

(2008) 11 BOM CK 0068

In the Bombay High Court

Case No : Notice of Motion No. 3101 of 2008 in Suit No. 2652 of 2008

Alcon Inc. and Alcon Laboratories (I) Pvt. Ltd.

APPELLANT

Vs

Ajanta Pharma Limited

RESPONDENT

Date of Decision : 17-11-2008

Acts Referred:

Citation : (2009) 39 PTC 489

Hon'ble Judges : A.S. Oka, J

Bench : Single Bench

Advocate : Virag Tulzapurkar, Nishad Nadkarni and Shailendra Bhandare, instructed by DSK Legal, for the Appellant; Janak Dwarkadas and Mahesh Mahadgut, for the Respondent

Judgement

A.S. Oka, J.—I have heard the submissions of the learned Counsel appearing for the parties on 10th November 2008 on the prayer for grant of ad-interim relief.

2. The case of the plaintiffs is that the first plaintiff company belongs to "ALCON GROUP". It is the case of the plaintiffs that Alcon Group is one of the world's leading group of companies carrying on business, inter alia, in the manufacture, marketing, research and development of high quality pharmaceutical preparations including ophthalmic preparations and antibiotic solutions for the treatment of the diseases of the eye. According to the case of the plaintiffs, one of the products of the plaintiffs is an Ophthalmic solution comprising of the basic active ingredient known as "TRAVOPROST" which is sold in several countries under the Trademark "TRAVATAN". The said product is in the form of eye drops which is used for treatment of glaucoma. According to the case of the plaintiffs, since the year 2001, the mark "TRAVATAN" is either registered or applied for registration in the name of first plaintiff in international Class-5 in respect of ophthalmic pharmaceutical preparations in more than 100 countries. According to the case of the plaintiffs, the mark "TRAVATAN" is registered in the name of first plaintiff under registration No. 814839 in Class-5 effective from 17th August 1998 under the Trademarks Act, 1999 and the registration is valid and subsisting

till today.

3. According to the case of the plaintiffs, from 2001 onwards the sales turnover of TRAVATAN Pharmaceutical and Ophthalmic Preparation manufactured and sold internationally by the Alcon Group of Companies exceeds millions of dollars and approximate sale for the year 2007 is US \$ 333,374,764. According to the case of the plaintiffs, TRAVATAN is depicted in websites and in other media. It is stated that for last several years TRAVATAN products have been shipped to India by plaintiff No. 1 as mission shipments for humanitarian purposes. The case of the plaintiffs is that for last many years TRAVATAN has acquired goodwill and reputation and even in India, the TRAVATAN is enjoying enormous goodwill and reputation.

4. According to the case of the plaintiffs, in March 2006, the second plaintiff commenced TRAVATAN pre-launch promotional activities in India and in June 2006, the second plaintiff launched TRAVATAN products in India under the licence from the first plaintiff. The case of the plaintiffs is that the products manufactured by overseas Alcon Group Companies are imported and marketed by the second plaintiff. The case of the plaintiffs is that the second plaintiff's TRAVATAN promotional expenditure exceeds lakhs of rupees and since it's launch in market in India, the sale figure exceeds Rs. 3.00 crores. The contention of the plaintiffs is that the TRAVATAN product is the only Ophthalmic product in the Indian market with the prefix "TRAVA". The case of the plaintiffs is that the product TRAVATAN has become an internationally famous and well known mark and the same came to be associated by the Ophthalmologists, Ophthalmic Surgeons and Specialists, Chemists, Traders, Public and the consumers at large exclusively with the plaintiffs. It is the case of the plaintiffs that they are alone entitled to use the mark TRAVATAN.

5. The case of the plaintiffs is that the first plaintiff is also the proprietor and the first owner of the copyright in the product inserts pertaining to their TRAVATAN product. It is contended that TRAVATAN product insert qualifies as a literary work and the plaintiff No. 1 has the exclusive right to reproduce/use the same or license the use/reproduction of the same. It is contended that the said produce insert is available on the plaintiff No. 1's website "www.alcon.com" atleast since the year 2004 and the same can be downloaded in any part of the world. The case of the plaintiffs is that the alleged copyrights subsisting in the literary work of the TRAVATAN product insert is entitled to protection in India under the Copyrights Act, 1957.

