

(2010) 04 IPAB CK 0003
In the Intellectual Property Appellate Board
Case No : OA/64/08/TM/CH

Grandix Pharmaceuticals Ltd.

APPELLANT

Vs

Aristo Pharmaceuticals Limited And The Deputy Registrar Of
Trade Marks

RESPONDENT

Date of Decision : 20-04-2010

Acts Referred:

Trade Marks Act, 1999 — Section 9, 11, 11(1)(b), 11(2)(a), 11(2)(b), 11(3)(a), 12, 18, 18(1)

Citation : (2010) 04 IPAB CK 0003

Hon'ble Judges : S. Usha, J; Syed Obaidur Rahaman, Technical Member

Bench : Division Bench

Final Decision : Dismissed

Judgement

S. Usha, J

1. Appeal arising out of the order dated 10.07.2007 passed by the Deputy Registrar of Trade marks allowing opposition No. MAS-195717 and

refusing registration of the trade mark "" ACICLOFLEX"" under application No. 1284554 in class 5.

2. The Appellant herein filed an application for registration of the trade mark ""ACICLOFLEX"" under No. 1284554 in class 5 on 13.05.2004 under the

provisions of the Trade Marks Act, 1999 (hereinafter referred to as the Act). The mark was proposed to be used on the date of application. The

application for registration was advertised before acceptance in the Trade Marks Journal No. 1327 Suppl.(3) dated 17.01.2005 at page 749. The first

Respondent filed their notice of opposition to the registration of the trade mark. They had stated that they were carrying on an established business as

manufacturer, merchant and exporter of medicinal, pharmaceutical preparation

and were using the trade mark 'ACECLO along with the word 'ARISTO' since October, 2004 extensively. The first Respondent was the proprietor of the trade marks 'ARISTO ACECLO under No. 1241737 and ARISTO ACECLO PLUS' under No. 1251753 in class 5 and therefore the registration of the impugned mark was prohibited under Sections 11(2) (a) & (b) of the Act. As the rival marks were deceptively similar, the registration of the impugned mark was likely to cause deception and confusion among the public and was prohibited under Section 11 read with Section 12 of the Act. The Appellant's adoption was dishonest and hence cannot claim to be proprietor of the trade mark under Section 18(1) of the Act. The registration of the impugned trade mark ""ACICLOFLEX"" will be in contravention of the provisions of Sections 9,11,12 and 18 of the Act.

3. The Appellant herein filed their counter-statement denying the various averments made in the notice of opposition. They had also stated that they had been using the trade mark 'ACICLOFLEX' continuously since April, 2004.

4. After pleadings were complete, the matter was set down for hearing. Learned Deputy Registrar heard both the sides and passed the impugned order. The rival marks are similar and the goods are of similar description and hence the use of the impugned mark is likely to cause confusion and deception among the public and the objection under Section 11 of the Act was therefore sustainable. The adoption of the impugned trade mark by the Appellant is dishonest and therefore cannot claim proprietary right in the mark as per Section 18(1) of the Act. On overall consideration, the goods being medicinal products, mistake of one for the other would lead to worst consequences and hence the mark is not entitled to registration.

5. Being aggrieved by the said impugned order, the Appellants are before us on appeal. The Appellants are carrying on business of marketing medicinal and pharmaceutical products for several years. The Appellants adopted the trade mark ""ACICLOFLEX"" ever since 01.07.2004 and had been using it continuously without any interruption. The trade mark was coined and adopted since April, 2004. The trade mark has become distinctive of the Appellant among the public. The Appellant had honestly adopted the impugned trade mark by coining the words from the ingredients contained in it. The grounds of appeal are:

a) The impugned order is contrary to law, good conscience, justice and evidence.

- b) The Registrar had wrongly exercised the principles applicable to the facts of the case.
- c) The Registrar failed to appreciate the principles applicable to the facts of the case.
- d) The order suffers from non-application of mind.
- e) The Registrar ought to have considered that the impugned trade mark is distinctive and is capable of distinguishing the product of the applicant and there will be no confusion and deception between the rival marks.
- f) The trade and the public are conscious of the fact that the manufacturers of pharmaceutical goods always use part of the main ingredients as part of the trade mark.
- g) The Registrar ought to have seen that there is no instance of confusion since the year 2004.
- h) The Registrar failed to appreciate the evidence produced by the Appellant for the use since 2004.
- i) The Registrar though has observed that the marks are to be compared as a whole, has erroneously passed the impugned order.
- j) The Deputy Registrar has failed to observe in the order that the Respondent had obtained registration for the mark 'ARISTO ACECLO' and 'ARISTO ACECLO PLUS' and therefore does not have locus standi to claim proprietorship over the mark 'ACICLOFLEX' which is totally different.
- k) The Deputy Registrar ought to have allowed the Appellant's registration and dismissed the Respondent's opposition.
- l) The reasons given by the Deputy Registrar is factually and legally incorrect.

