

(2007) 02 DEL CK 0002

In the Delhi High Court

Case No : FAO (OS) 445-446 of 2006

Astrazeneca UK Limited and Another

APPELLANT

Vs

Orchid Chemicals and Pharmaceuticals Ltd.

RESPONDENT

Date of Decision : 15-02-2007

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2, Order 39 Rule 4
Trade and Merchandise Marks Act, 1958 — Section 2
Trade Marks Act, 1999 — Section 124, 124(5), 28, 29, 32

Citation : (2007) 1 ILR Delhi 874 : (2007) 34 PTC 469

Hon'ble Judges : Dr. M.K. Sharma, C.J.;Hima Kohli, J

Bench : Division Bench

Advocate : A.M. Singhvi and Anil Sharma, for the Appellant; C.A. Sundaram Daniel, Gladys Daniel, K.V. Mohan, K.V. Balakrishnan and Santhanam, for the Respondent

Final Decision : Dismissed

Judgement

Mukundakam Sharma, C.J.—The appellants/plaintiffs have come up in this appeal being aggrieved by the order dated 16th May, 2006 passed by the learned Single Judge in is Nos. 8078 & 8561/2005 in CS (OS) No. 1421/2005, vacating the interim injunction which was granted on 6th October, 2005 and thereby allowing the application filed by the defendant-respondent under Order XXXIX Rule 4 CPC and dismissing the application filed by the appellants/plaintiffs under Order XXXIX Rules 1 and 2 CPC.

2. The appellants as plaintiffs have filed the aforesaid Suit praying for issuance of permanent injunction restraining the respondents/defendants from using the registered trade mark "Meromer" alleged to be deceptively similar to "Meronem", the trade mark of the appellant/plaintiffs. In the Suit, an application was filed by the appellants/plaintiffs under Order XXXIX Rules 1 & 2 CPC praying for temporary injunction restraining the respondent/defendant from using the aforesaid trademark "Meromer". The learned Single Judge, while issuing

summons in the Suit, entertained the aforesaid application and issued notice thereon. While doing so, on 6th October, 2005, an ad interim injunction was also granted restraining the respondent/defendant from using the trade name "Meromer" which is deceptively similar to "Meronem", the trade name of the appellants/plaintiffs and also from selling, marketing, or in any manner dealing with the pharmaceutical products under the name "Meromer". The respondent/defendant filed an application under Order XXXIX Rule 4 CPC. Both the applications were taken up together by the learned Single Judge and by the impugned order, the ad interim injunction granted earlier was vacated. Consequently he dismissed the application filed under Order XXXIX Rules 1 & 2 CPC with a further direction that the respondent/defendant would maintain accounts of sale of the drug under the trade name "Meromer" which shall be submitted to the Court every half yearly.

3. The present appeal is filed questioning the validity of the aforesaid order on which we have heard the learned Counsel appearing for the parties. The learned Counsel for the parties have drawn our attention to the various documents which are placed on record and also to various judgments of this Court as also of the Supreme court to which reference shall be made at the time of appreciation of the records and while recording our findings thereon.

4. The appellants/plaintiffs alleged that they have become owners of the registered trade name "Meronem" in Class-5 in India by virtue of assignment by Zeneca Limited through a deed of assignment dated 4th January, 2000 and further dated 9th August, 2000. It was also alleged that since 1995-96 the drug under the brand name "Meronem" is being marketed by the appellants/plaintiffs over 89 countries. It was also alleged that by trade mark user agreement effective from 1st March, 2002 between the 1st appellant /plaintiff and 2nd appellant /plaintiff, the first appellant/plaintiff licensed the 2nd appellant/plaintiff the trade mark "Meronem" for use in India.