6. The case of the plaintiffs is that they came across infringing ophthalmic products manufactured and sold by the defendant under the mark "TRAVAXO". It is stated that the said product of the defendant contains the same active ingredient as that of the plaintiffs' TRAVATAN product. It is stated that the product of the defendant is sold as eye drops in packaging material/cartons using a similar colour combination of white and green as in the case of the plaintiffs' product. It is contended that the product of the defendant is not as superior as

the quality of the product of the plaintiffs. It is contended that the mark "TRAVAXO" used by the defendant is similar to the "TRAVATAN" mark of the plaintiffs. It is contended that the two marks namely "TRAVATAN" and "TRAVAXO" are visually, phonetically and structurally similar. It is also contended that the prefix "TRAVA" which is copied from the TRAVATAN mark of the plaintiffs, is the dominant feature of the mark "TRAVAXO". It is contended that unauthorised use of the mark "TRAVAXO" by the defendant amounts to infringement of their mark namely "TRAVATAN". The contention is that by manufacturing the product under the mark "TRAVAXO" which resembles with the mark of the plaintiffs "TRAVATAN" and by using the similar colour combination in packing material and product insert which is copied from those of the plaintiffs, the defendant is misrepresenting that it's goods have some connection or nexus with the goods of the plaintiffs, causing damage to the plaintiffs and to the goodwill and reputation of the plaintiffs' business.

7. It is contended that the product inserts contained in the "TRAVAXO" product of the defendant are a reproduction and/or a substantial reproduction of the plaintiff's literary copyright work contained in the TRAVATAN product insert and the same has been copied by the defendant from the plaintiffs' product insert which is a copyright work. It is contended that the defendant has slavishly and flagrantly copied and reproduced the plaintiffs' work in all material aspects, and, therefore, the defendant has infringed the copyright of the first plaintiff in its literary work of TRAVATAN product insert. Therefore, the present suit has been filed by the plaintiffs for various reliefs for preventing the infringement of the trademark, passing off and infringement of copyright.

8. There is a reply filed by the defendant for opposing the prayer for grant of ad-interim relief. It is contended that the product insert enclosed with the product of the plaintiffs was found to be materially and significantly different from the product insert relied upon by the plaintiffs at Exhibit-G to the plaint. Reliance is placed on product of the plaintiffs allegedly purchased by the defendant on 13th September 2008. The said product insert found with the product of the plaintiffs purchased by the defendant has been annexed with the affidavit in reply to the Notice of Motion.

9. It is stated that some where in the year 2007, the defendant decided to introduce in the market a medical preparation meant for treatment of glaucoma, ocular hypertension etc.. It is stated that medicinal preparation planned to be launched by the defendant under the mark "TRAVAXO" contained main ingredient of the drug "TRAVOPROST". It is the case of the defendant that the mark TRAVAXO was coined by the defendant by using "TRAV" from the main ingredient of the drug "TRAVOPROST" and added the letters "AX" between the letters "V" and "O" to make out a pronounceable word. It is contended that the mark TRAVAXO has been derived from the name of the ingredient by using this prefix. It is contended that on 14th November 2007 the defendant filed an application for registration of the mark "TRAVAXO" in Class 5 in respect of medicinal and

pharmaceutical preparations in Class 5 of the fourth schedule of the Trademarks Rules, 1999.

10. It is the contention of the defendant that the product of the defendant is being manufactured by obtaining licenses from the concerned authorities. It is stated that the said drug enjoys immense credit and goodwill within a short span of six months. It is stated that a sum of Rs. 1.37 lakh has been spent by the defendant on promotional activities of the product. It is submitted that the mark of the defendant is phonetically, structurally as well as visually different from that of the plaintiff. It is contended that there are several traders using the trademarks bearing the prefix "TRAV". Reliance is placed on Exhibit-G containing list of manufacturers using the prefix "TRAV". It is contended that it is the usual practice in pharmaceutical industry to derive the name of the drug from the salt or the main ingredient in the drug and accordingly the defendant has derived the prefix of its mark from the ingredient of the product. It is submitted that the packaging and the outer carton of the product of the defendant is completely different from that of the plaintiff. It is submitted that the price of the product of quantity of 2.5 ml. of the defendant is Rs. 230/- whereas the price at which the produce of the plaintiffs is sold is Rs. 622/- per pack for 2.5 ml..

