

\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **IAs 16701/2011 (O.39 R.1 & 2 CPC) & 485/2012 (O.39 R.4 CPC)  
in CS(OS) 2596/2011**

% Reserved on: 11<sup>th</sup> September, 2013  
Decided on: 2<sup>nd</sup> December, 2013

**SUN PHARMACEUTICAL INDUSTRIES LIMITED**

..... Plaintiff

Through Mr. Sachin Gupta, Mr. Shashi Ojha,  
Advs.

versus

**ANGLO-FRENCH DRUGS AND INDUSTRIES LIMITED & ANR**

..... Defendant

Through Ms. Rajeshwari H, Mr. Hariharan, Ms.  
Urvashi Singh, Advs.

**Coram:**

**HON'BLE MS. JUSTICE MUKTA GUPTA**

1. By IA 16701/2011 under Order XXXIX Rule 1&2 CPC the plaintiff had sought ex-parte ad interim injunction against the defendant which was granted and thus it seeks the confirmation thereof till the disposal of the suit whereas by I.A No. 485/2012 under Order XXXIX Rule 4 CPC the defendant seeks vacation of the interim order dated 18<sup>th</sup> October, 2011 passed by this Court.

2. A brief exposition of the facts is that the plaintiff is a pharmaceutical company incorporated under the Companies Act, 1956 which markets drugs and formulations in India and over 30 countries in the world under wide range of distinctive trademarks/ brand names for the last several years. The

plaintiff had an annual turnover of Rs. 4000 crores for the year 2007-08 in the manufacturing of specialty pharmaceuticals and active pharmaceutical ingredients. One of the medicinal preparations marketed by the plaintiff is Oxcarbazepine, an anticonvulsant and mood stabilizing drugs used in the treatment of epilepsy and bipolar disorder under the trade mark OXETOL. The plaintiff has been preparing and marketing this drug extensively and commercially since October 2001. The plaintiff's trademark OXETOL was registered in India in Class 5 under registration No. 1013231 on 31<sup>st</sup> May, 2011 and No. 1232899 on 5<sup>th</sup> September, 2003. The annual sales figure of the medicine under the trademark OXETOL is Rs. 31.28 crores and approximately Rs. 4.98 crores was spent on promotion and advertisement of this drug during the year 2010-11. The defendant No.1 adopted the trademark EXITOL which the plaintiff came to know when the defendant No. 1's trademark application No. 1910625 dated 19<sup>th</sup> January, 2010, on proposed to be used basis, was published in the Trade Mark Journal No. 1455 dated 25<sup>th</sup> October, 2010. The plaintiff sent legal notice to the defendant No.1 calling it to withdraw the impugned trademark application, however the defendant No.1 did not give any reply, the plaintiff filed its notice of opposition before the Registrar of Trade Marks. It is further stated that the medicine under the impugned trademark EXITOL is not available in any of the medicinal trade journals and/or markets. The defendant No.1 through its counsel sent an e-mail dated 12<sup>th</sup> May, 2011 to the plaintiff offering to give an undertaking that they would confine to use of the mark EXITOL to granules and syrups containing Lactitol Monohydrate for treatment of constipation only and not extend the use of the mark to any other pharmaceutical product. The plaintiff wrote to the defendant's counsel

seeking monetary compensation proposing grant of regulating license for compensation/ license fee which was declined by the defendant's counsel. It is the case of the plaintiff that the impugned trademark EXITOL of the defendant is almost identical to the plaintiff's trademark OXETOL and thus the same amounts to infringement and the act of the defendant constitutes an unfair competition as the defendants are using the trademark deceptively similar to the trademark of the plaintiff and thus taking advantage of the financial and human resources invested by the plaintiff since 2001 without incorporating any cost themselves.

3. The case of defendant No.1 is that the defendant No.1 honestly adopted the mark EXITOL for treatment of constipation since it contains the salt namely Lactitol. The product is sold in syrup and granule form and there is difference in the mark of the plaintiff and that of the defendant. The 1<sup>st</sup> defendant not only monitors the making of the products but also monitors the finished products including the marketing of them. The 1<sup>st</sup> defendant's products enjoy great reputation and goodwill in the market.