5. The respondent/defendant launched the drug "Meromer" in India some time in November, 2004 and they were granted registration of the said trade name "Meromer" on the basis of the application for registration filed by it on 2nd August, 2004 in Class-5. The registration certificate is dated 1st December, 2005. Consequently, it was alleged that the said registration of the trade mark, "Meromer" dates back to the date of the application i.e. 2nd August, 2004. It was also pleaded by the respondent/defendant that the registration with respect to the trade name "Meromer" was completed on 30th August, 2005 even prior to the institution of the aforesaid Suit by the appellants/plaintiffs and also that the aforesaid trade name of the respondents/defendants was advertised in the Trade Mark Journal dated 28th February, 2005 and that the time prescribed for opposition to the grant of registration expired on 30th August, 2005 and further that no person including the appellants/plaintiffs filed opposition and, Therefore, the mark "Meromer" was registered on 30th August, 2005 with dating back of the registration to the date of application, which is 2nd August, 2004.

6. It was contended on behalf of the appellants/plaintiffs before the learned Single Judge that the trade name "Meromer" of the respondent/defendant, if compared as a whole with the trade name of the appellants/plaintiffs, it would be clear that both are deceptively similar. It was also submitted that though the registration of the assignment of the trade mark "Meronem" in favor of the first appellant/first plaintiff was pending with the Registrar of Trade Marks, nonetheless the said appellant/plaintiff was entitled to assert its rights as owner of the trade mark in view of the assignment as registration/recordal on the basis of assignment was only evidence of the title and Therefore the first appellant/plaintiff can maintain the action for infringement on the basis of the said assignment of the trade mark and seek injunctive reliefs. It was also argued before the learned Single Judge that the first appellant/plaintiff has filed a rectification application before the Appellate Board for rectification of register to remove the trade mark "Meromer" there from and accordingly, the appellants/plaintiffs filed an application u/s 124((1)(b)(i) of the Trade Marks Act, 1999 before the learned Single Judge for stay of the suit in so far as the infringement action was concerned and further prayed for continuation of the injunction order dated 6th October, 2005 having regard to the provisions of Section 124(5) of the Act and Therefore the injunction order should have been continued.

7. The respondent/defendant however submitted that the appellants/plaintiffs' action for infringement is not maintainable in view of the provisions of Section 29 and Section 32(e) of the Trade Marks Act which provide inter alia that use of a mark by its registered proprietor shall not constitute infringement. It was also submitted that none of the appellants/plaintiffs is the registered proprietor of the mark "Meronem". It was also submitted that the two trademarks are not similar and that there are a number of distinguishing features between the two marks.

8. The learned Single Judge considering all the pleas raised on behalf of the parties and on consideration of the facts and circumstances of the case and both the competing marks held that the two trade marks are phonetically not similar and that both the marks are quite distinct and not similar and that similarity in name is an aberration of their perception. It was also held that if an injunction as sought for is granted by restricting the respondents/defendants from selling, marketing or in any manner dealing with the drug "Meropenem" under the trade name "Meromer", there will be irreparable inconvenience caused to the respondent/defendant whereas the loss of the appellants/plaintiffs if any which is more financial in nature could be safeguarded by directing the respondent/defendant to maintain accounts of sale under the trade name "Meromer".

9. The said findings are vehemently challenged by the appellants/plaintiffs in this appeal. In the light of the aforesaid submissions and refutation of the same by the counsel appearing for the respondent/defendant, we proceed to dispose of this appeal by giving our reasons and findings thereon.

10. The learned Single Judge, in paragraph 18 of his judgment, has extracted the similarities and dis-similarities as culled out from the pleadings of the parties

between the two products of the appellants/plaintiffs and the respondent/defendant in the following manner:

COMPARISON OF APPELLANTS/plaintiffs" AND RESPONDENT/DEFENDANT'S PRODUCTS WHO ARE MARKETING THE SAME DRUG MEROPENEM, BELONGING TO CARBAPENEM GROUP OF ANTIBIOTICS

