

IN THE HIGH COURT OF DELHI AT NEW DELHI

Order Reserved on: 03rd March, 2014

Order Pronounced on: 01st July, 2014

CS(OS) No.2373/2013

STIEFEL LABORATORIES, INC & ANR **PLAINTIFFS**

Through: Mr. Sanjeev Sindhvani,
Senior Advocate With Mr.
Manav Kumar, Advocate

versus

AJANTA PHARMA LTD. **DEFENDANT**

Through: Mr. Hemant Singh with
Mr. Shashi Ojha and Mr.
Pranav Narain, Advocates

CORAM:

HON'BLE MR. JUSTICE SANJEEV SACHDEVA

SANJEEV SACHDEVA, J.

IA Nos. 19390/2013 (under Order 39 Rules 1 & 2 CPC) and

IA No. 21074/2013 (under Order 39 Rule 4 CPC)

1. Plaintiffs have filed the present suit for permanent injunction for restraining the Defendant from infringing the trademark of the Plaintiff CLINDOXYL and from manufacturing, advertising and marketing its products

under the deceptively similar marks CLINOXID / CLINOXIDE / CLINOXIDE-A, passing off and damages.

2. Plaintiffs claim to be the members of GlaxoSmithKline group of companies. Plaintiff No. 1 is stated to be engaged in research, development, manufacture, marketing and distribution of a wide range prescription and over-the-counter skin care products of highest quality around the world. In India, Plaintiff No. 1 carries on its business through its subsidiary the Plaintiff No. 2. As per the Plaintiffs, in close association with the subsidiaries and affiliate companies under the GlaxoSmithKline group of companies, the Plaintiffs manufacture and market various dermatology products in India, one of them being CLINDOXYL.
3. As per the Plaintiffs, the trademark CLINDOXYL is an invented word having no dictionary meaning and has the highest degree of distinctiveness. The Plaintiffs claim to have adopted the mark in the year 1994 in United States of America in relation to topical gel for the treatment of acne. The said trademark is stated to be continuously and extensively used since then. The

Plaintiff claims to have commenced the user of mark CLINDOXYL in India in October, 2010, and is stated to be used in India continuously and extensively since then.

4. The Plaintiff claims to have registered the said mark in various countries across the world and in India the Plaintiff No. 1 is the registered proprietor of the mark CLINDOXYL in class 5 since 06.03.2006.
5. As per the Plaintiffs, the products of the Plaintiffs sold under the mark CLINDOXYL are extremely popular and the Plaintiffs have been consistently promoting their medicinal preparations under the CLINDOXYL mark through various media channels both electronic as well as print. The Plaintiffs claim to have incurred substantial expenditure towards establishing their goodwill and reputation. As per the Plaintiffs the worldwide sale figures of the Plaintiffs under the said trademark is in several million dollars and in India in several crores of Rupees. The Plaintiffs have spent several lacs in the promotional expenses of the said mark. Plaintiffs claim to be using a unique trade dress and packaging style for their product.

6. As per the Plaintiff, the Defendant has recently adopted a deceptively similar mark CLINOXID that is confusingly and deceptively similar to the Plaintiffs' registered trademark CLINDOXYL. The trademark adopted by the Defendant is also for an identical product that is skin ointment for treatment for acne.
7. The Plaintiffs claim to have issued cease and desist notice dated 14.08.2012 to the Defendant to cease and desist from using the said mark and to amicably settle the matter. The Defendant is claimed to have replied vide its reply dated 04.09.2012, contending that the rival marks were not deceptively similar, however it offered to amend its mark CLINOXID to CLINOXIDE to distinguish the same from the Plaintiffs' mark CLINDOXYL. The offer of the Defendant was not accepted by the Plaintiffs on the ground that as per them, the said change was merely cosmetic and the mark would continue to remain deceptively similar. As per the Plaintiffs, the Defendant vide its reply dated 26.12.2012 informed the Plaintiffs that it had discontinued the trademark CLINOXID, and would continue its mark CLINOXIDE, which has also been registered.

8. As per the Plaintiffs, the Defendant's marks CLINOXID / CLINOXIDE / CLINOXIDE-A are deceptively and confusingly similar to the Plaintiffs' registered mark CLINDOXYL. The Plaintiffs accordingly filed the present suit for restraining the Defendant from infringing the registered trademark of the Plaintiffs and from passing off their goods as the goods of the Plaintiffs.
9. By order dated 02.12.2013 the Defendant was restrained by way of an ex parte ad interim injunction from marketing, selling, advertising pharmaceutical preparations under the trademark CLINOXID / CLINOXIDE / CLINOXIDE-A or any other mark deceptively similar to the Plaintiffs' trademark.
10. The Defendant by the present application under the Order 39 Rule 4 CPC is seeking vacation of the ex parte ad interim injunction granted in favour of the Plaintiffs.
11. The Defendant has denied the claim of the Plaintiff. The Defendant claims to be a leading Indian pharmaceutical company, whose products and ethical formulations are stated to be developed through advance research and are known for their superior

quality.

