAVRATNA registered while the appellatant had applied for registration of NAVRATNA KALPA. The Court held that in an action for

infringement of a registered trademark, if essential features of the trademark of the plaintiff have been adopted by the defendant, the fact that the get up, packing or other writing show marked differences or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial. However, in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff. Where a defendant uses a mark identical to a registered trademark no further questions arise and infringement is made out. When two marks are not identical, the plaintiff would have to make out that the mark used by the defendant so nearly resembles the plaintiff's trademark as is likely to deceive or cause confusion. This has to be ascertained by a comparison of the two marks. The degree of resemblance necessary to cause deception is not capable of definition by laying down objective standards. The purpose of comparison is to see if the essential features of the trademark of the plaintiff are found in the mark of the defendant. The identification of essential features of the mark is a question of fact based on evidence and depends on state judgment of the Court. The resemblance between the marks may be phonetic, visual or in the basic idea of the plaintiff's mark. The ultimate analysis is whether the mark used by the defendant as a whole is deceptively similar to the registered mark of the plaintiff.

In *Corn Products Refining Co v Shangrila Food Products Ltd* AIR 1960 SC 142 (1960), M/s Shangrila Food Products had applied for registration of the mark, GLUVITA. M/s Corn Products who were the owners of the registered trademark GLUCOVITA filed its objections to the registration of this mark. The Registrar came to the conclusion that the two words were not visually or phonetically similar and there is little likelihood of any deception or confusion. On appeal the single Bench of the High Court held that the marks are sufficiently similar to cause confusion. This decision was reversed by the Division Bench basing themselves on a series of marks with GLUCO or VITA as prefix or suffix. The Supreme Court overruled the decision of the Division Bench. It held that in deciding similarity between the marks, two marks have to be considered as a whole. The broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in design and if so whether these are sufficient to prevent one mark from

being mistaken from another. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be enough to mislead a person usually dealing with one to accept the other if offered to him. This question has to be approached from the point of view of a man of average intelligence and imperfect recollection. The Court found that the packets of both the products are almost same size, same colour, and designs of the two bear such close resemblance that one can be mistaken for another. Apart from the syllable 'co' in the appellant's mark, the two marks are similar. The word involved is an English word which to the mass of Indian people is a foreign word. The mere presence of a syllable 'co' will not enable the buyers in our country to distinguish one mark from another.⁵

In *Amritdhara Pharmacy v Satya Deo Gupta AIR 1963 SC 449*, the respondent had applied for registration of the mark 'LAKSHMANDHARA' in respect of a medicinal preparation for the alleviation of various ailments. This was opposed by the appellant whose mark 'AMRITDHARA' was already registered for similar medicinal preparation. The question was whether the mark Lakshmandhara is deceptively similar to Amritdhara. The contention of the applicant was that the two names are distinctively. The court held that a trademark is likely to deceive or cause confusion by its resemblance to another during its legitimate use in the market. The use of the word DHARA which means current or stream by itself is not decisive of the matter. What is to be considered is the overall similarity of the composite words having regard to the fact that both are medicinal preparations of the same description. A critical comparison of the two marks may disclose some points of difference but an unwary purchaser of average intelligence and imperfect recollection would be deceived by the overall similarity of two names. Both Amritdhara and Lakshmandhara are medicinal preparation which will be purchased across the counter both by townfolk and villagers, literate and illiterate. To the customers of average intelligence and imperfect recollection the overall structural and phonetic similarity of two marks is likely to cause confusion. An unwary purchaser of average intelligence would not split the name into its component parts and consider the meaning of composite words as current of Lashman (Lakshmandhara) or current of nectar (Amritdhara). A critical comparison of the two marks may disclose some points of difference but an unwary purchaser would go more by similarity of the two names in the

context of the widely known medicinal preparation he wants for his ailments. The trademark is a whole thing – the whole is to be considered.⁶

A two judge Bench of Supreme Court laid down certain significant principles with regard to trademarks of medicinal products in *Hoffmann-La Roche & Co Ltd v Geoffrey Manner & Co (P) Ltd (1969) 2 SCC 716*. The issue was whether the mark of the respondent DROPOVIT was deceptively similar to the registered mark PROTOVIT of the appellants. The Court held that in deciding whether the respondent's mark is likely to deceive or cause confusion, it is the probable effect of the mark on the average consumer that has to be considered. It is necessary to apply both visual and phonetic tests. It is important that marks must be compared as a whole. It is not right to take a portion of the word and to say that because that portion of the mark differs from the corresponding portion of the other mark, there is no sufficient similarity to cause confusion. The Court observed in *Tokalon Ltd v Davidson & Co (1906) 23 RPC 774 at p 777*, that the Court is not bound to scan the words as in *comparation literarum*. The true test is whether the totality of the proposed trademark is such that it is likely to cause deception or confusion or mistake in the minds of persons accustomed to the existing trademark.

In order to decide whether DROPOVIT is deceptively similar to PROTOVIT, the two words must be compared as whole. Each of the two words consists of eight letters, the last three letters are common and in the uncommon part the first two are consonants, the next is the same vowel 'o', the next is a consonant and the fifth is again a common vowel 'o'. The combined effect is to produce alliteration. The last three letters VIT is a well known abbreviation used in the pharmaceutical trade to denote vitamin. The Court noted the existence of about 57 trademarks in the Register which have the common suffix VIT indicating the goods are vitamin preparations. It is apparent that the terminal syllable VIT in the two marks is both descriptive and common to the trade. If greater regard is paid to the uncommon elements in these two words it will be difficult to believe that one will be taken for or confused with the other.