6. The first Respondent filed their counter-statement denying the various allegations made in the appeal. The first Respondent is carrying on business of manufacturing, marketing and exporting medicinal and pharmaceutical preparations under distinctive trade marks. The trade mark 'ARISTO' is their corporate name and house mark. They had adopted the trade mark 'ACECLO' and 'ACECLO PLUS' as early as 2003. The trade marks are registered under Nos. 1241737 and 1251753 respectively. The registration of the impugned trade mark 'ACECLOFEX' which is proposed to be used as on the date of application in the year 2004 will lead to confusion and deception as it is deceptively similar to the first Respondent's registered trade mark.

7. On completion of the pleadings, the matter was heard on 19th March, 2010. Learned Counsel Shri A. Prabhakara Reddy appeared on behalf of the

Appellant and learned Counsel Shri Jacob Kurian appeared on behalf of the first Respondent.

8. Learned Counsel for the Appellant submitted that the impugned trade mark was applied for registration on 13.05.2004 as a proposed to be used

mark. The actual use of the mark was in the year July, 2004 . The first Respondent's use was only from October, 2003. The first Respondent has

obtained registration for the words 'ACECLO ' and 'ACECLO PLUS' along with the word 'ARISTO' and the Respondent has used and obtained

registration of the mark along with the word 'ARISTO'.

9. The first Respondent's objection under Section 9 of the Act was not available as the Appellant's mark was distinctive. The objection under Section

11 of the Act was also not available. The Appellants obtained drug licence in June, 2004 and the first invoice is from July, 2004 whereas the first

Respondent's invoice is from 31.12.2003. 'ACECLO' is part of the ingredient.

10. Learned Counsel for the Appellant relied on various judgments in support of his case.

i. USV Limited and Anr. v. Systopic Laboratories Limited 2004 (1) CTC 418

ii. Cadila Laboratories Ltd. v. Dabur India Limited 1997 PTC (17).

i. Orchid Chemicals and Pharmaceuticals Limited v. United Biotech Pvt. Ltd. 2009 (41) PTC 597 (Mad.) and

ii. Astrazeneca UK Ltd. and Anr. v. Orchid Chemicals & Pharmaceuticals Ltd. 2006 (32) PTC 733 (Del.)

It is a common practice that the drugs are named either by the name of the organ which it treats or by the principal ingredients or the name of the

ailment which enables the doctor to associate a particular trade mark with the organ, ingredient or ailment, thereby reducing the chance of error was

the main contention of learned Counsel for Appellant, for which the above mentioned cases were cited.

11. The learned Counsel for the first Respondent submitted that they were the prior user, adopters and registered proprietors. Rival marks were

similar, goods identical and hence there is every possibility of confusion and deception. The impugned trade mark was prohibited for registration under

the provisions of Section 11(1)(b) as the first Respondent's trade mark was

earlier and the impugned trade mark was similar to the earlier trade mark and the goods were similar. The Appellant had not given any reason for adoption.

12. The registration of the impugned trade mark is barred under Section 11(3) (a) of the Act. The first Respondent is the prior user of the trade mark.

The invoices filed by the Appellant after the date of application will not help the Appellants in any case and as such the provisions of Section 12 of the

Act does not apply. The Appellants are not the proprietors of the trade mark as the first Respondent is the earlier adopter and use of the trade mark

and that the Appellants have copied the first Respondent's trade mark. The counsel further submitted that the invoice at page 263 of the typed set of

documents was the central excise invoice for the goods sent to the Appellant by a third party and it was not a sales invoice. The sales figures

mentioned in the affidavit of evidence in support of the application before the registration is Rs. 72,967 from the year 2004-2005 whereas in the appeal

it is stated to be Rs. 16,00,000 which is totally different.

13. Learned Counsel for the Appellant in rejoinder submitted that the judgment referred to by the first Respondent is irrelevant to the case on hand.

The user claimed by the Appellant is only from the year July, 2004. and not from April, 2004 as stated in the counter-statement before the Registrar as

well as in the appeal grounds as the drug licence has been obtained only in June, 2004.

14. We have heard and considered the arguments of both the counsel and have gone through the documents and pleadings. The mark whether

qualifies for registration under Section 9 of the Act is the first issue to be decided. It is seen that the impugned trade mark on the date of application is

proposed to be used and as such has not acquired distinctiveness. It is the admitted case of the Appellant that they obtained drug licence for the goods

bearing the impugned trade mark 'ACICLOFEX' only in June, 2004 and the user was from the year July, 2004 though averred in the appeal that they

had adopted and started using the mark since April, 2004. The impugned trade mark application was made on 13.05.2004 as a proposed to be used.