4. Learned counsel for the plaintiff contends that the plaintiff is a registered proprietor of the trademark OXETOL and under Section 28 of the Trade Marks Act, 1999 is entitled to the exclusive right to use the same for medicinal preparations which include all forms of drugs. The mark of the defendant EXITOL being deceptively similar, constitutes infringement under Section 29(1) of the Trade Marks Act. The impugned trademark EXITOL is deceptively similar on account of its "overall, structural and phonetic similarity", when compared as a whole and when examined from point of view of a man of "average intelligence" and "imperfect recollection" as held

in *Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical AIR 1965 SC 980*; *Amritdhara Pharmacy Vs. Satyadeo Gupta AIR 1963 SC 449*; *Corn products Vs. Shangrilla AIR 1960 SC 142* and *Cadila Health Care Ltd. Vs. Cadila Pharma Ltd. AIR 2001 SC 1952*. The contention of the defendant No.1 is that no Neurologist would prescribe defendant's medicine for the treatment of epilepsy is misconceived. The distinction that one medicine is sold in tablet form and the other in the form of syrup or granule is irrelevant. Secondly, the confusion about the source, i.e. one being the variant of the other originating from the same source also amounts to infringement. Relying upon *Novartis AG Vs. Crest Pharma Pvt. Ltd. 2009 (41) PTC 51* it is submitted that even if the competing drugs are prescribed for different diseases and used in different forms, however still the same can amount to passing off if the two trademarks are deceptively similar and injunction should be granted in such circumstances. Referring *Franco Indian Vs. Unichem Laboratories 2005 (30) PTC 131 (Bom)* it is contended that once the Court comes to the conclusion that there are phonetic and visual similarity between the two marks, the Court cannot decline to grant injunction only because they are sold in different forms, their wrappers are different and that they are prescribed for two different ailments. Hence the interim injunction granted be confirmed.

5. Learned counsel for the defendants on the other hand contends that the plaintiff's medicine under the trademark OXETOL is used as anti-convulsant, mood stabilizing drug for epilepsy, bipolar disorders, neurological disorders etc. OXETOL is derived from 'Oxcarbazepine' the generic name of the drug. It is sold as capsules or tablets in blister packs, a

schedule H drug sold only on prescription. Defendant's drug under the trademark EXITOL is a hospital administered laxative. This is also a Schedule H drug sold on prescription only. The plaintiff's have never sold nor sells laxatives, has no presence in the laxatives business at all. The defendant's have invented the mark and honestly adopted the same. The word 'EXI' is derived from 'exit' for constipation and 'TOL' is derived from the generic name of the drug lactitol. EXITOL is thus an invented word and not a dictionary word. It is a common practice in pharma field to coin the name of the product from the name of generic drug or from target ailment or organ. Thus, it cannot be said that the defendants have dishonestly adopted the mark EXITOL. Reliance is placed on *Kalindi Medicure Pvt. Ltd. Vs. Intas Pharmaceuticals Ltd. and Anr. 2007 (34) PTC 18 (Del)*. Further there are major differences between the mark of the plaintiff and the defendants, such as the name of the product, word structure, active ingredient, product form, packaging, artwork/ graphics, visual impression, disease condition, prescribing doctor, purchasing public, consuming public and the price. Since the plaintiff was conscious of the fact that there was no confusion, it agreed to offer the defendant to restrict its use for mark EXITOL only for laxatives, however the proposal fizzled out due to the demand of compensation. The two trademarks are not identical and no presumption of confusion attaches for an action of passing off. Reliance is placed on *Ruston Hornsby Ltd. Vs. Jamindra Engineering Co. AIR 1970 SC 1649*. While granting injunction distinction between infringement and passing off has to be kept in mind. [ See *Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical AIR 1965 SC 980*]. Once the therapeutic indications are different, there can be no confusion and consequently no injunction.