The question of deceptive similarity has to be decided on the basis of class of goods to which the marks apply. Both are medicinal preparations containing vitamins. From the nature of the goods it

appears that most of the customers would obtain a prescription from a doctor and show it to the chemist before purchase. In such a case, except where the handwriting of the doctor is very bad or illegible the chance of confusion is very remote. The fact that Drug Rules 1945 mandate that these drugs could be sold only by a licensed dealer reduces the possibility of confusion to a considerable extent.

As there are about 57 trademarks in the Register with suffix VIT, even an average customer would know that in respect of vitamin preparations, the word VIT occurs in a large number of trademarks and because of this he would naturally be on his guard and take special care against making a mistake.

Having regard to all these circumstances, the Court held that the marks Protovit and Dropovit are not deceptively similar and that there was no reasonable probability of confusion of the words.

Some Typical pharma Brand Cases pre *Cadilla*

Many analysts believe that there are two clear phases of legal interpretation of trademark principles as applicable to medicinal products: one pre *Cadilla* and the other post *Cadilla*. A survey of the legal landscape may help us to examine the correctness of this proposition. We may therefore start with some pre *Cadilla* decisions.

In *M/s Panacea Biotec Ltd v M/s Recon Ltd, 1996 PTC (16) 561*, the competing marks were NMULID and REMULIDE. The active ingredient in both the drugs was Nimesulide, used for treatment of inflammatory conditions. The High Court of Delhi noted the practise in the drug industry to name the medicine to resemble the name of the principal drug of the medicine. The Court held that when the trademark of a medicine is derived from the name of the principal ingredient of a medicine, no distinctiveness or exclusiveness can be claimed in respect of that part of the name in the trademark.

Comparing the name of the principal drug Nimesulide and the plaintiff's trademark Nimulid, the Court observed that it appeared that the plaintiff adopted Nimulid in view of its near similarity or resemblance with the generic name of the drug Nimesulide. The trademark of the plaintiff is descriptive in nature as it is indicative of the composition of the medicine. It would be highly undesirable to confer on one trader the proprietary right over the use of an ordinary, descriptive or a generic word indicative of the nature, composition and quality of goods that would give him complete

monopoly to exploit the word to the exclusion of others. If a manufacturer uses the name of the basic drug of which a medicine is constituted, no monopoly can be claimed by him with regard to the use of the word as his trademark.

The Court approvingly noted decision of Calcutta High Court in *Griffon Laboratories (P) Ltd v Indian National Drug Co P Ltd 1989 IPLR (Vol 14, No.1) 9*, where the plaintiff, the prior user of the trademark SORBILINE, was refused injunction to restrain the defendant from using the trademark SORBITONE, on the ground that both the marks were derived from the drug Sorbitol holding that they were indicative of the drug from which the medicines are prepared.

In *Biofarma v Sanjay Medical Store 1997 PTC (17) (Del)*, the Delhi High Court held that TRIVEDON is not deceptively similar to the registered trademark FLAVEDON. Both the drugs were used for the treatment of ischemic heart disease. The plaintiff pleaded that the word Flavedon is a coined word and there was no pharmaceutical product with suffix 'vedon' registered prior to plaintiff. The defendant produced a list of drugs which ended with suffix 'vedon' or 'vidon'. The Court noted that in the pharmaceutical trade, the names of various drugs are almost similar to each other or have same prefix or suffix. 'Different Courts have taken different views while deciding the similarity or otherwise in the names of such drugs'. The trademark of the defendant starts with a first syllable which has a distinct dissimilarity. The marks also appear phonetically and visually dissimilar. The medicines are Schedule H drugs available only on doctor's prescription, for heart diseases which is serious disease in the medical world and hence the chance of deception or confusion is less. The Court noted the decision of the Bombay High Court in *Astra-IDL Ltd v TTK Pharma Limited AIR 1995 Bombay 35* and that of Delhi High Court in *Ciba Geigy Ltd v Crosslands Research Laboratories Ltd 1996 PTC 16 (1)* wherein it was held that in the Indian context where Schedule H drugs are sold without doctor's prescription, over the counter, the doctors prescription factor is less important but held that where two marks and their packaging are found dissimilar, the factor that the drug is a Schedule H drug being sold under a medical prescription is to be given due weightage.

In *SBL Ltd v Himalaya Drug Co, AIR 1998 Del 126*, the competing marks were LIV 52 of the plaintiff and LIV-T of the defendant. The Court noted that

there were about 100 drugs in the market using the word 'Liv', (which is the abbreviation of the word Liver) as a constituent name of the medicinal or pharmaceutical preparation, either as suffix or prefix. Liv is a generic term and publici juris. 'Nobody can claim exclusive right to use any word abbreviation or acronym which has become publici juris for use as trademark'. The two rival marks contain a common feature 'Liv' which is generic and publici juris and a customer will tend to ignore the common feature and will pay more attention to uncommon features, i.e., '52' and 'T' and the two do not have such phonetic similarity so as to make it objectionable. Further, the Court noted that the possibility of deception or confusion is reduced to practically nil in view of the fact that the medicine will be sold only on medical prescription and by licensed dealers well versed in the field having knowledge of medicines.

The Cadila Decision

The suit related to medicines sold under the brand name 'FALCIGO' by the plaintiff appellant and 'FALCITAB' by the respondent defendant. Both the medicines were used for the treatment of Falciparum malaria. The appellant's Falcigo contained Artesunate while defendant's Faclitab contained Melfloquine Hydrochloride. Both drugs had the approval of Drug Controller General (India) for the treatment of Falciparum malaria.

