

Trade marks in the Pharma Sector – A Ready Reckoner

Defining a Trade mark

Trade mark is a mark which is a visual symbol, sign, a word, collection of words, combination of colours or any form of graphic representation which is used to distinguish goods or services of one from the other. It is a sign or a combination of signs that distinguish one person's goods or services from the other. It traces the source or the ownership of goods or services.

The Legislation Intellect

The first legislation in India on trade marks is The Trade marks Act, 1940. This law was later replaced by The Trade and Merchandise Act, 1958. In order to keep its obligations under the Trade Related Intellectual Property Rights or otherwise called TRIPS, the Government of India amended The Trade and Merchandise Act so as to bring the Indian Trade mark law in compliance with TRIPS. Trade marks Act, 1999, was passed and it came into force in 2003. Therefore, The Trade marks Act, 1999, and the Rules framed thereunder The Trade mark Rules, 2002, together operate in application of Trade mark law.

Definition under the Trade mark law. Section 2 (1) (m) defines 'Mark' and Section 2 (1) (zb) of Trade marks Act, 1999, defines 'Trade mark' as:

(m) "mark" includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof.

(zb) "trade mark" means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours; and

- (i) in relation to Chapter XII (other than section 107), a registered trade mark or mark used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right as proprietor to use the mark, and
- (ii) in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so to indicate to a connection in the course of trade between the goods or services, as the case may be, and some person having the right, either as proprietor or by way of permitted user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark or collective mark.

The Inevitability of Registrations

Registration of a trade mark is not compulsory but registration confers the right to sue for infringement. It protects the owner of the trade mark to protect the use of such mark against the deceptive or similar marks of competitors. Registration of a trade mark is on a first to file basis where there is no requirement of evidence for prior use in trade or commerce. An application for the registration of a trade mark can be made on intent to use or its actual use in trade or commerce. Trade mark registration gives exclusive proprietary rights to the trade marks rights holder and protects the trade mark from its competitors. An unregistered trade mark is also protected under the Trade marks Act and the rights holder of such unregistered mark can maintain an action of passing off against a third party which has infringed such trade mark.

The trade mark classification list laid down in the fourth schedule of The Trade mark Rules, 2002, contains 45 classes out of which 11 are associated with services and 34 are related to goods and products. The initial registration of a trade mark is valid for a period of ten years from the date of registration and can be subsequently renewed on expiry.

Good to Know

It is important that the trade marks should be distinctive and not confusing. A trade mark should not be similar to an existing trade mark. It should also not cover similar goods or services. Evocative or suggestive signs are considered weak but can be generally registered.

They contain elements that give them a fanciful nature to some degree. As regards the trade marks for pharmaceutical specialities or for generic names, a medicinal product or speciality or chemical element the same needs to be distinguished by a trade mark or by a fancy name and the same cannot be confusingly similar to the generic name or chemical name and should not misrepresent regarding the therapeutic properties or the nature of the proprietary speciality or such medicinal product.

Infringement and Passing Off under Trade marks Act

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of;

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark or,

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark, or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which-

(a) is identical with or similar to the registered trade mark, and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered, and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name is his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he;

(a) affixes it to goods or the packaging thereof,

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark.

(c) imports or exports goods under the mark, or

(d) uses the registered trade mark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorized by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising;

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters, or

(b) is detrimental to its distinctive character, or

(c) is against the reputation of the trade mark

(9) Where the distinctive elements of a registered trade mark consists of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.

Section 29 of The Trade marks Act, 1999, deals with Infringement of Trade marks. In order to establish an Infringement, a registered owner needs to just establish that there has been a deception as to source and quality of goods and owing to such deception a loss has occurred. In such a case, the burden of proof is on the plaintiff who alleges that his mark has been infringed. It is well settled position in law that the plaintiff has a responsibility to establish that there is a deception and such deception led the user to make a decision to purchase such deceptively similar goods. The Courts are of the view that the confusion must be seen from the context of a general rational consumer who is neither careful nor careless and has an imperfect memory and is unable to distinguish between goods which are similar or deceptively similar.

Section 2 (1) (h) defines 'Deceptively Similar' as:

deceptively similar", - A mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion.

The Hon'ble Supreme Court has held in *S.M.Dychem Ltd. v/s Cadbury India Ltd.* (AIR 2000 SC 2114) that it is the duty of the plaintiff to establish that the essential features of trade mark have been infringed and the burden to prove it is on the plaintiff who alleges infringement that such infringement has occurred on account of deception.