Sl. No.	APPELLANTS/plaintiffs" PRODUCT	RESPONDENT/DEFENDANT'S PRODUCT
1.	COMPOSITION: -Active ingredient: Meropenem trihydrate equivalent to anhydrous meropenem USP 1 gm/500 mg. Buffering agent: Sodium Carbonate (1 gm formulation contains 90.2 mg of sodium 500 mg formulation contains 45.1 mg of sodium) Shelf life of the product (2 years).	COMPOSITION: -Active ingredient: Meropenem trihydrate equivalent to anhydrous meropenem USP 1 gm/500 mg. Buffering agent: Sodium Carbonate (100 mg formulation contains 82 mg of sodium 500 mg formulation contains 82 mg of sodium) Shelf life of the product (4 years).
2.	COLOUR COMBINATION: The plaintiffs vials are sold in the quantity of 500 mg and 1000 mg/1 gm quantity. The plaintiffs use a colour combination scheme (of reds and blues) in vial labels and the blue in vial caps. -For their 1000 mg vial it is a blue and red -For their 500 mg vial it is colour combination scheme, in red blue combination which blue predominates. -For their 1 gm vial, the plaintiffs use a red and blue colour combination scheme, in which red predominates.	COLOUR COMBINATION: The Defendant vials are also sold in the quantity of 500 mg and 1000 mg/1 gm quantity. The defendant also uses a colour combination scheme (of reds and blues) in vial labels and the blue in vial caps. -For their 1000 mg vial it is a blue and red -For their 500 mg vial it is colour combination scheme, in red blue combination which blue predominates. -For their 1 gm vial, the defendant uses a red and blue colour combination scheme, in which red predominates.
3.	LABEL BACKGROUND: White	LABEL BACKGROUND: White
4.	LABEL CONTENTS PLACEMENT: The label of each vial containing the plaintiffs" product states above the trade mark "meropenem for injection USP" and below the trade mark, "Powder for intravenous injection or infusion Reconstitute before Use".	LABEL CONTENTS PLACEMENT: The label of each vial containing the defendant's product states above the trade mark "meropenem for injection USP" and below the trade mark, "Powder for intravenous injection or infusion Reconstitute before Use".
5.	SHAPE OF VIALS The plaintiff has adopted a shape of The Defendant has also chosen a vial the vials shape, however, it is slightly different.	SHAPE OF VIALS The Defendant has also chosen a vial the vials shape, however, it is slightly different.
6.	plaintiffs" TRADE MARK: plaintiff's mark "MERONEM" The Defendant's Mark is 'MEROMER' The Defendant's Mark is 'MEROMER'	DEFENDANT'S TRADE MARK: The Defendant's Mark is 'MEROMER'

11. The appellants/plaintiffs filed the Suit on 4th October, 2005 on the basis of the registration of trade mark in favor of the appellant/plaintiff No. 1 and prior user of appellants/plaintiffs claiming both infringement and passing off by the respondent/defendant. However, it is established from the records that the respondent/defendant issued an advertisement in the Trade Mark Journal dated 28th February, 2005 in respect of its trade mark "Meromer". Application for registration of the trade mark "Meromer" was filed by the respondent/defendant on 2nd August, 2004 in Class-5 and after the aforesaid advertisement, as no

opposition was filed, the trade mark of the respondent/defendant was allowed and a registration certificate dated 1st December, 2005 was issued. Therefore, on the date when the appellants/plaintiffs filed a Suit i.e. on 4th October, 2005, the application for registration of the trade mark which was filed i.e. on 2nd August, 2004 was pending and upon granting of registration of the aforesaid trade mark it will be deemed that the registration was granted to the respondent/defendant effective from the date of submission of the said application. In the light of the provisions of Section 28 of the Trade Marks Act, 1999 the registration would date back to the date of application and Therefore on the date when the suit was filed it would be deemed that the respondent/defendant had in its favor, the registration of its trade mark "Meromer".