The respondent's defence was that the word 'Falci', the prefix of the mark is taken from the name of the disease Falciparum malaria. It is a common practise in pharmaceutical trade to use part of the word of the disease in the trademark to indicate to doctors and chemists that a particular product/drug is meant for a particular disease. The two products in question were Schedule L drugs which can be sold only to hospitals and clinics with the result that there could not even be a remote chance of deception and confusion. Unlike Schedule H drugs which are sold by the chemists only on prescription of the doctors, Schedule L drugs are sold only to hospitals and clinics and not to customers.

The plaintiff sought an interim injunction pending the disposal of the suit. On this application, the District Court came to the conclusion that the two drugs, Falcigo and Falcitab differed in appearance, formulation and price and as the drugs were not meant to be sold to an individual there is little chance of deception or confusion. On appeal the High Court agreed with these findings. On appeal to the Supreme

Court, the Court did not interfere with the order refusing interim injunction but gave directions for expeditious disposal of the suit as the Court felt that evidence may be required to decide on the merits of the case. But the Supreme Court set out the principles on which such cases are required to be decided.

The Court discussed the trademark law laid down in *National Sewing Thread Co Ltd* (supra), *Amritdhara Pharmacy* (supra), *Kivraj Pandit Durga Dutt Sharma* (supra), *Corn Products Refining Co* (supra). While discussing *F Hoffmann-La Roche & Co Ltd* (supra), the Court restricted to the principles that it is necessary to apply both visual and phonetic similarity and that the marks must be compared as a whole. It discussed the principles laid down and overruled the decision of Single Bench in *S M Dyechem Ltd v Cadbury (India) Ltd.*, (2000) 5 SCC 573. It was a passing off action where the plaintiff's mark was PIKNIK and defendant's mark was PICNIC for chocolates. The single judge Bench of the Supreme Court held that where common features are included in rival trademarks, more regard is to be paid to the parts not common and the proper course is to look at the marks as a whole, but at the same time not to disregard the parts which are common. The Court applied the principle that dissimilarity in essential features in devices and composite marks are more important than some similarity. The Court ruled that the dissimilarities of the marks have to be given more importance than phonetic similarity or similarity in use of the word Picnic or Pkunik. This decision was overruled by the Division Bench stating that it was unable to agree with the principle that phonetic similarity has to be jettisoned when the manner in which the marks are written is different as it is against the decision of *Amritdhara* case, the products will be purchased by both village and townsfolk, illiterate and literate and that the question was to be approached from the point of view of a man of average intelligence and imperfect recollection.

The decisions of English courts may be relevant (S M Dyechem ruling was based on English decisions) in a country where literacy is high and the marks used are in the language which the purchaser can understand. While English cases may be relevant in understanding the essential features of trademark law, while dealing with the sale of consumer items in India, the courts have to bear in mind the difference in situation between England and India. Courts have to keep in mind that the purchaser of the goods in India

may have absolutely no knowledge of or the language in which the trademark is written and to whom different words with slight difference in spelling may sound phonetically the same. In passing off cases what is to be seen is whether the misrepresentation made by the defendant is of such nature as is likely to cause an ordinary consumer to confuse one product for another due to similarity of marks and other surrounding factors.

The Supreme Court held that where medicinal products are involved, the test to be applied for adjudging violation of trademark law may not be on par with cases involving non medicinal products. A stricter approach should be adopted while applying the tests to judge the possibility of confusion of one medicinal product for another. Public interest would support showing lesser degree of proof of confusing similarity in respect of medicinal products' trademarks as against other non medicinal products. While confusion in the case of non medicinal products may only cause economic loss to the plaintiff, confusion between two medicinal products may have disastrous effect on health and in some cases life itself. Stringent measures should be adopted especially where medicines are medicines of last resort as any confusion in such cases may be fatal or disastrous.

The medicines involved in this case were Schedule H drugs. Schedule H drugs are those which can be sold by the chemist only on prescription of the doctor while Schedule L drugs are not sold across the counter but are sold only to hospitals and clinics. The Court observed that it is not uncommon that because of lack of competence or otherwise, mistakes can arise especially where the trademarks are similar. The fact that a drug is sold under prescription or only to physicians cannot by itself be considered as a sufficient protection against confusion which is otherwise likely to occur. The physicians and pharmacists are trained people but they are not infallible. In view of varying infrastructure for supervision of physicians and pharmacists in our country due to linguistic, urban, semi urban and rural divide across the country and with high degree of possibility of accidental negligence, strict measures to prevent any confusion arising from similarity of marks among medicines are required to be taken. The courts need to be particularly vigilant where the defendant's drug of which passing off is alleged is meant for curing the same ailment but the compositions are different.

Post Cadila Decisions

In *Khandelwal Laboratories Ltd v FDC Limited, 2001 PTC 864 (Del)*, the trademark of the plaintiff was CEFI and the defendant's ZIFI, both containing the drug Cefixime used for treatment of typhoid, lower respiratory tract infection, urinary tract infection and otitis media. According to plaintiff, defendant's trademark ZIFI being similar to its trademark CEFI, sale of medicines under the trademark ZIFI by the defendant amounts to an act of passing off.

The defendant's pleaded that the plaintiff's mark CEFI is derived from the chemical compound or salt Cefixime. Even prior to plaintiff's adoption of the trademark CEFI, there have been several other pharmaceutical companies using marks derived from Cefixime, like, CEFO of Medley, Cefix of Cipla, Cefo of Alembic for salt cefuroxime, CEFE adopted by Lupin for the salt Cephalexin etc. The defendant also pleaded that the trademarks are different as the letter Z is one of the highly distinctive letters of the English alphabet. When pronounced in Devanagiri, CEFI and ZIFI are phonetically different. Further, the packaging of the products is completely different. The drugs are scheduled drugs and can be purchased through a written prescription of a doctor or a registered medical practitioner only and dispensed by a chemist or a registered pharmacist. Therefore there are inherent checks and balances within the pharmaceutical industry which would ensure that the competing mark would not be confused.