12. The Defendant claims to have independently, honestly adopted the trademark CLINOXID by telescoping the prefix CLIN from the generic drug CLINDAMYCIN and suffix OXIDE from the generic drug BENZOYL PEROXIDE. The Defendant claims to have made an application for registration of the trademark CLINOXIDE on or about 19.10.2006. The application of the Defendant was not opposed and the trademark was registered on 27.03.2008. The Defendants claim to have applied for registration of the trademark CLINOXIDE-A in class 05 and the said trademark is also stated to be registered.
13. On 09.06.2009, the Defendant claim to have obtained necessary permission from Food and Drug Administration, Maharashtra, to manufacture and market the aforesaid drug under the trademark CLINOXID, which was a variation of the Defendant's registered mark CLINOXIDE. The Defendant claims that its total sales turnover was over few crores.
14. The Defendant admits having received the cease and desist notice, however, as a goodwill gesture offered to

use the registered trademark CLINOXIDE instead of CLINOXID. The Defendant in the reply contended that it continues to claim the right for user of the said trademark. It is contended that in or about March 2011, the Defendant started using the trademark CLINOXIDE in relation to the similar pharmaceutical products.

15. As per the Defendant, the two marks are visually, phonetically and structurally different and there is no conflict between the two marks. As per the Defendant, the mark of the Plaintiffs is deceptively similar to another trademark INDOXYL. The Defendant further contended that the Plaintiffs are guilty of delay and laches and that the Plaintiffs chose to wait over a year before approaching this court for grant of ad interim relief.
16. As per the Defendant since the mark of the Defendant is also registered, the Plaintiff cannot seek injunction against the Defendant, who is also a registered proprietor of the two marks. As per the Defendant, it is customary in the pharmaceutical trade to coin a trade by telescoping two or more letters of the generic drug name to indicate to the doctors the name of the generic

drug for which the trademark is proposed to be used. As per the Defendant since the trademark is coined by a trader by telescoping two or more letters of the generic drug, the first user cannot claim its exclusive use. It is claimed that when a trademark is formed from the common generic name, no single proprietor can claim absolute monopoly in such name or mark. The Defendant has relied on various other marks registered with the mark CLIN as a prefix. The Defendant further contended that trade dress and packaging between the goods of the Plaintiffs and the Defendant are completely different/dissimilar. As per the Defendant, the turnover of the Defendant is far greater than that of the Plaintiffs’.

17. Learned senior counsel for the Plaintiffs has contended that both the marks are phonetically and visually similar and are for identical product that is skin preparation. As per the Plaintiffs, they adopted the trademark in the year 1994 in United States of America and used the same in India in the year 2010. Learned counsel for the Plaintiffs contended that the goods of the Plaintiffs are available across international borders and as such the Plaintiff is also a reputed company. As per him, the

registration of the trademark in India is on 06.03.2006, even though the physical user is in the year 2010. As compared to the registration of the Defendants trademark, which is in March, 2009 w.e.f. 19.10.2006, as the application was filed then, the Defendants got a drug licence for the purposes of manufacture of the said drugs on 09.06.2009 and has actually put the trademark to use in April, 2012.

18. Learned senior counsel for the Plaintiffs contended that the Plaintiffs were trying to resolve the dispute and settle the matter and as such there was some delay in approaching the court. However, he contended that a mere delay in approaching the Court would not be fatal to the claim of the Plaintiffs and the Plaintiffs cannot be denied the relief of injunction. However, for the determination of damages delay may be a factor, which the court may take into account.
19. Learned senior counsel for the Plaintiffs submitted that the conduct of the Defendant is such that it adopts deceptively similar marks to already established marks. He relied on the list of oppositions cases filed against the Defendant by various entities for having adopted a

deceptively similar mark to their trademarks. He further contended that the settlement talks were without prejudice and the offer of the Defendant to change the mark to CLINOXIDE was never accepted. Learned counsel for the Plaintiff contended that it has been held in the case of CLINIQUE LABORATORIES LLC AND ANR. VS. GUFIC LIMITED AND ANR. 2009 (41) PTC 41(DEL), that suit is maintainable by a registered proprietor against another registered proprietor. He further submitted that as the user of the Plaintiffs is prior to the user of the Defendant, the Plaintiffs are also entitled to the relief of passing off.

20. Learned counsel for the Defendant submitted that the priority in use of the Plaintiff is subsequent to the registration of the mark by the Defendant. He submitted that the marks had been adopted honestly. He further submitted that passing of action cannot lie till the registration in favour of the Defendants is cancelled.
21. Learned counsel for the Defendant submitted that the offer made by the Defendant to change the mark from CLINOXID TO CLINOXIDE was still open.