Reliance is placed on *Sun Pharmaceuticals Vs. West Coast Pharmaceuticals* 2002 GLR 1743 and *Mount Mettur Pharmaceuticals Vs. Ortha Pharma* AIR 1975 Mad 74. When the suffix is same, it is a feature common to the trade, then prefix or the opening stem has to be considered. [ See *Astrazeneca UK Ltd. & Anr. Vs. Orchid Chemicals & Pharmaceuticals Ltd.* 2007 (34) PTC 469 Delhi (DB); *Apex Laboratories Ltd. Vs. Zuventus Health Care Ltd.*, 2006 (33) PTC 492 Mad (DB)]. Since the defendant is not using the mark for similar or identical goods, no injunction is liable to be granted. Further a number of drugs with TOL or OXI/OXE co-exist in market for epliptic disorders for which no action has been taken by the plaintiff and thus it cannot impugne the defendants' trademark. Since both the drugs are Schedule H drugs which are sold on Doctor's prescription, there can be no confusion. Further OXETOL can be purchased only with a written prescription of a Neurologist. Thus no mistake can be committed by a chemist because the form of presentation is different, the opening syllable are different and active ingredients are different. Further the plaintiff has filed the suit belatedly as the mark of the defendant was adopted in January 2010 and the drug license was issued in February 2010, the mark was published in October 2010 and marketed since June 2010. However, the present suit has been filed in October, 2011. The balance of convenience also does not lie in favour of the plaintiff. Hence, ad interim injunction be vacated.

6. The differences between the mark of the plaintiff and of defendant are as follows:

<b>S.No.</b>	<b>Factor</b>	<b>Plaintiff's product</b>	<b>Defendant's product</b>
1	Name	OXETOL (derived from oxcarbazepine)	EXITOL (derived from EXI- and -TOL)
2	Word structure	OXE ----TOL	EXI----TOL
3	Active ingredient	Oxcarbazepine	Lactitol
4	Product form	Capsules, tablets in blister pack	Syrup or granules
5	Packaging	Blister pack/ strip of tablets	Bottle or sachets
6	Artwork/ graphics	Man with brain and related graphics	Prominent diagram of intestine and related graphics
7	Scheme and Trade dress	White background with an orange script and use of colour brown	Yellow and white colour scheme with EXITOL written in blue distinctive script.
8	Disease condition	Anti-convulsant, for mood stabilizing, for treating epilepsy, bipolar disorders, neurological disorders	Hospital administered laxative
9	Prescribing doctor	Neurologist	Physician at hospital
10	Purchasing public	Patient/ accompanying guardian after being prescribed the product;  Nurse at hospital (if patient admitted)	Mostly Nurse at hospital as patient admitted;  By patient, if recommended by doctor
11	Consuming public	Neuro-patients	Any patient admitted to hospital with some illness
12	Price	Price of OXETOL 600 (10 tablets per strip) – Rs. 138/-	Price of 250 ml syrup bottle of Exitol – Rs. 210/-

13	Price	Price of OXETOL 300 (10 tablets per strip)- Rs. 66/-	Price Exitol Sachet of 15g.- Rs. 29.50/-
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7. The legal principles for deciding the question of deceptive similarity have been culled out by the Supreme Court in *Cadila Health Care Ltd.* (*supra*) stating that the following factors are required to be considered:

“35. Broadly stated in an action for passing off on the basis of unregistered trademark generally for deciding the question of deceptive similarity the following factors to be considered:

- a) The nature of the marks i.e. whether the marks are words marks or label marks or composite marks, i.e. both words and label works.
- 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 as trademarks.
- 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 their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.
- f) The mode of purchasing the goods or placing orders for the goods and
- g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

Weightage to be given to each of the aforesaid factors depends upon facts of each case and the same weightage cannot be given to each factor in every case.”



8. In *Cadila Health Care* (supra) the Supreme Court laid down the rule of caution that 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 for supervision of physicians and pharmacist 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 mark among medicines are required to be taken. The rule enunciated by Judge Helen in *Cole Chemical Company Co. Vs. Cole Laboratories D.C.Mo. 1954, 118F, Supp. 612, 616, 617, 101, USPQ 44, 47, 48* was noted wherein it was laid down that prevention of confusion and mistakes in medicines is too vital to be trifled with. In *Cadila Health Care* (supra) it was further held:

“32. Public interest would support lesser degree of proof showing confusing similarity in the case of trademark 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. Noting 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 hospitals, 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. This view finds support from McCarthy on Trade Marks. 3<sup>rd</sup> Edition para 23.12 of which reads as under:

“The tests of confusing similarity are modified 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 medical products such as surgical sutures and clavicle splints.”