11. It is contended that the product insert of the product of the plaintiffs is completely different from the product insert of the defendant. Reliance was placed on Exhibit-A annexed to the reply of the defendant and the product insert of the defendant. It is contended that the product insert of the defendant has not been copied from the alleged literary copyright work contained in the product insert of the plaintiff. It is contended that the product insert of the defendant was created as a result of independent research and studies carried out by the Research and Development Department. It is submitted that the information given in the product insert of the plaintiffs is available on website and there can be no exclusivity over the said information in any single trader.

12. The learned Senior Counsel appearing for the plaintiffs in support of the prayer for ad-interim relief in the Notice of Motion has taken me through the averments in the plaint and documents annexed to the plaint. He placed reliance on a decision of learned Single Judge of this Court in the case of Wyeth Holdings Corporation and Another Vs. Burnet Pharmaceuticals (Pvt.) Ltd., . It is submitted that this Court has declined to read down the decision of the Apex Court in the case of Cadila Health Care Limited v. Cadila Pharmaceuticals Ltd. 2001 PTC 541 [SC]. It is submitted that as held by the Apex Court in case of Cadila Health Care Ltd. (supra), stricter standards will have to be applied in the present case relating to the infringement and passing of involving a pharmaceutical product. He also placed reliance on a decision of Madras High Court in the case of Brooke Bond India Ltd, Calcutta v. Baaji Tea (India) Pvt. Ltd; Raipur 1993 [13] PTC 40 [Mad].

13. Inviting my attention to the reply filed by the defendant, he submitted that the sales of the defendant of their product from August 2007 to July 2008 are

only to the extent of Rs. 4,38,970/-. It is submitted that the plaintiffs were not aware that there are other manufacturers apart from the defendant using the letters "TRAVO" or "TRA" in their mark. He submitted that as disclosed from the affidavit of the defendant the sale of such products of the other manufacturers are negligible. He submitted that the mark used by the plaintiffs is phonetically similar to the mark "TRAVAXO" used by the defendant.

14. He submitted that the plaintiffs have acquired goodwill and reputation of "TRAVATAN" product. He submitted that the term "TRA" cannot be a public juris as the defendant has applied for registration of its trademark. He submitted that if at all there was any practice in the pharmaceutical industry as pleaded in paragraph 9 of the reply of the defendant, the defendant would not have applied for registration of its mark. He submitted that the plaintiff is claiming copyright on the basis of Exhibit-E which is TRAVATAN product insert of the first plaintiff which is available on the website named in paragraph No. 29 of the plaint. He has tendered across the bar a chart which according to him shows that the defendant has slavishly copied the material part of the said product insert of the plaintiff in its product insert only by deleting certain words and by adding certain words. He, therefore, submitted that a case is made out for grant of ad-interim relief.

15. The learned Senior Counsel appearing for the defendant submitted that even according to the case of the plaintiffs, the product was launched by the plaintiffs in India in or around June 2007. He pointed out that the sales figures reproduced by the plaintiffs in paragraph No. 13 of the plaint are the figures representing the alleged sale made by the plaintiffs internationally and these figures do not relate to the sale of the product in India. He submitted that a vague statement has been made in the plaint that the sale figures of the second plaintiff since launch of the product in India exceeds Rs. 3.00 crores. He submitted that there is nothing on record to show that the product of the plaintiff has any goodwill or reputation in India. He pointed out that according to the plaintiffs the product has been launched in India in June 2006 and the product of the defendant has been launched in India in July 2007. He invited my attention to Exhibit-G to the reply and contended that there are four other products in Indian market the names of which contain prefixes "TRAV". He pointed out that no action has been taken by the plaintiffs against other manufacturers. He submitted that there is no similarity between the mark used by the plaintiffs and the mark used by the defendant. He submitted that there is neither any similarity nor any deceptive similarity. He pointed out that the basic ingredient of the product of the plaintiffs is "TRAVOPROST" and the same is the main ingredient of the defendant. He places reliance on a decision of the Division Bench of the Delhi High Court in the case of Astrazeneca UK Ltd. and Anr. v. ORCHID Chemicals & Pharmaceuticals Ltd. (2007[34] PTC 469 [DB][Del.]). He also placed reliance upon a decision of the Delhi High Court in the case of Schering Corporation and Ors. v. Getwell Life Sciences India Pvt. Ltd. 2008 [37] PTC 487 [Del.]. He relied upon a decision of another learned Single Judge of the Delhi High Court in the case of Dr. Reckeweg

and Co. Gmbh. and Anr. v. Adven Biotech Pvt. Ltd. decided on 1st October 2008. He also invited my attention to certain observations made by the Apex Court in the case of Cadilla Health Care (supra). Lastly, he invited my attention to the decision of the Apex Court in the case of Eastern Book Company and Others Vs. D.B. Modak and Another, .