Section 27 of The Trade marks Act deals with Passing off. It is used commonly to enforce an unregistered trade mark. The action of passing off prevents one from passing off goods of another as one's own.

No action for infringement of unregistered trade mark

(1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark.

(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof.

While in the case of infringement proving similarity in mark and deception on such account is enough, in the case of passing off, it must be proved that the use of trade mark is likely to deceive and cause confusion.

If confusion is caused in the mind of the consumer due to deceptively similar goods on account of either the ownership, source or the quality, then there can be an issue of Passing off. The owner of an unregistered mark can sue under the common law for such passing off if there is an infringement on account of such deception.

Under The Trade marks Act, "Use" does not necessarily mean the physical presence of the goods. The word has acquired a broad meaning. The use and presence of the trade mark through the medium of internet wherein the mark has been published in international journals and magazines which are circulated online in India is also considered as 'use' in India. It can be said that the first landmark ruling is the case of *N.R.Dongre and others vs. Whirlpool corporation* and another 1996 (2) ARBLR 488', wherein the Court held that the trade marks right holder can maintain a passing off action against an infringer on the basis of cross border reputation of trade marks and the actual presence or use of the Trade mark in India is not necessary.

The Hon'ble Supreme Court of India in the case of *Milmet Oftho Industries and Others v/s Allergan* 1999 PTC (19) DB 160 has confirmed the order of injunction restraining Milmet from using the Trade mark 'Ocuflox' and observed that the mere fact that the respondents were using the mark in India is irrelevant if Allergan is the first in the world market. The Court applied the principle of trans-border reputation of trade marks keeping in view the public interest. The interim order was not vacated even though Allergan neither made any use of the mark 'Ocuflox' in India nor was such trade mark registered in India. The Hon'ble Bench observed that "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 Court applied the test of likelihood of confusion and laid down that there was a risk of confusion. It applied the principle of doctrine of prominent and essential feature of the trade mark.

The Court observed that the defendants mark contained the essential feature of the plaintiffs' mark which was combined with other matter and in such a case it must consider the broad and essential features of the two marks to come to the conclusion whether one mark is deceptively similar to the other. The Court was of the view that they should not be placed side by side to find out if there are differences but rather similarity has to be judged as a whole. The Court also opined that the overall impression of the public should also be considered for arriving at the conclusion. The Court also applied the anti-dissection rule and observed that conflicting composites must be compared by looking at them as a whole rather than breaking the marks into their component parts for comparison. The rationale of this rule is that impression of a trade mark on a normal buyer is created by trade mark as a whole and not just by its parts.

Pharma Trade mark Infringement and Passing Off

In the pharma industry, there is a special cause which differentiates the effects of infringement and passing off from other sectors and industries. That special cause or feature is "Health" of the user. Any misrepresentation and deception in a mark can lead the user to make a wrong decision and it may have adverse effect on the health of the user with hazardous results.

In a country like India where there is large illiteracy and public health is a priority, there cannot be any scope for deception in pharma related issues as any confusion can cause immense harm to the user. As drugs are available easily over the counter without any prescription, a simple confusion can alter the purchasing decision of the user and may result in unwanted, harmful effect thus impacting the health of the user. Confusion can be caused due to several factors like similar sounding names or colour of the medicine or due to phonetic similarity or due to similar packaging or pattern of the container or box or the material used in packaging the product.

In pharma industry it is a general trade practice to use the generic or chemical element in drug name for its use as a mark by circumventing the bar imposed under Section 13 which is extracted below:

The Exception of Names of Chemical Elements or International Non-proprietary Names

No word –

(a) which is the commonly used and accepted name of any single chemical element or any single chemical compound (as distinguished from a mixture) in respect of a chemical substance or preparation, or

(b) which is declared by the World Health Organization and notified in the prescribed manner by the Registrar from time to time, as an international non – proprietary name or which is deceptively similar to such name.

Shall be registered as a trade mark and any such registration shall be deemed for the purpose of section 57 to be an entry made in the register without sufficient cause or an entry wrongly remaining on the register, as the circumstances may require.

Therefore, Section 13 of The Trade marks Act prohibits the registration of 'generic' and 'chemical' names as trade marks. The pharmaceutical companies usually name the drugs as per the chemical entity which is the principal chemical component of the drug or the ailment which the drug is targeting or the disease it is trying to cure. As Section 13 bars generic and chemical names from registration as trade marks, the Pharma companies usually circumvent the same by including some part of the chemical name as the Trade name or trade mark of the product.