9. A Division Bench of this Court in *Schering Corporation and others v. Alkem Laboratories Ltd.*, 2010 (42) PTC 772 (Del) held –

103. As we have already noticed, the present is an action for infringement under Section 29 of the Act and not an action for passing off. In any event, on consideration of the various factors set out by the Supreme Court, as aforesaid, to us it is clear that keeping in view the nature of the marks-which are word marks; the lack of resemblance between the marks-phonetic or otherwise; the fact that the word fragment 'TEMO' is publici juris for the generic term TEMOZOLOMIDE, which is the active ingredient in the appellants drugs and the use of 'TEMO' is, therefore, descriptive; the fact that the appellants cannot appropriate to themselves the exclusive use of a generic term which is publici juris and descriptive; the fact that the drugs in question are Schedule-H drugs and that there are vast price differences, we are of the view that the injunction earlier granted in favour of the appellants in the two cases have rightly been vacated by the learned Single Judge.

104. xx	xx	xx	xx
105. xx	xx	xx	xx
106. xx	xx	xx	xx
107. xx	xx	xx	xx
108. xx	xx	xx	xx

109. The packaging in which the products of the appellants, namely, 'TEMODAL' is marketed and the products of the respondents' ALKEM and GETWELL are marketed, have been placed on record. 'TEMODAL' is marketed in 20 mg tablets, each bottle containing 5 tablets. On the other hand 'TEMOKEM' is marketed in an aluminum strip of five tablets and the potency of the tablets is 100 mg. There is absolutely no similarity in the getup of the packaging adopted by the appellants and the respondents. Similarly, 'TEMOGET' is sold in an aluminum strip of five capsules of either 20 mg or 250 mg. The colour of the capsules of the appellants is green for the 5 mg capsule, brown for the 20 mg capsule, blue for the 100 mg capsule and black for the 250 mg capsule. The product of the respondent GETWELL is sold in capsules of 20 mg of blue colour, 100 mg in white colour and 250 mg in green colour. Therefore, there is no similarity in the getup of either the packaging or the product itself.

110. In our view, the factors that the products of the respondent contain the warning "To be supplied against demand from cancer hospitals, institutions and against a prescription of a cancer patient only" and the huge price difference (about 600%) in the product of the appellants on the one hand, and the respondents on the other hand, are extremely germane considerations to rule out the possibility of any confusion or deception in the minds of the purchasers of the drugs in question.

111. The drugs of the respondents can be bought only against prescriptions from cancer hospitals, institutions and cancer specialists and not otherwise. The appellants have not produced any credible material to show actual confusion or that their product is, in any way, superior to that of the respondents which could be relied upon at this stage of the proceedings.

112. The aforesaid trademarks cannot be deciphered or considered separately i.e. by fragmenting them, but must be taken as a whole. But even if they are taken as a whole, the prefix TEMO used with suffix KEM and GET in the two

competing names distinguish and differentiate the products of the appellants from those of the two respondents. When they are taken as a whole, the aforesaid two trademarks of the two respondents cannot be said to be either phonetically or visually or in any manner deceptively similar to the trademarks of the appellants i.e. TEMODAL and TEMODAR.

113. The common feature in the competing marks i.e. TEMO is only descriptive and publici juris 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 do not have any phonetic similarity to make them objectionable.

114. Consequently, we find no infirmity with the findings arrived at by the learned Single Judge at this stage. The learned Single Judge was justified in not continuing the temporary injunction in favour of the appellants/plaintiffs. We, therefore, dismiss these appeals but with no orders as to costs. However, we direct the respondents Alkem and Getwell in the two appeals to maintain detailed accounts of the sales of their respective drugs 'TEMOKEM' and 'TEMOGET' and to regularly file half yearly statements in the suit, till the disposal of the suit. It goes without saying that any observation made by us on the merits of the cases of either party is only tentative, and the learned Single Judge shall decide all issues arising in the suit without being influenced one way or another by our said findings.”