16. He submitted that the prefix "TRAV" has been used in number of products available in market and the said prefix is derived from the basic ingredient "TRAVOPROST". He submitted that there is no phonetic or deceptive similarity between the two marks. He submitted that the carton used for both the products are completely different and there is a vast price difference in the two products. He submitted that there is no possibility of a consumer getting confused because of the difference between the cartons and the difference in the price. He submitted that the plaintiffs cannot claim any copyright in the product insert of the plaintiffs allegedly available on the website. He, therefore, submitted that no case is made out for grant of any ad-interim relief.

17. I have carefully considered the submissions. It appears that the basic ingredient of the product of the plaintiffs and that of the defendant is TRAVOPROST. The product of both, the plaintiffs and the defendant, is in the nature of eye drops. Both the products contain .004 % of the basic ingredient. The prefix "TRAV" has been used in both the products of the plaintiffs and defendant. The averments made in the plaint show that the first plaintiff launched the product in the year 2001. The word mark "TRAVATAN" is registered in the name of first plaintiff in Class 5 effective from 17th August 1998. The worldwide sales figures of the product of the first plaintiff incorporated in paragraph No. 13 show that there is a substantial sale of the product. The averments made in para No. 26 show that the product was launched by the second plaintiff in the Indian market in June 2006 and according to the plaintiffs, since its launch in Indian market, the sales figure thereof exceeds Rs. 3.00 crores.

18. It will be necessary to refer to the decision of the learned Single Judge of this Court in the case of Wyeth Holdings Corpn. and another (supra). In the said case before the learned Single Judge of this Court the word mark "FOLVITE" in Class 5 in respect of Vitamin B-Complex was registered in the year 1946 and the first plaintiff before this Court were using the same under the registered user agreement of 30th April 1986. The defendant therein had adopted the mark "FOLCACID" for its products which was subsequently changed to "FOLV". The registration of the mark "FOLV" was denied to the defendant by the Registrar of Trademarks. An action was initiated for infringement and passing off. This was a case where the ingredients of both the products were the same. Reliance was placed on various decisions of this Court. This Court observed that the law will have to be appreciated in the light of the decision of the Apex Court in the case of Cadilla Health Care (supra). A submission was made before this Court by the defendant that the observations of the Apex Court in the case of Cadilla Health

Care (supra) must be confined to those cases where competing marks are used in products with different compositions and in support of the said submission, paragraph 25 of the decision in the case of Cadilla Health Care (supra) was relied upon. The said argument was dealt with and negated in paragraph 14A of the said decision of Wyeth Holdings Corpn. and another (supra) which reads thus :

14A. As a matter of principle, it would be inappropriate for the Court to apply a stricter standard only to a particular class of medicinal preparations. If the Court were to do this, it would have to make artificial distinctions from case to case based on whether or not the Court considers that a confusion arising out of the medicinal product in issue may or may not have disastrous effects on health and life. Such an approach is impermissible. An ostensibly innocuous medicinal preparation taken for an affection which is not life threatening may yet result in a serious danger to life and health, where the drug is not manufactured under correct conditions. A consumer who desires to obtain a medicine even for an ordinary ailment is entitled to be sure that the drug that he purchases is of an assured character and quality. A manufacturer builds up a reputation for quality and standards assiduously over a length of time and an established mark assures to the consumer that the medicine which he has purchased is of a requisite quality that is associated with the mark. A less than strict standard cannot be applied on the hypothesis that the ailment which the drug is intended to treat is not life threatening, nor for that matter can the application of a lower standard be justified merely on the ground that the composition of the Plaintiff's product is the same as that of the Defendant and the confusion caused by mistaking one for the other would not result in a danger to health. Undoubtedly, where the competing drugs are meant to cure the same ailment but the compositions are different, mistaking one for the other may result in deleterious consequences. But, merely because the two competing marks are used for drugs with the same composition that would not justify applying a lower standard of scrutiny. For, even in such a case, the public interest lies in protecting the consumer against an unwary purchase of a deceptively similar product. The consumer must be protected against a reasonable possibility of confusion arising out of a deceptively similar mark. The attempt, therefore, to read down Cadila is impermissible.