12. There is also a dispute with regard to the registration of trade mark of the plaintiffs/appellants under the trade name "Meronem". An application for rectification was also filed by the appellant-plaintiff No. 1 for removal and rectification of trade mark of the respondent/defendant before the Trade Mark Registry which was later on withdrawn by the appellants/plaintiffs and thereafter an application was filed before the Appellate Board for Intellectual Property for rectification, which is still pending. It is however clear and apparent that the rectification application for registration of the trade mark of the respondent/defendant was filed by the appellant/plaintiff No. 1 after the institution of the present suit. The mere fact of filing of an application for invalidating the trade mark of the respondent/defendant would not automatically and ipso facto translate into a stay of the registration or result in putting of any fetters on the rights of the registered owner of the trade mark, flowing from the registration of the mark.

13. It was however submitted on behalf of the appellants/plaintiffs that in view of provisions of Section 124 of the Act there should have been a stay of the proceedings when the validity of the registration of trade mark is in question. However, in the present case, the provisions of Section 124(i)(b)(ii) would not be applicable. The said provisions are applicable only to an application for rectification which is already pending, in view of which, the suit could be stayed, pending final disposal of such proceeding. The provisions which would be applicable to the facts and circumstances of the present case are those which envisage that where the application for rectification of the order in such proceeding is not pending, then a party seeking rectification applies for rectification, subject to a prima facie satisfaction of the Court regarding invalidity of the registration of the mark of the opposite party. The appellants/plaintiffs Therefore could not have filed an application for rectification without showing, establishing and obtaining prima facie satisfaction of the Court that they have sufficient material to be able to invalidate the registration of the mark of the respondent/defendant. The aforesaid rectification proceeding which is filed is still pending for consideration. Therefore, the learned Single judge was justified in not staying the Suit. In this connection, reference may be made to the provisions of Section 124(5) of the Trade Marks Act, which entitles the Court to deal with

the interlocutory application. Therefore, the submission of the counsel for the appellants/plaintiffs in this regard, is misconceived and cannot be accepted.

14. In order to prove and establish that both the marks namely, "Merone" of the appellants/plaintiff and "Meromer" of the respondent/ defendant are similar, reliance was placed by the counsel for the plaintiffs/appellants on various judgments. It is submitted that both the marks are deceptively similar to each other. Heavy reliance is placed on the decision of the Supreme Court in Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd. reported in 2001 PTC 541 (SC). In fact learned Counsel appearing for the respondent/defendant had also placed reliance on the said decision and Therefore it would be necessary for us to examine the ratio of the aforesaid decision of the Supreme Court.

15. In the said case the Apex Court exhaustively dealt with the subject of passing off of drugs. It was held that when the question of passing off action is to be decided in a case involving medicinal products, the test to be applied to adjudge the violation of the trade mark may not be at par with the case involving non-medicinal products. In the said decision, the following principles were laid down and peculiar features were highlighted:

(i) The drugs have a marked difference in the compositions with completely different side effects, the test should be applied strictly as the possibility of harm resulting from any kind of confusion by the consumer can have unpleasant if not disastrous results. 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 as the plaintiff's medicine but the compositions are different. The confusion is more likely in such cases and the incorrect intake of medicine may even result in loss of life or other serious health problems.

(ii) Although both the drugs are sold under prescription but this fact alone is not sufficient to prevent confusion which is otherwise likely to occur. In view of the varying infrastructure of supervision or physicians and pharmacists of medical profession in our country due to linguistic, urban, semi-urban and rural divide across the country and with high degree of possibility of even accidental negligence, strict measures to prevent any confusion arising from similarity of marks among medicines are required to be taken.

(iii) Trade mark is essentially adopted to advertise one's product and to make it known to the purchaser. It attempts to portray the nature and, if possible, the quality of the product and over a period of time the mark may become popular. It is usually at that stage that other people are tempted to pass off their products as that of the original owner of the mark.