The plaintiff relied on the *Cadila* decision, which was recent then. They asserted that there is no bar on coining a trademark based on a generic word. The plaintiff pointed out that the marks involved in that case was FALCIGO and FALCITAB derived from Falcipharum, a disease of cerebral malaria. Despite the defense taken of the generic nature of the trademark, the Supreme Court excluded the said plea to be taken into consideration in determining the deceptive similarity between the two marks derived from generic names of the drugs or diseases. Hence the argument that CEFI is a generic word derived from Cefixime was of no avail after *Cadila* decision. The plaintiff emphasized on the phonetic similarity between the two marks CEFI and ZIFI.

The Court noted that the plaintiff's trademark CEFI is derived from the chemical compound Cefixime. Many other companies are using the trademarks derived from Cefixime and many of them were in the

market prior to launching of plaintiff's product. When there can be same medicinal products marketed by different companies with CEF as part of the trademark, namely, cefo, cefix, cefu, cef, ceffex, cefixie, cefox, cifex, etc, and they can coexist without causing any deception or confusion, it is not probable that the defendants mark which starts with letter Z, a distinctive letter in English alphabet would cause any deception or confusion. The drug is a scheduled drug which can be purchased only on a written prescription of a doctor or a medical practitioner and dispensed by a chemist or a registered pharmacist. The Court noted that the argument of scheduled drug by itself may not be sufficient to dislodge the case of the plaintiff keeping the principles laid down in *Cadila*, but when this factor is considered along with other factors weighing in favour of the defendant it assumes significance. Based on these reasons the Court vacated an *ex parte ad interim* injunction granted in favour of the plaintiff.

In *Pfizer Products Inc. v B L & Company & Ors 2002 (25) PTC 262 (Del)*, the High Court was dealing with request for *ad interim* injunction from the plaintiff, owner of the mark Viagra against the defendant's Penegra. Both were medicinal preparations for treatment of male erectile dysfunction (ED). The drug involved was Sildenafil Citrate. The medicines are Schedule H drugs which can be sold only on medical prescription. The plaintiff alleged that the word Penegra is phonetically similar to the word Viagra.

The Court noted that the active ingredient of the medicine, sildenafil citrate was a generic drug and therefore both the plaintiffs and defendants or any other third party has the right to use this drug. Viagra was well known for its purpose and the defendant had not made any representation that its product Penegra was in fact Viagra, launched in India under a different name. Customers would consciously buy the product knowing that it is a product by an Indian company. Since the drug is a Schedule H drug, it can be sold only by a chemist on prescription of a doctor and the likelihood of confusion is ruled out. The Court discussed the *Cadila* ruling of the Supreme Court that stricter scrutiny is required in the case of medicinal products but found that in this case the likelihood of confusion is absent. The plaintiff's product was yet to be launched in India and so there cannot be any confusion.

In *Cadila Healthcare Ltd v Swiss Pharma Pvt Ltd, 2002 (24) PTC 708 (Guj)*, the plaintiff's drug was

SPARDAC, a medicine containing the drug Sparfloxacin, an anti bacterial medicine. They claimed to have adopted the trademark Spardac for the first time in the industry adopting the mark Spar from Sparfloxacin. They sought to restrain the defendant's from using the mark SUPERDAC, a medicinal preparation containing Ciprofloxacin and Tinidazole. The plaintiffs pleaded that the marks were phonetically similar and would create confusion in the minds of doctors, traders and consumers.

The Court found that the two trademarks are not phonetically similar and that the appearances of two products are different. The Court observed that the doctors are expected to know the difference between medicinal elements contained in the two medicines. The ingredients are different, their effects are different, and their use is different. Doctors are experts in the field and are expected to know the difference between the two. Doctors are expected to be vigilant while practicing medicine and are not expected to write the name of one medicine in place of another while prescribing the same. So far as chemists are concerned they are expected to closely read the names of medicines in the prescription.

Both the drugs were Schedule H drugs which cannot be sold without a prescription. The Court took judicial notice of the fact that in practice Schedule H drugs may be sold without insisting on prescription. But the Court also observed that if a chemist sells Schedule H drug without prescription, he does so at his own risk. Same way if a consumer purchases such a drug without prescription, he does so at his own risk. Therefore similarity in the names of two medicines will not be material for the purpose of sale of such medicines without insisting on prescription. The Court referred to the plaintiff's plea that the handwriting of doctors is not very good and therefore mistake is not unlikely. The Court observed that if a mistake is committed on account of handwritings of doctors then for such mistakes similarity in the name is not necessary.

It was also pleaded that many customers may be ignorant and some may commit the error of naming one instead of the other. The Court noted that ignorant and illiterate customers will not go to purchase such a drug without prescription.

As the two products are visually, structurally and phonetically dissimilar they are unlikely to cause confusion in the minds of users, chemists or doctors. It may be noted that the Court had considered the

Cadila decision as well as other decisions of various courts before coming to the above conclusion.