The Hon'ble Supreme Court has emphatically laid down the need for stricter standards in matters related to infringement of trade marks in respect of pharmaceutical products. In *Cadila Healthcare Ltd. v/s Cadila Pharmaceutical Ltd*, 2001 (5) SCC 73 the Hon'ble Court observed that the confusion in drugs could be life threatening and drugs should be treated as poison since any confusion in medicinal products can have harmful consequences on the purchasers of such medicinal products.

In *Rajkumar vs. Abbott Healthcare Pvt. Ltd.* case, 2014 (60) PTC 51, the Hon'ble Appellate Bench of the Delhi Court held that trade mark 'AMAFORTEN' was deceptively similar to Abbots "ANAFORTAN" as both the trade marks were being used for the drug 'Camlylofin Di HydroChloride' and the colour of the Strips was golden. The trade marks were visually, phonetically and deceptively similar. The same was further compounded by the fact that the competing goods were pharmaceutical preparations and the class of the goods and the trade channels were the same. The trade mark 'AMAFORTEN' was registered in favour of the defendant. This was an additional factor in the case. The Hon'ble Court after considering all the facts mentioned above concluded that there was deception and therefore, there was an Infringement of trade mark.

Applying the rationale in the *Cadila* case laid down by the Hon'ble Supreme Court, in the case pertaining to *Sun Pharmaceuticals v/s Anglo French and Drugs Industries Ltd*, in the OXETOL and EXITOL trade marks issue, the Appellate Bench of the High Court of Delhi ruled that trade marks must be seen as a whole and not just by the words used OXETOL and EXITOL. In this case, the Hon'ble bench meant that the trade marks as presented to people dealing with the aforesaid products being the patients, doctors, nurses and the chemists should also be considered along with the two words OXETOL and EXITOL. While EXITOL was used for treatment of epilepsy, OXETOL was used for treatment of constipation. The two products were in different forms and for treatment of different diseases. The visual representations and the graphic representations were therefore held to be deceptively not similar so as to resemble each other and therefore, not likely to cause any confusion. While the Court came to a different conclusion in the *Sun Pharmaceuticals* case as the two products were in different forms. One was in syrup form and the other in the tablets form. There was no confusion as the visual and phonetic representations were found to be dissimilar.

The question of 'Possibility' and 'Probability' of confusion was considered in the case of *Wyeth Holdings Corporation and another v/s Sun pharmaceuticals Industries Ltd.* (2004 (28) PTC 423). In this case, two similar trade mark names 'PACITANE' and 'PARKITANE' were considered which were used for treating Parkinson's disease. The Court held that the customers and the trade channels were the same. There was an adoption of the plaintiff's mark by the defendant and the defendants were not honest. There was no acquiescence of the mark by the plaintiffs and that there was a 'Possibility' of confusion rather than 'Probability'. As the balance of convenience was in favour of the plaintiffs, the Court granted Injunction in favour of the plaintiffs.

Also in another case, *Hoechst Aktiengesellschaft v/s Artee Minerals and another* 2004 (28) PTC 470 IPAB, the Bench considered the marks 'ARELON' and 'ATREELON'. The Hon'ble Court held that there was a probability of confusion even though it was only difference of letters and have refused registration on that ground.

The Concept of Colour as a Mark

In India, colour marks are not easily registrable. The Trade marks Act does not expressly prohibit registration of single colour marks but establishing distinctiveness in single colour is not easy unless the colour by long association with a particular mark has come to represent the source or origin of the product whose unique distinctiveness enables easy identification of the product from other

products in the like class of goods. Astra Zeneca sued Dr. Reddy's before a Delaware Court in the US against the purple colour of the Astra Zeneca's antacid pill Nexium being sold by Dr. Reddy's in the US. Astra Zeneca alleged that the shade of purple used was similar to the shade of the original pills effectively infringing on their trade marks for the purple pills. The Court granted a temporary injunction in favour of Astra Zeneca.

The House of Lords in *Smith Kline and French Laboratories Ltd v/s Sterling Wintorp Group Ltd.* case recognized the external appearance of the capsule as a colour mark. The appellant sought to register colour combinations as trade marks for pharmaceutical substances sold in pellet form in capsules. The capsules were made in two halves, one being coloured and the other colourless. It had a transparent cover revealing the pellets each of which was of one or more colours including white. Registration was applied for the whole external appearance of the goods. The Court held that nothing was excluded in the definition of trade mark of a mark which covers the whole of visible surface of the goods nor was there any evidence of the business purpose to be served by thus restricting the definition.