(iv) Public interest would support lesser degree of proof showing confusing similarity in the case of the trade mark in respect of medicinal product as against other non-medicinal products. Drugs are poisons, not sweets. Confusion between medicinal products may, Therefore, be life threatening, not merely inconvenient. Nothing the frailty of human nature and the pressures placed by society on

doctors, there should be as many clear indicators as possible to distinguish two medicinal products from each other. It is not uncommon that in hospital, drugs can be requested verbally and/or under critical/pressure situations. Many patients may be elderly, infirm or illiterate. They may not be in a position to differentiate between the medicine prescribed and bought which is ultimately handed over to them.

(v) While dealing with cases relating to passing off, one of the important tests which was to be applied in each case is whether the misrepresentation made by the defendant is of such a nature as is likely to cause an ordinary consumer to confuse one product or another due to similarity or marks and other surrounding factors. What is likely to cause confusion would vary from case to case.

16. We may also at this stage refer to one very celebrated judgment of the Delhi High Court in *SBL Limited v. Himalaya Drug Company* reported in 1997 (17) PTC 540 wherein a Division Bench of this Court held as under:

25.(3) 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 or ingredient being *publici Jurisdiction* or generic cannot be owned by anyone for use as trade mark.

17. We may also refer to two other decisions of this Court in *Biofarma v. Sanjay Medical Stores* reported in 1997 (17) PTC 355 and *Cadila Laboratories v. Dabur India Limited* reported in 1997 (17) PTC 417. In the aforesaid two decisions, one of us namely, Dr.Mukundakam Sharma, C.J. had the occasion to deal with the trade names "trivedon" and "flaredon" in the first case, and "Mexate" and "Zexate" in the second case. In the said two decisions, this Court reiterated the principles as culled out by the Courts for deciding the question of deceptive similarity, when it was stated in paragraph 10 of the first judgment as follows:

Section 2(d) of the Trade and Merchandise Marks Act 1958, (hereinafter referred to as the Act) defines the word "deceptively similar" as which would be deemed to be deceptively similar to another mark if it so nearly resembles that other mark so as likely to deceive or cause confusion. For deciding the question of deceptive similarity the Courts have laid down the following factors to be considered:

(a) The nature of the marks, i.e. whether the marks are world marks or level marks or composite marks, i.e. both world and level marks.

(b) the degree of resemblance between the marks, phonetically similar and hence similar in idea

(c) the nature of the goods in respect of which they are used to trade marks

(d) the similarity in the nature, character and performance of the goods of the rival traders.

(e) The class of purchasers who are likely to buy the goods bearing the marks they require on education and intelligence and a degree of care they are likely to exercise in purchasing the goods.

(f) the mode of purchasing the goods or placing orders for the goods; and

(g) Any other surrounding circumstances.

18. The decisions which are referred to and relied upon by the counsel for the parties hereto, namely, *Amritdhara Pharmacy Vs. Satyadeo Gupta*, , *Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories*, , *Corn Products Refining Co. Vs. Shangrila Food Products Ltd.*, , *Anglo-French Drug Co. (Eastern) Ltd. Vs. Belco Pharma*, were considered and discussed in the *Biofarma* case (*supra*) while dealing with the two marks "trivedon" and "flaredon". It was held that since the opening syllable of the two competing trade marks in the said case are completely different and distinct and in pharmaceutical trade it is natural to find names of various drugs almost similar to each other or having the same prefix or suffix, the competing words namely, "flaredon" and "trivedon" are dissimilar as the two marks start with distinct dis-similarities so far as the first syllable is concerned. Similarly, in the other decision namely, *Cadila Laboratories v. Dabur India Limited* (*supra*) it was held that there is no possibility of "Mexate" being pronounced and read as "Zexate". It was also laid down that meticulous comparison of words, letter by letter and syllable by syllable, is not necessary and phonetic or visual similarity of the marks must be considered.