In *Syncom Formulations v SAS Pharmacueticals 2004 (28) PTC 632 (Del)*, the plaintiff respondent SAS Pharmaceuticals are manufacturers of Ayurvedic preparation, Regulin and Regulin Forte. They sought an injunction against the defendant from using the trademark Regu 30. The Court considered the *Cadilla* decision as also the decision of the Supreme Court in *F. Hoffmann La Roche & CO Ltd v Geoffrey Manners & CO (P) Ltd* (supra) the decision of Delhi High Court in *S B L Ltd v Himalaya Drug Co* (supra) The Court applied the *Cadilla* factors as well as the decision of the above cases. It observed that there was some visual or phonetic similarity between the marks Regulin Forte and Regu 30. The visual and phonetic similarity of the first four letters is enough to confuse or mislead an unwary customer. These letters do not form a word which is publici juris. The Court held that the plaintiff respondent had made out a strong prima facie case of passing off and the order of injunction was justified.

In *Franco Indian Research Private Ltd v Unichem Laboratories Ltd 2005 (30) PTC (Bom)*, the plaintiffs were registered proprietors of the mark EVACUOL, a laxative. The plaintiffs sought to restrain the defendants from using the trademark EVACAL, which is a calcium preparation, on the ground that it is deceptively similar to the registered trademark and therefore infringed the registered trademark. The defendants submitted that it used the word CAL as theirs was a calcium preparation and EVA because it is a tablet to be taken by women during pregnancy. They asserted that there is no similarity between the marks, either visually or phonetically.

The Court relied on the *Cadilla* decision and stated that for the purpose of finding out deception and similarity in two trademarks, the Supreme Court has treated medicinal products as one class. The law laid down in *Cadilla* is that while considering the deceptive similarity of trademarks in relation to any other goods considers whether there is a probability of deception or confusion but in the case of medicinal products, the Court considers whether there is possibility of deception or confusion. The Court held that there was visual and phonetic similarity between the marks, and applying the *Cadilla* standards the possibility of deception cannot be ruled out.

In *Novartis AG v Wanbury Ltd & Anr 2005 (31) PTC 75 (Del)*, the plaintiffs were proprietors of the registered trademark TRIAMINIC and TRIOMINIC for cough syrup. They sought to restrain the

defendants from using the trademark CORIMINIC. Both the medicines are cough syrups but their active ingredients are different. The plaintiff's syrup contained Chlor Pheniramine Maleate and Phenylephedrine Hydrochloride but that of the defendant contained Psuedophedrine Hydrochloride, Chlor Pheneramine Maleate and Menthol.

The defendants pleaded that the word MINIC is derived from the word AMINE (Pheniramine) meaning this ingredient mimics certain functions of the central nervous system. The word Minic is a general word used in large number of drugs with registered trademarks like, Diominic, Dexaminic, Betaminic, Paraminic, Coldaminic, Ominic, Aminic, Numinic, Sudominic, Iominic etc.,

The Court noted that the Supreme Court had laid down in *Cadilla* that higher standards had to be applied to medicinal products and courts need to be vigilant where defendants drug of which passing off is alleged is meant for curing the same ailment but the pharmaceutical compositions are different. It was held that the plea that these drugs are sold on medical prescription does not help defendants as it runs contrary to *Cadilla* ratio.

The Court noted that the word Minic is a generic word. It is combined with other words in a number of trademarks. The principle to be adopted in such cases has been laid down in *Re Harrod's Application (1934) 52 RPC 65* (at page 70) wherein it was held that 'where two marks contain common elements which was also contained in a number of other marks in the same market, such common occurrence in the market tends to cause purchasers to pay more attention to the other features of the respective marks and to distinguish between them by those features'. The word Minic is a generic word. A number of trademarks exist with Minic as prefix or suffix. The Court split the mark and found that devoid of the suffix MINIC there is no phonetic similarity between CORI and TRIA or TRIO. Visually also there was no similarity between the marks and the Court refused to grant the injunction.

In *Kalindi Medicure Pvt Ltd v Intas Pharmaceuticals Ltd & Anr 2006 (33) PTC 477 (Del)*, the drugs involved were LOPRIN of the plaintiff and LOPARIN of the defendants. Both the drugs were used for treatment of heart ailment. The plaintiff's LOPRIN is meant for prevention of heart ailments such as angina, stroke, thrombosis and embolism. The plaintiff coined Loprin from low dose of aspirin and Loprin was marketed from 1999 and the trademark was registered in 2000. They alleged that the

defendants drug was virtually identical and used for the same disease. Merely adding a letter A to the trademark of a medicine used to treat an identical disease would lead to confusion and deception in the minds of consumers.

The defendant's LOPARIN was used in acute care situations as an anti coagulant. Its active ingredient was Enoxaparin which by category belonged to low molecular weight heparin. Low molecular weight heparins are used to prevent coagulation from damaged endothelium of coronary arteries. LOPARIN is a coined word derived from low molecular weight heparin and the molecule Enoxaparin i.e an amalgamation of low and Emoxaparin. The Court observed that at the preliminary stage it cannot be concluded that the defendant has resorted to dishonest adoption.

The Court observed that in pharmaceutical trade one finds names of various drugs almost similar to each other –having a common prefix or suffix – for the reason that the drug conveys what salt it is derivative of. The noted the observations of the SC in *Cadila*. No doubt, doctors can also err and it is not uncommon for drugs to be purchased over the telephone and even handwritten prescriptions also may be misread due to bad handwriting but method of intake of drug by a person cannot be ignored. The plaintiff's product is taken orally and is sold as pill while defendant's product is intramuscularly injected by a syringe. LOPARIN is a critical care medicine and is normally used in Intensive Coronary Care Unit while LOPRIN is a preventive medicine. The price difference is huge; the defendant's drug is expensive by over 52 times. Considering these factors the Court refused to grant preliminary injunction even though the applicant had registered the trademark.

