

Delhi HC awards punitive damages for infringement of trademark to Pfizer

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Creating a benchmark that will help to deter companies from using phonetically and deceptively similar trademark, the Delhi HC recently awarded payment of Rs.1 lakh as punitive damages to a subsidiary of Pfizer. This is the first time that punitive damages have been awarded by the Court against Omax Healthcare though no actual damages have been established.

The court also granted an injunction restraining Omax Healthcare from manufacturing, marketing and distributing cough syrup under the mark 'Orex' or any mark deceptively similar to that of the Pfizer's Corex.

A subsidiary of Pfizer which sold Corex, a cough syrup from 1964 has the trademark Corex registered in India under Class 5 vide Trademark No. 213825 since 1963. They had filed a suit for injunction, rendition of accounts and damages against the Omax Healthcare for marketing their cough syrup under the mark 'Orex' being phonetically and deceptively similar to their registered mark being, 'Corex'.

It is a settled law that any party using a mark, visually, phonetically and deceptively similar to that of a registered trademark creating confusion in the minds of the customers, would lead to claims of infringement and passing off. Fraudulent usage of deceptive mark amounts to false misrepresentation to the public. No party is allowed to use marks of competitors with the intention of usurping their goodwill and reputation in the market. Colourable usage of marks is not permissible or enrichment upon the brand value created by others.

Despite statutory requirements, cough syrup being one of the most commonly sold drugs and is readily available without prescription. People possessing average intelligence and staying in villages might not be vigilant enough to check minute details and products sold with visual and phonetic similarity may cause confusion among customers. Quality of all goods is not similar and could adversely affect the reputation of the registered trademark owner.

On the basis of the above reasoning and trademark jurisprudence in India, the Delhi HC granted injunction against the manufacture, sale and distribution of cough syrup of the defendants under the name of 'Orex' or any other name/mark which is phonetically and deceptively similar to the registered mark 'Corex'.

According to Nishith Desai Associates, though no actual damages or profits earned by Omax Healthcare on account of deceptive and phonetic similarity of the mark were proved no actual damages have been awarded. However, in the present case to deter the Companies from using phonetically and deceptively similar trademarks punitive damages have been awarded.

Sources from the industry said, “This move would create deterrence in the minds of users resorting to fraudulent usage or infringing registered marks of established manufacturers and preventing confusion in the minds of customers.”