19. Admittedly, "Mero", which is common to both the competing marks, is taken by both the appellants/plaintiffs and the respondent/ defendant from the drug "Meropenem", taking the prefix "Mero" which is used as a prefix in both the competing marks. Both the appellants/plaintiffs and the respondent/defendant are marketing the same molecule "Meropenem". Neither the appellants/plaintiffs nor the respondent/defendant can raise any claim for exclusive user of the aforesaid word "Meropenem". Along with the aforesaid generic/common prefix, "Mero", the appellants/plaintiffs have used the syllables "nem", whereas, the respondent/defendant has used the syllable "mer". It is true that the aforesaid words/trade names 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 suffix in the two competing names, distinguishes and differentiates the two products. When they are taken as a whole, the aforesaid two trade marks cannot be said to be either phonetically or visually or in any manner deceptively similar to each other.

20. We are informed that there are a number of such other similar names with the prefix "Mero" which are in the market. They were also taken notice of by the learned Single Judge while dealing with the injunction application. In the decisions of the Supreme Court and this Court also, it has been clearly held 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 or ingredient being publici Jurisdiction or generic cannot be owned by anyone exclusively for use as a trade mark. In the Division Bench decision of this Court in SBL Limited (supra) it was also held that possibility of deception or confusion is reduced practically to nil in view of the fact that the medicine will be sold on medical prescription and by licensed dealers well versed in the field and having knowledge of medicines. It was further held that the two rival marks, "Liv.52" and "LIV-T", contain a common feature, "Liv" which is not only descriptive, but also publici Jurisdiction and that a customer will tend to ignore the common feature and will pay more attention to uncommon features i.e. "52" and "T" and that the two do not have such phonetic similarity so as to make it objectionable.

21. In our considered opinion the facts of the said case are almost similar and squarely applicable to the facts of the present case. "Meropenem" is the molecule which is used for treatment of bacterial infections. In that view of the matter, the abbreviation "Mero" became a generic term, is publici Jurisdiction and it is distinctive in nature. Consequently, the appellants/plaintiffs cannot claim exclusive right to the use of "Mero" as constituent of any trademark. The possibility of deception or confusion is also reduced practically to nil in view of the fact that the medicine is sold only on prescription by dealers. The common feature in both the competing marks i.e. "Mero" is only descriptive and publici Jurisdiction and, Therefore, the customers would tend to ignore the common feature and would pay more attention to the uncommon feature. Even if they are expressed as a whole, the two did not have any phonetic similarity to make it objectionable. There are at least four other registered users of the prefix "Mero" in India whereas the names of 35 companies using "Mero" trademarks, which have been registered or applied for registration, have been furnished in the pleadings. The respondent/defendant advertised its trademark "Meromer" after submitting its application for registration and at that stage, there was no opposition even from the appellants/plaintiffs. The trademark of the respondent/defendant was registered there being no opposition from any quarter, including the appellants/plaintiffs.

22. Consequently, the two names, namely, "Meromer" and "Meronem" are found to be prima facie dissimilar to each other. They are Schedule-H drugs available only on doctor's prescription. The factum that the same are available only on doctor's prescription and not as an over the counter medicine is also relevant and has been rightly taken note of by the learned Single Judge. In our considered opinion, where the marks are distinct and the features are found to be dis-similar, they are not likely to create any confusion. It is also admitted by the parties that there is a difference in the price of the two products. The very fact that the two pharmaceutical products, one of the appellants/plaintiffs and the other of the respondent/defendant, are being sold at different prices itself ensures that there is no possibility of any deception/confusion, particularly in view of the fact that customer who comes with the intention of purchasing the

product of the appellants/plaintiffs would never settle for the product of the respondent/defendant which is priced much lower. It is apparent that the trademarks on the two products, one of the appellants/plaintiffs and the other of the respondent/defendant, are totally dissimilar and different.

23. Consequently, we find no infirmity with the findings arrived at by the learned Single Judge at this stage, which are prima facie in nature. The learned Single Judge was justified in not granting temporary injunction in favor of the appellants/plaintiffs and directing defendant/respondent to maintain accounts of the sale. We, Therefore, dismiss this appeal leaving the parties to bear their own costs.