In *Apex Laboratories Ltd v Zuventus Health Care Limited 2006 (33) PTC 492 (Mad) (DB)*, the dispute was between ZINCOVIT and ZINCONIA. The Court observed that both are medicinal preparations containing Zinc. The word Zinc is common to trade and is publici juris. The plaintiff cannot claim ownership over the said word. The words are phonetically dissimilar and visual impression is different and hence is unlikely to cause confusion in the mind of a common consumer.

In *Astrazeneca UK Ltd & Anr v Orchid Chemicals and Pharmaceuticals Ltd 2007 (34) PTC 469(DB) (Del)*, dispute was between MERONEM and MEROMER. The defendant's Meromer against which injunction was sought was a registered trademark. Both the medicinal preparations had the active

ingredient Meropenem, a molecule used for treatment of bacterial infections. Admittedly, Mero which is common to both the competing marks is taken from this basic ingredient by using it as a prefix.

The Court found that there were a number of similar trademarks with prefix Mero in the market. There were four registered trademarks with prefix Mero and about 35 companies were using Mero trademarks. The Court observed the Supreme Court has held in various decisions that nobody can claim exclusive right to use any word, abbreviation, or acronym which has become publici juris. In the trade of drugs it is common practice to name a drug by the name of the organ or ailment which it treats or the main ingredient of the drug. Such an organ, ailment, ingredient being publici juris or generic cannot be owned by anyone exclusively for use as a trademark. Consequently the plaintiffs cannot claim exclusive right to the use of word Mero as constituent of any trademark. The common feature in both the trademarks is only descriptive and publici juris, and, therefore, customers tend to ignore the common feature and would pay more attention to the uncommon feature. It is true that trademarks cannot be deciphered or considered separately, but must be taken as a whole. But even if they are taken as a whole, the prefix 'Mero' used with the suffix in the two competing names distinguishes and differentiates the two products. When they are taken as a whole, these trademarks are not either phonetically or visually similar to each other. The factum that both the drugs are Schedule H drugs available only on doctor's prescription and not sold across the counter is also relevant.

There is significant price difference between the drugs. The very fact that two pharmaceutical products are being sold at different prices ensures that there is no possibility of any deception or confusion, particularly because the customer who comes with the intention of purchasing the product higher would not settle for a product priced lower. Consequently, the request of temporary injunction was rejected.

In *Angi Reddy v Hoechst Akteingsellschaft 2007 (34) PTC 585 (Mad) (DB)*, the Division Bench of the Madras High Court held that the mark NOVIGAN is not deceptively similar to NOVALGIN overruling a single bench decision. The Court held that except that both the marks start with 'Nov' and most of the letters are similar, when the names are pronounced there is hardly any similarity. The plaintiff cannot claim that any other manufacturer cannot use the letters 'Nova'

or 'Nov'. There are many other pharmaceutical preparations which start with these letters.

Both the drugs were Schedule H drugs and can be sold only on medical prescription. The Court noted that at times such drugs are sold over the counter even without prescription, but ruled that such a practise, if followed, cannot be countenanced in law.

In *Wyeth Holdings Corporation Anr v Burnet Pharmaceuticals (P) Ltd 2008 (36) PTC 478*, the plaintiff were the proprietors of the registered trademark FOLVITE, registered in 1949 in respect of Vitamin B complex. The defendant had initially adopted the mark FOLCACID for its products. Subsequently the mark was changed to FOLV and they sought to register it. The plaintiff sought to restrain the defendants use of the mark FOLV alleging that it is visually and phonetically similar to its mark FOLVITE. The defendants pleaded that FOL in FOLVITE stands for Folicacid while the abbreviation VIT stands for vitamin both of which are generic descriptions common to trade. They pleaded that when a word consists of common elements greater emphasis must be paid on uncommon elements. Consequently, in assessing where there is deceptive similarity, both sets of letters FOL and VIT must be excluded. The 'e' is all that remains in the mark of the plaintiffs.

The defendant pleaded that the observations of the Supreme Court in *Cadilla* must be confined to those cases where the competing marks are used for drugs with different compositions. The Court disagreed. Where the competing drugs are meant to cure same disease but compositions are different, mistaking one for another may result in serious consequences. But merely because tow competing marks are used for medicines of same composition would not justify applying a lower standard. Even in such a case, public interest lies in protecting the consumer against an unwary purchase of deceptively similar product.

The Court rejected the contention of the defendant that FOLVITE should be seen as a combination of FOL and VIT. The Court observed that Supreme Court had held in *Cadilla* that it is not correct to take a part of the trademark and compare it with a part of another. Each word must be taken as a whole and compared with another as a whole. Secondly, the Court held that so long as the mark continues in the register its validity cannot be questioned. The Court also noted the fact that the defendant had originally adopted the mark Folcacid which is now sought to be changed to FOLV, a mark which could lead to confusion in the minds of consumers.

The Court also pointed out that the ratios of decisions before *Cadilla* may not be applicable now in view of the principle of strict scrutiny enunciated in *Cadilla*. Based on this reasoning, the Court felt that the ratio of Liv 52 case (supra), since the medicine is prescribed by a doctor, confusion would be less, may not be applicable now.