Thus, what is held by the learned Judge of this Court is that lower standards of scrutiny cannot be applied merely because two competing marks are used in products with the same composition. In paragraph No. 18 of the said decision of Wyeth Holdings Corpn. and another (supra) this Court held as under :

18. The contention of the Defendant is that the mark FOLVITE is a combination of FOL which stands for folic acid and VIT which is an abbreviation for Vitamin. The theory propounded by the Defendant is that the Plaintiffs cannot assert a monopoly over folic acid on the one hand and Vitamin on the other by adding an "e" to an abbreviation of the two words. This argument of the Defendant clearly misses the point and there are several reasons why it cannot be accepted. First

and foremost, the word FOLVITE has absolutely no meaning in the English language. It is an invented word. As the Supreme Court observed in Cadila, it is not right to take a part of a word and compare it with a part of another. Each word must be taken as a whole and compared as a whole with the other : "It is not right to take a portion of the word and say that because that portion of the word differs from the corresponding portion of the word in the other case, there is no sufficient similarity to cause confusion.

This Court proceeded to grant an injunction by holding that the mark "FOLV" adopted by the defendant was similar to the mark of the plaintiff "FOLVITE".

19. Reliance has been placed by the learned Counsel appearing for the defendant on the decision of Delhi High Court in the case of Schering Corporation and others (*supra*) where a different view appears to have been taken from the one taken by this Court in Wyeth Holdings Corporation and another (*supra*).

20. According to the case of the plaintiffs set out in paragraph 26 of the plaint, the sales figures of the second plaintiff since launch of the product in India from June 2006 exceed Rs. 3.00 crores and the sales figure of the said product in the other part of the world from 2001 to 2007 are very high. As compared to this, according to the case of the defendant, the sales figures of its product for a period of one year just exceeds a sum of Rs. 4 lakhs for the period between April 2007 to March 2008.

21. As held by this Court in the aforesaid case of Wyeth Holdings Corp'n. and another, it is not permissible to take a part of a word and compare it with a part of the another. As stated earlier, the prefix "TRAV" appears in the names of both the products. The mark used by the defendant has strong resemblance with the mark used by the plaintiffs. Both the marks have phonetic similarity. The mark used by the plaintiffs has subsisting registration made in the year 1988 and the defendant has applied for the registration of the mark used by it very recently.

22. According to me, the difference in the size of the cartons used for the products makes no difference when there is similarity in the marks adopted by the plaintiffs and the defendant and when the product has the same ingredient.

23. It will be necessary to refer to the chart tendered across the bar by the learned Senior Counsel appearing for the plaintiffs which contains comparison of the product insert of the plaintiffs on the website and the product insert of the defendant. The first part of the product insert under the caption "Mechanism of Action" appears to be word to word same barring to small changes. The second part of the product insert of the plaintiffs is titled "pharmacokinetics" whereas the second caption in the product insert of the defendant has a heading "Pharmacodynamic". The said second heading has three sub headings in both the product inserts by the title "Absorption, Metabolism and Elimination". Barring deletion of a sentence and change of two or three words in the product insert of the defendant, the product insert of the plaintiffs and the product insert of the defendant is virtually identical. There is dissimilarity insofar as reference to the

clinical studies in regard to the product inserts are concerned. Therefore, prima facie, it appears to me that the case of the plaintiffs regarding copying their product insert has been established.

24. In the circumstances, a case is made out for granting ad-interim relief in terms of prayer clauses (a), (b) and (c). There will be ad-interim relief in terms of prayer clauses (a), (b) and (c). The Notice of Motion is made returnable after eight weeks.

25. The learned Counsel appearing for the defendant prays for stay of the operation of this order. The said prayer is opposed by the advocate for the plaintiffs. Considering the fact that the present Notice of Motion is pending for grant of ad-interim relief from August 2008, for a period of two weeks from today, the operation of this order will remain stayed. However, the defendant will maintain account of the sale of its product from today.