22. Learned counsel for the Defendant submitted that the use of the Defendant was honest and concurrent. Further that the marks were not deceptively similar. He further submitted that the law is that the generic salt should be ignored while comparing the two marks i.e. if the mark has been coined by telescoping a part of the name of the salt, then that should be ignored while comparing the similarity between the two marks. He submitted that since the mark of the Plaintiffs and that of the Defendant are both coined by telescoping words from the generic salt, they cannot be held to be deceptively similar. Learned counsel for the Defendant further submitted that the Plaintiffs themselves were guilty of adopting the deceptively similar mark to the trademark INDOXYL and objections had been filed to the registration of the trademark of the Plaintiff CLINDOXYL. Learned counsel for the Defendant relied on the judgment in SCHERING CORPORATION & ORS. VS. ALKEM LABORATORIES LTD. 2010 (42) PTC 772 (DEL). (DB).
23. He relied on the judgment in the case of DRUMS FOOD INTERNATIONAL PVT. LTD. VS. EURO ICE CREAM & ANR. 2012 (49) PTC 224 (BOM.) to contend that

application for registration would take precedence over the plea of priority in use.

24. For grant of an ad-interim injunction in a dispute relating to rival trademarks, the Plaintiff has to firstly prima facie establish priority in use to the use of the Defendant and secondly has to prima facie establish commercial continuous user and thirdly deceptive similarity between the rival marks.
25. As per the Plaintiffs the mark CLINDOXYL is not a common dictionary word and was coined by the Plaintiffs and the mark was adopted in the year 1994 and was then put to use in United States of America and was put to use in India in the year 2010. The goods of the Plaintiffs are stated to be available across international borders.
26. The registration of the trademark in India of the Plaintiff is as of 06.03.2006, even though the physical user is stated to be since the year 2010. The Plaintiff has relied upon registrations of the mark CLINDOXYL in various countries since 23 April, 1996 and has filed sample invoices/sale bills since 25.06.2010.

27. On the contra, the Defendant registration of the Defendant's mark CLINOXIDE is as of 19.10.2006 and the first sale bill is of 30.04.2012. no document showing user prior to 30.04.2012 has either been filed or relied upon by the Defendant.
28. On comparison of the documents and the pleadings, it is prima facie found that the registration of the mark of the Plaintiff is dated 06.03.2006 as compared to the Defendant of its mark on 19.10.2006. The first user in India shown by the Plaintiff is of 25.06.2010 and that by the Defendant is of 30.04.2012. The Plaintiffs have claimed user internationally since 1996. The Defendant has not claimed any such user abroad. Even if the Indian user alone were to be taken, then the Plaintiffs are prima facie prior in time both in terms of registration and commercial sale.
29. In the case of **Indian Hotels Company Limited versus Ashwajeet Garg & Others** (CS (OS) 394 of 2012 Order dated 01.05.2014), I had the occasion of considering various judicial pronouncements and culling out the following legal principles for determining the deceptive similarity of marks:

- i. Action for infringement is a statutory remedy conferred on the registered proprietor of a registered trademark.¹
- ii. Registration of trademark gives the proprietor the exclusive right to the use of the trademark in connection with the goods in respect of which it is registered.²
- iii. If the essential features of the trademark of the Plaintiff have been adopted by the Defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets shows marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial.²
- iv. Mere delay in filing of a suit for infringement is not fatal.³
- v. Phonetic similarity constitutes an important index of whether a mark bears a deceptive or misleading similarity to another.⁴
- vi. The Court must consider the usage of words in India, the manner in which a word would be written in Indian languages and the

¹ *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories; AIR 1965 SC 980*

² *American Home Products v. Mac Laboratories; AIR 1986 SC 137*

³ *Tata Oil Mills Co. Ltd. v. Wipro Ltd., AIR 1986 Delhi 345, Midas Hygiene v. Sudhir Bhatia and Ors.; 2004 (28) PTC 121 (SC)*

⁴ *Encore Electronics Ltd. v Anchor Electronics and Electricals Pvt. Ltd. 2007 (35) PTC 714*

similarity of pronunciation if the rival marks are used.⁵

- vii. Resemblance between the two marks must be considered with reference to the ear as well as the eye.⁵
- viii. The rival marks have to be compared as a whole. The two competing marks must be judged both by their look and by their sound. All the surrounding circumstances must be considered.⁷
- ix. Where the similarity between the Plaintiff's and the Defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the Plaintiff's rights are violated.⁶
- x. Competing marks have to be compared keeping in mind an unwary purchaser of average intelligence and imperfect recollection.⁷
- xi. 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 marked differences in the design and get up.