10. In *Astrazeneca UK Ltd. and another v. Orchid Chemicals and Pharmaceuticals Ltd.*, 2007 (34) PTC 469 (Del) it was held-

“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 'Merolem' 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.”

11. Thus, it is aptly laid down that despite the fact that the drugs are sold on the basis of prescription, both the drugs being Schedule H drugs, whether confusion can arise or not has to be tested on the basis of various factors laid down in *Cadila Health Care*. In the present case, the two trademarks are OXETOL and EXITOL. Undoubtedly, the word TOL is prefixed by word EXI by the defendants. The active ingredients of the two products are different; as the plaintiff's product has Oxcarbazepine and that of the defendant lactitol. The product of the plaintiff is available in capsule and tablets and that of the defendants is available in syrups or granules. Further, the packaging of both the products shows different word and graphics. The plaintiff's product shows that a man with brain has been created whereas in the case of defendant's product diagram of intestine has been reproduced. Thus, the visual impression of both the products is different. Further, the two drugs are used for totally different purposes; as OXETOL is used as an anti-convulsant for mood stabilizing whereas EXITOL is used as a laxative. The plaintiff had in fact agreed and permitted the defendant to confine the use of trademark EXITOL for the laxatives, however the settlement failed as the plaintiff demanded compensation. This being the position it is thus the admitted case of the plaintiff that it is not deceived/ harmed by the trademark EXITOL used by the defendant as a laxative. The adoption of the trademark EXITOL by the defendant cannot be said to be dishonest. It is common knowledge that the medicinal preparations are named after the chemical composition, or the disease they cure, or the organ with which they are related. The strip of tablet of the plaintiff and the sachets/bottle of the

defendant show totally different pictures, graphics, etc. Further, the defendant's product EXITOL can be administered only to patients admitted in the hospital and thus it has to be prescribed by trained doctors and administered by trained nurses.

12. Undoubtedly, while deciding the question of infringement this court has to bear in mind that the claim for infringement of the plaintiff is based on its statutory right unlike a case of passing off. While dealing with the trademarks ACICAL and ACUCAL with regard to drugs in *Sun pharmaceutical Industries Ltd. Vs. West Coast Pharmaceuticals Works Ltd. & Anr. AIR 2012 Gujarat 142* the High Court noted that the user of the two drugs was different, even the relevant material and ingredients were different, the chemical composition was different and so were the mode of taking it, one being a chewable tablet while the other a gulpable tablet. Applying the principal laid down in *Cadila Health Care* it was held that prima facie there was no such similarity in both the drugs ACUCAL and ACICAL so that the same may cause confusion in the mind of the chemist or the consumer. In *Ranbaxy Laboratories Ltd. Vs. Intas Pharmaceuticals Ltd. & Ors. 2011 (47) PTC 433 (Del.)* it was held that if a drug is ordered by hospital, there is no reasonable likelihood that NIFTAS would be passed off as NIFTRAN since the nurses and doctors in the hospital are always in a position to distinguish the drugs not only on account of difference in the name but also on account of packaging, price of the drugs and the form in which they are sold. In *Kalindi Medicure Pvt. Ltd. Vs. Intas Pharmaceuticals Ltd. & Anr. 2007 (34) PTC 18 (Del)* this Court noted that physicians are also not immune from confusion and mistake, however one

product was sold as pill while the other product was sold as intra-muscular injection with huge difference in price. That being the position, the balance of convenience was in favour of the defendant and hence the interim injunction was vacated in case wherein the two drugs were named as LOPRIN and LOPARIN.

13. Considering the legal position and the facts noted, above the interim injunction granted to the plaintiff vide order dated 18<sup>th</sup> October, 2011 is vacated. Consequently, I.A No. 16701/2011 is dismissed and I.A No. 485/2012 is allowed.

**(MUKTA GUPTA)**  
**JUDGE**

**DECEMBER 02, 2013**  
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