The mark is said to have acquired distinctiveness by use, but in the instant case, the trade mark has not acquired distinctiveness and hence does not

qualify for registration under Section 9 of the Act.

15. The next issue is whether the trade marks are deceptively similar and the

use of the marks would cause confusion among the traders and public.

The learned judge of the Bombay High Court in the case of Astra-IDL Limited v. TTK Pharma Limited AIR 1992 Bom 35 held:

In the instant case in deciding whether the word 'Betalong' is deceptively similar to the word 'Betoloc' each of the two words must, therefore, be taken

as a whole. The words are so similar that there is reasonable probability of confusion between the words both from the visual and phonetic point of

view. It is not a matter for microscopic inspection, but to be taken from the general and even casual point of view of a customer walking into a shop.

As observed earlier in the instant case, apart from the syllable ""ng"" in the Defendant's mark, the two marks are identical. Even if proper attention is

paid to the termination of the marks, the likelihood of confusion being caused cannot be ruled out. The mark ""Betoloc"" is too near and so similar to the

mark ""Betalong"" as to make the confusion likely.

16. The Apex Court in the case of Corn Products Refining Co. v. Shangrila Food Products Ltd. AIR 1960 SC 142 while dealing with the trade mark

Gluvita"" and ""Glucovita"" held:

17. It is well known that the question whether the two marks are likely to give rise to confusion or not is a question of first impression. It is for the

Court to decide that question. English cases proceedings on the English way of pronouncing an English word by Englishmen, which it may be stated is

not always the same, may not be of much assistance in our country in deciding questions of phonetic similarity. It cannot be overlooked that the word

is a English word which to the mass of Indian people, is a foreign word. It is well recognised that in deciding a question of similarity between two

marks, the marks have to be considered as a whole.

The Supreme Court in the latest case of Cadila Health Care Ltd. v. Cadila Pharmaceutivals Ltd. AIR 2001 SC 1952 had laid down the following

principle to decide the issue of similarity and confusion:

32. Public interest would support lesser degree of proof showing confusing similarity in the case of trade mark in respect of medicinal products as

against other non-medical products. Drugs are poisons, not sweets. Confusion between medicines may, therefore, be life threatening, not merely

inconvenient. Nothing is frailty of human nature and the pressures placed by society on doctors, there should be as many indicators as possible to

distinguish two medicinal products from each other. It is not uncommon that in hospitals, drugs can be requested verbally and / or under critical

/pressure situations. Many patients may be elderly, infirm or illiterate. They may be not in a position to differentiate between the medicines prescribed

and bought which is ultimately handed over to them. This view finds support from MCarthy on Trade Marks, 3rd edition para 23.12 which reads as

under:

The test of confusing similarity are notified when the goods involved are medicinal products. Confusion of source or product between medicinal

products may produce physically harmful results to purchasers and greater protection is required than in the ordinary case. If the goods involved are

medicinal products each with different effects and designed for even subtly different uses, confusion among the products caused by similar marks

could have disastrous effects. For these reasons, it is proper to require a lesser quantum of proof of confusing similarity for drugs and medicinal

preparations. The same standard has been applied to medicinal products such as surgical sutures and clavicle splint.

17. In the instant case, the rival marks are ""ACICLO"", ""ACICLO PLUS"" and ""ACICLOFLEX"" except the latest four letter ""FLEX"" the marks are

identical. The first letters in the marks do not make any phonetic or visual distinctiveness. As regards the case of passing off, the test is to be seen that

whether the misrepresentations made by the Defendant is of such a nature as is likely to cause confusion to an ordinary consumer from one product

for another due to similarity. In the case of medicinal products a stricter approach has to be adopted. As there will be only economic loss in the case

of non-medicinal products, it may cause disastrous effect on health and to life in some cases. Therefore, in so far as the case of medicinal products is

concerned, strict measures are to be taken to grant registration. Here, the registrar was correct in not granting registration based on the above

principles.

18. The Appellant who is the subsequent adopter and user of the impugned trade mark 'ACICLOFLEX' has not given any reason for the adoption.

The Appellant's admitted case is that they adopted the trade mark in April, 2004 and if at all used it is only from July, 2004 i.e. much after the first

Respondent's use since December, 2003. The Appellant's sales invoice is also

from the year 2005 and not earlier to that even though they claim user since 2004. in such a case we have no hesitation in holding that the Appellants have not proved their case for getting their trade mark registered as proprietor of the trade mark.

19. For the foregoing reasons, in our opinion, the appeal deserves to be dismissed and is therefore dismissed with no order as to costs.