In *Colgate Palmolive Company v/s Anchor Health and Beauty Care Ltd.* 2003 DLT 51, 2003 (27) PTC 478, the Delhi High Court acknowledged that even a single Colour may be registered as a mark. In the *Cipla Ltd v/s M.K. Pharmaceuticals* case 2008 (36) PTC 166 Del, the Court took a diametrically opposite view that monopoly over colours cannot be claimed. On the question of colour marks for pharmaceuticals, the Court stated "The medicines are not bought for colours by the customers. There are thousands of tablets available with the chemists for different ailments. No one goes to a chemist and asks for red, blue, orange, peach or white colour of the tablets. All medicines are purchased on the advice of doctors and they are sold on prescription. Even those tablets available without prescription, are known by their names. The distinctiveness of the medicines is in the name and not in the Colour or Shape".

Phonetic Similarity

The Indian Courts have dealt with a number of cases on the issue of infringement in the visual or graphic similarity matters. The phonetic similarity is another important issue that was dealt by the Indian Courts as it was a very important factor that was likely to result in infringement. Phonetic similarity sometimes misleads a person to come to a different conclusion. In a country with large illiterate population, phonetic similarity in trade marks is a very important issue as the common man with average intelligence and an imperfect memory is likely to make a wrong decision owing to phonetic similarity on account of deception and confusion caused.

The user is likely to recognize the medicines primarily by looking at the trade dress and colour of packaging. The Courts are therefore very strict in matters relating to such issues which involve marks of drugs as they directly pertain to the health of an individual and has repercussions on the patient's health as well as the public health. In pharma industry phonetic similarity is thus an important area of interest. The issue of phonetic similarity was dealt with in *Amritdhara Pharmacy v/s Satyadeo Gupta* case (AIR 1963 SC 449). The Hon'ble Supreme Court held that the issue of infringement must be considered from the common man's point of view who has average intelligence and imperfect memory for whom such phonetic similarity is likely to cause deception and confusion between 'Amritdhara' and 'Lakshmandhara', though they were not similar sounding names. The Court felt that the latter mark was deceptively similar to the former mark.

In the Case of *Pfizer Ireland Pharmaceuticals v/s Intas Pharmaceuticals* and another 2004 (28) PTC 456, the IPAB considered the marks 'LIPITOR' and 'LIPICOR'. It held that the popular and bestselling Pfizer's drug was manufactured and sold by the defendants at low cost. The Bench assumed that

there was no research cost incurred by the defendant and therefore, were selling at a cheap price. The Court restrained the defendants and others from manufacturing and selling the drug as it assumed that the plaintiffs will be in India as their registration application is still pending in India. Balance of convenience was also in favour of the plaintiffs. The Court granted injunction in their favour.

In the case of Ranbaxy Laboratories v/s Anand Prasad and 4 others (2008 (28) PTC 438 IPAB), the Intellectual Property Appellate Board held that in the marks 'Forwin' and 'Ostwin', though the prefixes were different, the suffix 'Win' was common and that was likely to cause deception and confusion. In Win Medicare Pvt. Ltd. v/s Galpha Laboratories Ltd. and others 2016 (65) PTC 506, in the marks concerning 'Betadine' and 'Bectadine-M', the Delhi High Court held that the trade dress and colour of packaging were similar. The defendants knowingly adopted a deceptively similar mark and the injunction was allowed on the ground of 'likelihood of confusion'. The Court held that there was a risk of confusion.

The issues of infringement and passing off are very important in the pharma industry as they concern the health and life of an individual. The Courts are stringent and uphold public welfare and public health to be of prime importance.

In a Nutshell

As trade marks are being increasingly used by the pharmaceutical industry for naming the medicinal preparations either on the basis of the ingredients of the product or on the basis of the diseases they cure and the organ to which they relate to or a fancy name connected to the product, the mandate laid down in the Trade marks Act have to be carefully considered. Before naming the medicinal preparation, one should ensure that none of the provisions of section 13 of The Trade marks Act, 1999 are being infringed so that the product can have an appropriate trade mark signifying its source. Passing off needs should not be faced by the manufacturer/seller in order to save time, energy and money that may have to be spent on litigation.