⁵ *K. R. Chinna Krishna Chettiar v. Sri Ambal & Co. and Anr.* AIR 1970 SC 146

⁶ *Kehtav Kumar Aggarwal Versus M/s NIIT Ltd 2013 (199) DLT 242*

⁷ *Amritdhara Pharmacy versus Satyadeo Gupta* AIR 1963 SC 449

- xii. A single actual use with intent to continue such use eo instanti confers a right to such mark as a trademark.⁸
- xiii. The applicant has to establish user of the aforesaid mark prior in point of time than the impugned user by the non-applicant.⁹
- xiv. A suit for infringement is maintainable by a registered proprietor against another registered proprietor.⁹
- xv. While staying the further proceedings pending decision of the registrar on rectification, an interim order including of injunction restraining the use of the registered trademark by the Defendant can be made by the court.¹⁰
- xvi. A trademark shall not be registered if it is identical or similar to an earlier trademark in respect of goods or services covered by the trademark and is likely to cause confusion amongst the public.¹¹
- xvii. Registration of an identical or a similar trademark shall also be refused for goods and services not covered by the earlier

⁸ *Century Traders v. Roshan Lal Duggar Co.*, AIR 1978 (Del) 250

⁹ *Clinique Laboratories LLC and Anr. Versus Gufic Limited and Anr.* 2009 (41) PTC 41(Del), *Siyaram Silk Mills Ltd. v. Shree Siyaram Fab Pvt. Ltd.*, (2012) 2 Mah LJ 49, *The Singer Company Limited & Anr. Versus Ms. Chetan Machine Tools & Ors* ILR (2009) 3 Del 802 : (2009) 159 DLT 135, *Chorion Rights Limited Versus Ishan Apparel*, ILR (2010) 5 Del 481

¹⁰ *Rajnish Aggarwal Versus Anantam* 2010 (43) PTC 442 (Del)

¹¹ *Section 11 of the Trademarks Act, 1999*

trademark if it is shown that the earlier trademark is a well known trademark.¹²

xviii. The mere fact that the Plaintiff has not chosen to take any action against other parties cannot disentitle the Plaintiff from taking the present action¹³

30. A single Judge of this court in the case of CADILA HEALTHCARE LTD VERSUS AUREATE HEALTHCARE PVT. LTD (CS (OS) 123 OF 2011 DATED 30.07.2012) after considering various judicial pronouncements of the Supreme Court of India and various High Courts held that in case, Section 28, 29 and 31 (of the Trademarks Act, 1999) are read together in a meaningful manner, nowhere it mandates that for the purpose of comparison of two rival marks in case of infringement a mark can be broken-up.
31. Relying upon the Judgment in the case of CADILA HEALTHCARE LTD. VERSUS CADILA PHARMACEUTICALS LTD. 2001 (5) SCC 73 it was laid down that in case of pharmaceutical products a stricter test is to be applied. Any confusion qua the drugs being

¹² *Section 11 of the Trademarks Act, 1999*

¹³ *Prakash Roadline Ltd. Vs. Prakash Parcel Service (P) Ltd. 48 (1992) DLT 390 : 1992 (22) DRJ 489*

sold under marks that are deceptively similar is highly prejudicial to public health. It has further been held that in pharmaceutical products, it has been noticed that generally while branding the same, the practice is to show some connection between the product with either of the following three factors: (a) The name of the disease; (b) the part of the chemical name of the bulk drug or parts of two drugs which form the ingredient of the medicine; or (c) the organ for which the product is intended.

32. Dealing with the issue of Anti dissection rule the single Judge in **Cadila Vs Auerate (Supra)** further held as under:

30. There are admittedly two set of decisions passed by many High Courts with regard to anti-dissection rule. In one set of the decisions, it has been held that for the purpose of comparison of two rival marks of the parties, they are to be compared as a whole irrespective of the fact as to whether any part of the mark; prefix or suffix is taken from name of the disease, chemical name and name of the organ. In the second set of the decisions, the view is taken by splitting mark in view of the decisions referred. In some cases, injunctions were granted on the ground that once a mark is

registered if the Defendant's mark is similar, the case of infringement is made out by holding that two rival marks of the parties are to be compared as a whole. In other set of cases, courts did not grant injunctions on the ground that part of the mark is derived from the chemical name, name of the disease and organ for which the product is intended. Thus, where no case of infringement was made out, the Court followed the practice of breaking the marks or their component parts for the purpose of comparison.

33. Various connected issues as well as issues involved in the present case have been dealt with and decided by the Supreme Court in the case of Cadila Healthcare Ltd. (supra) in which issue of seriousness of mis-branded products, issue of drug prescription and law on confusion and deception was set to rest with this judgment.
34. In the case of Cadila (supra), the Apex Court considered a large number of judgments of foreign courts as also the Indian courts and laid down the following principles :
 - (a) Though drugs are sold under prescription, the actual conditions of the society have to be kept in mind.
 - (b) Dispensing of drugs by chemists in urban and rural areas as also the linguistic difference, lead to higher

level of confusion.