But the Court also pointed out that the decision of the single judge of the Bombay High Court in *Schering Corporation v M/s United Biotech (P) Ltd* in suit no.3419/2004 dated 14-07-2006 that the defendant's mark NETMICIN did not infringe the mark NETROMYCIN of the plaintiffs accepting the claim that there were several other pharmaceutical products traded in the market with letters MYCIN, MICIN, and CIN. In *BalPharma Ltd v Wockhardt Limited*, suit no. 1305/02 of Bombay High Court, the Division Bench judgment dated 12-06-2002 held that the mark AZIWOK was distinct from AZIWIN on the contention that various brands of Azithromycin in tablet and syrup forms were being marketed by pharmaceutical companies and AZI was an abbreviation of the generic name of the drug, common to the trade. The suffix WOK and WIN were regarded dissimilar. But it distinguished these cases on the ground that there was ample evidence before the courts that there was substantial sale involving competing products using generic description of the bulk drug.

Analysis

In the 1997 *Biofarma* decision the Delhi High Court observed that while deciding the similarity or otherwise in the names of pharmaceutical products different courts have taken different views. Subsequent to the Supreme Court set out the broad principles relating to trademark law in pharmaceutical products holding them as a class. The survey of cases decided after *Cadilla* shows that the *Biofarma* observation still holds good. There are decisions which follow *Cadilla* in its entirety and there are decisions which do not. Hence it is pertinent to look at some of the principles laid down in *Cadilla* itself and see why in some cases the courts did not follow these principles, though, understandably, never explicitly stating so.

The central issue the courts face in many of the pharma trademark cases is the practise followed in the industry. As various courts have noted in the pharmaceutical industry, it is common practice to name a drug by the name of the organ or ailment which it treats or the main ingredient of the medicine.

The purpose is to indicate to the doctors and chemists that a particular drug is for a particular disease. Hence at least a part of the mark will be common to another or even a number of marks. So when deceptive similarity is alleged, the comparison of the mark may require dissection of the mark.

But the settled law is that a mark should be regarded as a whole. It is pertinent to note that in *Hoffmann La Roche*, the two judge bench of the Supreme Court stated this principle explicitly and went on to dissect PROTOVIT and DROPOVIT (supra). The Court noted the existence of a large number of marks with common suffix VIT indicating vitamin preparations. The Court then placed greater regard to uncommon elements.

The High Courts which noted the fact that suffix or prefix may be same in a large number of pharma trademarks, have also observed that the common part which is publici juris cannot be appropriated as proprietary right.

In *Cadila*, the defendant had raised the plea that the word 'Falci' in the competing marks indicates the disease. The Court did not dwell on the publici juris aspect but laid down stricter standards for pharmaceutical products on public interest need to protect the public from deception or confusion in medicinal products. It should be noted that the Court did not give a finding whether Falcitab and Falcigo are deceptively similar stating that such finding require evidence. Against this is the finding of the *Hoffmann La Roche* court, that the suffix VIT commonly indicates vitamin based products. Though the two judge bench of *Cadilla* referred to the *Hoffmann* ratio, the Court did not dwell on this aspect restricted themselves to the ruling that marks must be compared as whole. While actually doing this comparison, the Court held that VIT is both descriptive and common to trade and paid greater regard to uncommon elements.

The Courts implementing the stricter standards of *Cadila* are faced with the practice followed in the pharma industry of using common suffix or prefix, the fact that these are publici juris, the decisions of the Supreme Court that words in public domain could not be appropriated as trademark and the law laid down in *Hoffmann* decision. This could be one of the reasons for diverging decisions on pharma trademark.

The *Hoffmann* Court observed that even an average customer will know that in vitamin preparations VIT occurs as prefix and he would naturally be on the guard and will make special care against making

mistakes. This observation is in tune with the ruling in *Amritdhara* case that it is not that unusually stupid people, fools or idiots may be deceived but comparison has to be made from the point of view of unwary purchaser of average intelligence. Such a customer, it has to be presumed from *Hoffmann*, will know the practices of trade. This might explain the observations of the Gujarat High Court in *Cadila Healthcare Ltd v Swiss Pharma Pvt Ltd*, a decision within a year of *Cadila* in the case of a Schedule H drug, that if a patient goes to purchase a Schedule H drug without a prescription, it can be inferred, with respect to a reasonably prudent consumer, that he would not purchase the medicine unless he properly remembers the name of the medicine. The observation of the Court is reproduced below:

“An attempt was made to argue that many customers may be ignorant and some of them may not even be literate and they are likely to commit error and would name one instead of another. It is difficult to swallow this argument. Such a customer may not be expected to wrongly name one medicine in place of another. In fact ignorant and illiterate customer would hardly go to purchase such a drug without a prescription. It is not possible to accept that such a customer would even remember the names of these two medicines. Even the name of one medicine may not be remembered by such a customer. In other words it is not likely that such an ignorant or illiterate customer may commit an error in naming a particular medicine.”

In *Hoffmann*, the Court was dealing with vitamin preparations covered under Drug Rules, 1945 which required that only a licensed dealer could sell these preparations. The Court observed that the vendor would be a licensed dealer reduces the possibility of confusion to a considerable extent. In *Cadila*, the drugs were Schedule L drugs which were meant to be sold only to hospitals and clinics. The Court observed that this fact alone is not sufficient to prevent the confusion which is otherwise likely to occur. Physicians and pharmacists are trained people, yet they are not infallible. Noting the frailty of human nature and pressures placed by human society on doctors, there should be as many clear indicators as possible to distinguish two medicinal products from each other.

The Gujarat High Court discussed this issue in detail in *Cadila Health Care v Swiss Pharma*. The medicinal preparations having similar names were having different compositions in that case, just like

Cadila. The High Court observed that doctors are expected to know the difference between the ingredients of the two medicines. Doctors are experts in their field and are expected to be vigilant while prescribing medicine and it cannot be said that the doctors are likely to prescribe one medicine for another due to similarity in names. The chemists are also trained and they are expected to closely read the names of the medicines in the prescription. If mistake is committed on account of handwritings of the doctors, then for such a mistake similarity in handwriting is not necessary. The Court noted that in practice Schedule H drugs are sold without prescription. In such cases both the customer and the chemist enter into transaction at their own risk. It may be due to these reasons that a number of courts have considered the fact that the drug involved is a Schedule H drug.