- (c) Strict measures to prevent confusion especially in medicinal cases should be taken.
- (d) Public interest supports that a lesser degree of proof is required for a Plaintiff to prove infringement in a pharmaceutical case if the marks are similar especially in medicinal cases.
- (e) Since confusion in drugs and medicines could be life threatening, drugs should be treated as poisons and not sweets.
- (f) In a society like India, doctors are under tremendous pressure and therefore, any confusion at their level should also be avoided.
- (g) Drugs are available on verbal requests even on telephone and therefore, there are higher chances of confusion.
- (h) Under Section 17B of the Drugs and Cosmetics Act, 1940 any drug which is an imitation or resemblance of another drug is in fact a „Spurious Drug“ which even has penal consequences.

35. In the above said matter, a direction was also issued that before a drug is approved by the Drug Controller, the applicant must be

directed to submit an official search report from the Trademark Registry in order to ensure that the drug authority is able to allot the correct brand name to the applicant.

A similar direction as issued in Cadila Healthcare was also issued by this Court in 2003 (26) PTC 200 (Del) Para 19, Bio-Chem Pharmaceutical Industries Vs. Astron Pharmaceuticals & Assistant Registrar of Trademarks which also is a case relating to generic descriptive medicinal brands. In this case, the learned Single Judge of this court issued a direction that even the trademark authority has to call for an official search report from the Drug Controller if a particular trademark relates to medicinal preparations (Para 19 of the judgment). Despite these directions, nothing has been implemented till date.

36. Trend in the Supreme Court Post Cadila

In the post Cadila period, the Supreme Court has taken a same view as taken in the Cadila case while applying the same test in favour of the Plaintiff even where the drugs have been descriptive.

In the judgment of 1999 PTC (19) (DB) 160, Allergan Inc Vs. Milment Oftho the Calcutta High Court Division Bench (Justice Ruma Pal and Justice Devinder Kumar Jain) was considering the case of Ocuflox. Ocu was derived from Ocular and Flox from Ciprofloxacin. Though the

Division Bench judgment of Calcutta High Court was passed prior to Cadila, the court on the basis of trans-border reputation and keeping in view the interest of the public, enjoined the use of Ocuflox.

In Para 36, the court holds :

“To sum up : In the interest of the public there cannot be two medicinal preparations bearing the same name from different sources and with different compositions. One must go.”

The Calcutta High Court issued an injunction against the Defendant. This matter went to the Supreme Court and was decided in 2004 post Cadila.

37. The said judgment was challenged by the Defendant in the Supreme Court, who after hearing both parties dismissed the appeal filed by the Defendants. The judgment was passed in the case of 2004 (28) PTC 585 (SC), Milment Oftho Vs. Allergan Inc. The court noticed in Para 2 that the Defendant claims to coin the word from Ocular and Ciprofloxacin. In Para 7, the Cadila judgment is specifically noticed. In Para 8, the Supreme Court holds that exacting judicial scrutiny is required when a court is dealing with medicinal products. The court also holds that because of lack of competence, Schedule „H“ drugs may still be sold across the counter and confusion and mistakes could arise. The entire opinion in

Cadila is reiterated in Para 9. The Apex Court says that:

“...in present times and particularly in the field of medicines, the courts must also keep in mind the fact that nowadays, the field of medicine is of an international character.... The court must ensure that public interest is in no way imperiled.....”

38. The Supreme Court in the case of 2007 (35) PTC 1 (SC), Dabur Vs. Heinz Italia, it was held that two trademarks were Glucose – D and Glucon – D. Both products contained Glucose power. The learned Single Judge of the Punjab and Haryana High Court had held that word Glucose being generic of the contents, no monopoly can be granted. The learned Single Judge of the High Court had refused to grant the injunction in this case. When this case came to the Supreme Court, the Court in fact reversed it and granted the injunction. The ratio of the Supreme Court contained in Para 11 reiterates Cadila Healthcare while granting the injunction and it was held that both Glucon D and Glucose D are items containing glucose which are phonetically so similar that it can easily confuse a purchaser and small changes in the packaging is merely an attempt to continue to mislead the purchasers and to make it more difficult for the owner to protect their mark.

39. It is also well established law that two rival

marks to be compared as a whole. (See AIR 1960 SC 142, AIR 1963 SC 449 and AIR 1965 SC 980) In the case reported in AIR 1963 SC 449 : PTC (Suppl) (2) 1 (SC), Amritdhara Pharmacy v. Satya Deo Gupta the Apex Court on page 458 and Para 9 has observed as under :

“We agree that the use of the word “dhara” which literally means „current or stream“ is not by itself decisive of the matter. What we have to consider is the overall similarity of the composite word, having regard to the circumstance that the goods bearing the two names are medicinal preparations of the same descriptionA critical comparison of the two names may disclose some points of difference but an unwary purchaser of average intelligence and imperfect recollection would be deceived by the overall similarity of the two names....”(page 458 Para 9).

40. In the case of AIR 1965 SC 980, Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories, it is held that in infringing cases only the rival marks are to be compared by the court if the Defendant's mark is closely, visually and phonetically similar then no further evidence is required, even if get up packaging on the packing of two products in which they are offering their products are

different in an action of infringement, the same is immaterial.

41. The anti-dissection rule which is under these circumstances required to be applied in India is really based upon nature of customer. It has been rightly set out in McCarthy on Trademarks and Unfair Competition about the said rule particularly in Para 23.15 which is reproduced hereunder:

"23.15 Comparing Marks: Differences v. Similarities

[1] The Anti-Dissection Rule

[a] Compare composites as a Whole
Conflicting composite marks are to be compared by looking at them as a whole, rather than breaking the marks up into their component parts for comparison. This is the "anti-dissection" rule. The rationale for the rule is that the commercial impression of a composite trademark on an ordinary prospective buyer is created by the mark as a whole, not by its component parts. However, it is not a violation of the anti-dissection rule to view the component parts of conflicting composite marks as a preliminary step on the way to an ultimate determination of probable customer reaction to the conflicting composites as a whole. Thus,

conflicting marks must be compared in their entireties. A mark should not be dissected or split up into its component parts and each part then compared with corresponding parts of the conflicting mark to determine the likelihood of confusion. It is the impression that the mark as a whole creates on the average reasonably prudent buyer and not the parts thereof, that is important. As the Supreme Court observed: "The commercial impression of a trademark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety." The anti-dissection rule is based upon a common sense observation of customer behavior: the typical shopper does not retain all of the individual details of a composite mark in his or her mind, but retains only an overall, general impression created by the composite as a whole. It is the overall impression created by the mark from the ordinary shopper's cursory observation in the marketplace that will or will not lead to a likelihood of confusion, not the impression created from a meticulous comparison as expressed in carefully weighed analysis in legal briefs. In litigation over the alleged similarity of marks, the owner will emphasize the

similarities and the alleged infringer will emphasize the differences. The point is that the two marks should not be examined with a microscope to find the differences, for this is not the way the average purchaser views the marks. To the average buyer, the points of similarity are more important than minor points of difference. A court should not engage in "technical gymnastics" in an attempt to find some minor differences between conflicting marks. However, where there are both similarities and differences in the marks, there must be weighed against one another to see which predominate.

The rationale of the anti-dissection rule is based upon this assumption: "An average purchaser does not retain all the details of a mark, but rather the mental impression of the mark creates in its totality. It has been held to be a violation of the anti-dissection rule to focus upon the "prominent" feature of a mark and decide likely confusion solely upon that feature, ignoring all other elements of the mark. Similarly, it is improper to find that one portion of a composite mark has no trademark significance, leading to a direct comparison between only that which remains."

42. In the recent judgment given by the Division Bench of this Court comprising A.K. Sikri, Hon'ble Acting Chief Justice and Rajiv Sahai Endlaw, J. in the case of United Biotech (P) Ltd. (supra) in which law pertaining to anti-dissection rule as well as the test of deceptively similarity have been dealt with in great detail. The Division Bench has also laid down the rules of comparison in Para 32 of the judgment. Two rival trademarks in the matter decided by the Division Bench were ORZID and FORZID and it was held that two trademarks are visually and phonetically similar and would cause deception in the minds of the consumer in relation to medicine. The relevant paras of this judgment read as under:

“30. The law on this aspect, where the Courts are called upon to consider the deceptive similarity between the two marks is firmly engraved in a series of judgments pronounced by the Courts in the last half century or more. Many are cited by the learned counsel for the appellant, note whereof is taken above. Judgment of Supreme Court in the case of Cadila Health Care Limited (supra), which deals with pharmaceutical preparations, is a milestone on law relating to drugs. Application of the principles laid down in this judgment can be found in scores of subsequent judgments of this

Court and other High Courts. The position which emerges from the reading of all these judgments can be summarized in the following manner:

In such case, the central issue is as to whether the Defendant's activities or proposed activities amount to a misrepresentation which is likely to injure the business or goodwill of the Plaintiff and cause damage to his business or goodwill. To extend this use to answer this, focus has to be on the aspect as to whether the Defendant is making some representation in course of trade to prospective customers which is calculated to injure the business or goodwill of the Plaintiff thereby causing damage to him. In the process, difference between the confusion and deception is to be understood. This difference was explained by Lord Denning in "Difference: Confusion & Deception" in the following words:

"Looking to the natural meaning of the words, I would make two observations: first, the offending mark must „so nearly resemble“ the registered mark as to be „likely“ to deceive or cause confusion. It is not necessary that it should be intended to deceive or intended to cause confusion. You do not have to look

into the mind of the user to see what he intended. It is its probable effect on ordinary people which you have to consider. No doubt if you find that he did intend to deceive or cause confusion, you will give him credit for success in his intentions. You will not hesitate to hold that his use of it is likely to deceive or cause confusion. But if he had no such intention, and was completely honest, then you will look carefully to see whether it is likely to deceive or cause confusion before you find him guilty of infringement.