This brings us to a core trademark question. Who is the customer in pharmaceutical trade, particularly in Schedule H or Schedule L drugs? Is it the doctor and chemists as mandated in the Drugs Act or the customer who buys the scheduled drug across the counter without prescription at his own risk? The *Cadila* court kept the interest of this customer in view and also observed that doctors and chemists are not infallible. In *Hoffman*, the Court observed that where vendor is a licensed dealer possibility of confusion is reduced. Depending on who is the customer, the approach of the courts may differ.

There is also the issue of giving trademark protection to a common word. The Division Bench of the Delhi High Court in its 2007 decision in *Astrazeneca UK Ltd* held that the prefix Mero signifying meropenem molecule is publici juris and a generic term. No one can have an exclusive right to use Mero as a constituent of a trademark. The Division Bench pointed out that there are several decisions of the Supreme Court and the Delhi High Court (without actually listing them) holding that nobody can claim exclusive right to any word abbreviation or acronym which has become publici juris. This Court had considered the *Cadila* rule and had arrived at its decision.

The Supreme Court held in *Cadila* that public interest would support lesser degree of proof showing confusing similarity in medicinal products as against non medicinal products. Thus the Court treats pharmaceutical trademark as a class to which separate rules apply. But while taking this view, the Court did

not dwell at length on the established practice of pharmaceutical industry to use part of the name of the disease or the molecule or the organ of the body in naming the product. This may create some unintended consequence affecting the public interest which the Court tried to protect. In branding of medicinal products, a part of the name of the drug or ailment or organ of the body is used in the name of the drug to indicate to the doctors and chemists either the component of the medicine or what ailment the medicine is trying to treat. If a particular trader/manufacturer is allowed exclusive use of a part of the name of the drug or ailment, then as per the practice in the pharma trade, physicians are likely to associate with that medicine alone treatment of a disease as other trademarks which do not have such relevance may not be prescribed as they are difficult to remember. This would allow few who own such trademarks to dominate the trade in a particular medicinal product. This would reduce competition in the market. It is a well known fact that trademarks can generate monopolies even after expiry of patents. In the long term this practice may lead to creation of de facto monopolies adversely affecting the price medicines as some or few players would be in a dominant position in the market to have command on the prices.

A stricter trademark law in pharmaceutical industry as a class as stipulated in *Cadila* may have to consider the peculiarities of the industry as such. The last two decades of 20th century saw establishment of a large number of generic pharmaceutical industry in India, bringing stiff competition to the market. Collectively, it seems the industry has evolved certain naming conventions. Any common law proposition that courts may lay down will have to consider existing practices in the trade. Disputes are bound to occur in the industry. Courts may have to adopt principles which take the established practices in the trade into account and lay down principles which resolve the disputes in a predictable manner. The large number of disputes, and the decisions which have gone either way, point to the fact that such predictability is absent as of now. It may be noted that it is not just the generic industry which has approached the courts for settlement of trademark disputes. As the *Cadilla* court has observed, while applying the English decisions, the courts have to keep in mind the difference in situation between England and India.

Both *Cadila* and *Hoffmann* decisions of the Supreme Court are important decisions. It has laid down some

significant trademark principles. Almost half a decade after this decision, a survey of cases indicate that it may be necessary for the Supreme Court to revisit the issues in the interests of predictability in branding of pharma products.

Conclusion

The branding of pharmaceutical products is an area where industry practices, trademark principles and public interest interact. The public interest involves in providing affordable healthcare and in removing confusion from the market place. A survey of the judicial pronouncements shows a complex number of issues are placed before the Court. Though *Cadila* is a seminal decision of the Supreme Court, probably due to the complexity of issues involved, the decisions on pharma brands have not been uniform even after the *Cadila* decision. The Supreme Court may have to look at all the issues comprehensively when an opportunity presents itself to bring in predictability in the market.

References

- 1 Section 2(zb) of the Trademarks Act 1999. The Act defines the word 'mark' in Section 2(m).
- 2 Section 28 deals with rights conferred by registration, Section 29 deals with infringement of registered trademarks,
- 3 The basic principle followed by the courts in a passing off action is set out by Lord Diplock in *Erven Warnink BV v J Townsend and Sons (1979) 2 All ER 927* according to which the modern tort of passing off has five elements: (1) a misrepresentation, (2) made by a trader in the course of trade (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that it is a reasonably foreseeable consequence), (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in qua timet action) will probably do so.
- 4 Amoxicillin is a semi synthetic penicillin, an analogue of ampicillin, with a broad spectrum of bacterial activity against many gram positive and gram negative micro organisms, *Drug Today*, 15(4)(2008)312-318.
- 5 *Anji Reddy v Hoechst Akteingsellschaft 2007 (34) PTC 585 (Mad) (DB)* while holding NOVIGAN is not deceptively similar to NOVALGIN the Court distinguished the *Corn Products* case holding that there cannot be two opinions about the mark GLUCOVITA and GLUVITA and so the ratio of this case was not held applicable.
- 6 In setting forth the proposition that the trademark should not be split and analysed, the Court relied on the English decision in *William Bailey (Birmingham) Ltd's Application (1935) 52 RPC 136* wherein it was held that it was incorrect to take part of the mark and compare it with a part of another.