Secondly, „to deceive“ is one thing. To „cause confusion“ is another. The difference is this: when you deceive a man, you tell him a lie. You make a false representation to him & thereby cause him to believe a thing to be true which is false. You may not do it knowingly, or intentionally, but you still do it, & so you deceive him. But you may cause confusion without telling him a lie at all, & without making any false representation to him. You may indeed tell him the truth, the whole truth & nothing but the truth, but still you may cause confusion in his mind, not by any fault of yours, but because he has not the knowledge or ability to distinguish it from the other pieces of truth known

to him or because he may not even take the trouble to do so.”

43. While examining the question of misrepresentation or deception, comparison has to be made between the two trademarks as a whole. Rules of Comparison was explained by Justice Parker in the following words:

“You must take the two words. You must judge of them, both by their look & by their sound. You must consider the goods to which they are to be applied. You must consider the nature & kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trademarks is used in a normal way as a trademark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be confusion- that is to say, not necessarily that one man will be injured & the other will gain illicit benefit, but that there will be confusion in the mind of the public which will lead to confusion in the goods- then you may refuse the registration, or rather you must refuse the registration in that case.”

44. Following Rules of Comparison can be culled out from various pronouncements of the Courts from time to time. I. Meticulous Comparison not the correct way. II. Mark must be compared as a whole. III. First Impression. IV. Prima Facie view not conclusive. V. Structural Resemblance. VI. Similarity in Idea to be considered.
45. In this process, first, Plaintiff is required to prove the following: (i) The business consists of, or includes selling a class of goods to which the particular trade name applies; (ii) That the class of goods is clearly defined & is distinguished in the public mind from other goods; (iii) Because of the reputation of the goods, there is goodwill in the name; (iv) The Plaintiff is a member of the class selling the goods is the owner of goodwill which is of substantial value; (v) He has suffered or is likely to suffer damage.
46. While comparing the few marks in order to see as to whether there is likelihood of confusion or not, following words of wisdom of the Supreme Court in Laxmikant V. Patel Vs. Chetanbhai Shah and Another, (2002) 3 SCC 65 also need to be kept in mind:

“10. A person may sell his goods or deliver his services such as in case of a profession under a trading name or style. With the lapse of time such business or services associated with a person acquire a reputation or goodwill which becomes a property which is protected by courts. A competitor initiating sale of goods or services in the same name or by imitating that name results in injury to the business of one who has the property in that name. The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that the goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.”

47. We would like to quote from the following passage from the book “The

Modern Law of Trademarks” authored by Christopher Morcom, Butterworths 1999, which finds approval by the Supreme Court in Ramdev Food Products Ltd. (supra): “The concept of distinguishing goods or services of the proprietor from those of others was to be found in the requirements for a mark to be registrable. Essentially, whatever the wording used, a trademark or a service mark was an indication which enabled the goods or services from a particular source to be identified and thus distinguished from goods or services from other sources. In adopting a definition of 'trademark' which simply describes the function in terms of capability of 'distinguishing the goods or services of one undertaking from those of other undertakings' the new law is really saying precisely the same thing.”

48. The perusal of the judgment of the learned Single Judge would further demonstrate that “Anti-dissection Rule” is discussed and applied holding that such a dissection is generally not permissible and can be applied only in exceptional cases. After taking note of the law on subject, the dissection of marks as suggested by the appellant is termed as „artificial one“. We would do nothing but to extract the said discussion from the impugned order as

we are in agreement with the same:

“23. No fault can also be found with the approach of the IPAB in comparing the two competing marks as a whole. That is in fact the rule and the dissection of a mark is an exception which is generally not permitted. The anti-dissection rule is based upon a common sense observation of customer behaviour as explained in McCarthy on Trademarks and Unfair Competition [J Thomas McCarthy, IV Ed., Clark Boardman Callaghan 2007] under the sub-heading “Comparing Marks: Differences and Similarities”. The treatise further states:

“23.15 The typical shopper does not retain all of the individual details of a composite mark in his or her mind, but retains only an overall, general impression created by the composite as a whole. It is the overall impression created by the mark from the ordinary shopper’s cursory observation in the marketplace that will or will not lead to a likelihood of confusion, not the impression created from a meticulous

comparison as expressed in carefully weighed analysis in legal briefs.”

“In litigation over the alleged similarity of marks, the owner will emphasize the similarities and the alleged infringer will emphasize the differences. The point is that the two marks should not be examined with a microscope to find the differences, for this is not the way the average purchaser views the marks. To the average buyer, the points of similarity are the more important than minor points of difference. A court should not engage “technical gymnastics” in an attempt to find some minor differences between conflicting marks. However, where there are both similarities and differences in the marks, there must be weighed against one another to see which predominate.”

.....

49. Hon’ble Division Bench of this Court in the case of United Biotech (P) Ltd. (supra) after referring to various decisions including the decision referred by the Defendant’s counsel has followed the,anti-dissection rule“ as set out in McCarthy on Trademarks and Unfair Competition which was not

applied in the cases referred by the Defendant. In fact the said law had been applied in India for the last five decisions by Hon'ble Supreme Court in three judgments delivered by the Supreme Court in the cases reported in Corn Products Refining (supra), Amritdhara Pharmacy (supra) and Kaviraj Pandit Durga Dutt Sharma (supra).

45. Of course, there is restriction imposed to any trader in the decisions referred to above not to use the entire generic or part of component exclusively which may have been taken from the name of the disease, part of chemical name of bulk drug which form the ingredient of the medicine. But, apparently a party is not entitled to add the word along with that either prefix or suffix thereof in the manner which may create confusion and deception when the two rival marks of the parties are compared as a whole. By creating and designing the mark in this fashion to create confusion and deception by the adoption and use of the same would not be considered as bonafide.

33. Applying the principles of law as laid down by the various judgments referred to above, it is clear that the rival marks have to be considered as a whole and they cannot be dissected to find out similarities or dissimilarities.

34. The rival marks are CLINDOXYL of the Plaintiffs on

the one side and CLINOXID, CLINOXIDE AND CLINOXIDE – A of the Defendant on the other. Applying the principles as enumerated above there is no iota of doubt that the rival marks are deceptively similar and are likely to cause confusion in the minds of the unwary purchaser. The medicines are not prescription drugs and are available and sold across the counter and are sold to consumers for acne treatment. The purchasers are not likely to be consumers who are well versed with the chemical compositions of the medicinal preparations. Consumers are likely to order the medicine verbally and over telephone and there is great likelihood of confusion.

35. In view of the principles as enumerated above, the argument of the Defendant that it has adopted the mark by telescoping the prefix CLIN from the generic drug CLINDAMYCIN and suffix OXIDE from the generic drug BENZOYL PEROXIDE does not hold much water. Even as per the Defendant's understanding, marks adopted by telescoping letters from generic drugs are capable of acquiring distinctiveness and are capable of being used and registered as trademarks. The Defendant has itself applied for and obtained

registration of its mark, which it claims to have adopted by telescoping letters from generic drugs. Further the court has to be very cautious in dealing with medicinal products. If rival deceptively similar marks are permitted to stay in the market in respect of pharmaceutical products, there is likelihood of grave injury to the public. Where greater public interest is involved, the commercial rights of parties are to become subservient. If there is any likelihood of confusion in the two competing marks that have been applied to pharmaceutical products, the deceptively similar mark that had entered the market later in time has to go.

36. Prima facie the marks of the Defendant had entered the market later in point of time than the mark of the Plaintiffs. The marks are deceptively similar.
37. There is no merit in the submission of the Defendant that there are other marks registered with the prefix CLIN as the Defendants have not placed on record any material to show that the said marks with the prefix CLIN are even available in the market. No material about user or samples of the products have been

produced. Even otherwise as held hereinabove, the rival marks are to be compared as a whole and not to be dissected for the purposes of comparison.

38. The argument of the Defendant that there is delay in approaching the court is also not sustainable as the Defendant has prima facie come into the market in April, 2012 and the present suit has been filed in November 2013. There is no inordinate delay. The Plaintiff had issued a cease and desist notice and the Defendant had even proposed to change its mark. The delay if any is duly explained. The delay is not fatal to the case of the Plaintiff for grant of an ad interim injunction. Even otherwise where public interest is involved, the rival commercial interests are subservient and the court is to take a liberal approach as the interests of the consumers is to be protected.
39. In view of the above, the Plaintiff has established a strong prima facie case for grant of an ad-interim injunction, the balance of convenience is in favour of the Plaintiff and in case the injunction is not granted, the Plaintiff shall suffer an irreparable loss and injury. The ex-party ad-interim injunction dated 02.12.2013 is

confirmed. The Defendant is restrained from manufacturing, selling or advertising pharmaceutical preparations under the trademark CLINOXID, CLINOXIDE or CLINOXIDE – A or any other mark deceptively similar to the Plaintiffs' trademark CLINDOXYL during the pendency of the suit. The application of the Plaintiff under Order 39 Rules 1 & 2 is allowed and the application of the Defendant under Order 39 Rule 4 is dismissed.

40. Nothing stated herein shall amount to an expression of opinion on the merits of the case of either party and the same shall have no bearing on the merits of the main Suit to be decided after trial.
41. List the matter for directions before the roster bench on 23rd July, 2014.

SANJEEV SACHDEVA, J

July 01, 2014
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