

**SUN PHARMACEUTICAL INDUSTRIES LIMITED V. ANGLO-FRENCH
DRUGS AND INDUSTRIES LIMITED & ANR.**

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Insight:

It is not just a word or a symbol which represents it is indeed goodwill and the trust which the people develop with passing time. All the product and services do use a mark as a trademark but there are certain products which hold a greater responsibility with their mark and any confusion can lead to real critical problems. One of them is the pharmaceutical industry. The courts have never treated a normal product and a medicine equally as these have a higher and a direct impact to the health of the consumers. The case discussed below is between a popular well known mark and a trademark which is less popular but prevailed in the market for a good amount of time. The court in this case even before deciding on the deception tried to understand the intent of the deception which leads to the following judgment.

The Episode:

- 1) The case was between SUN PHARMACEUTICAL INDUSTRIES LIMITED and ANGLO-FRENCH DRUGS AND INDUSTRIES LIMITED & ANR
- 2) Both the parties of the case were in manufacturing of the drugs. The plaintiff where as was a well known company which had an annual turnover of Rs. 4000 cores for the year 2007-08.
- 3) The plaintiff manufactured a drug Oxcarbazepine, an anticonvulsant and mood stabilizing drugs used in the treatment of epilepsy and bipolar disorder under the trade mark OXETOL.
- 4) The plaintiff has been marketing commercially. The plaintiff's trademark OXETOL was registered in India in Class 5 under registration No. 1013231 on 31st May, 2011 and No. 1232899 on 5th 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.
- 5) 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 th January,

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- 6) 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.
- 7) The medicine under the impugned trademark EXITOL is not available in any of the medicinal trade journals and/or markets.
- 8) The defendant No.1 through its counsel sent an e-mail dated 12th 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.
- 9) 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.
- 10) 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
- 11) 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 1st defendant not only monitors the making of the products but also monitors the finished products including the marketing of them. The 1st defendant's products enjoy great reputation and goodwill in the market.
- 12) 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 v. Navaratna Pharmaceutical*,² *Amritdhara Pharmacy v. Satyadeo Gupta*,³ *Corn products v. Shangrilla*⁴ and *Cadila Health Care Ltd. v. Cadila Pharma Ltd.*⁵

- 13) 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.*⁶ 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.
- 14) Referring *Franco Indian v. Unichem Laboratories*⁷ 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.
- 15) 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 Judgment

The court held that the trademark EXITOL was not deceptively similar to the mark OXETOL. In this case, the mark OXETOL was being used as a brand name for Oxcarbazepine whereas the mark EXITOL was being used for Lactitol monohydrate.

² AIR1965 SC 980.

³ AIR 1963 SC 449.

⁴ AIR 1960 SC 142.

⁵ AIR 2001 SC 1952.

⁶ 2009 (41) PTC 51.

⁷ 2005 (30) PTC 131 (Bom).

Oxcarbazepine is a drug used in the treatment of EPILEPSY and BIPOLAR disorder as an anticonvulsant and for mood stabilizing whereas Lactitol monohydrate was used for the treatment of constipation. Both trademarks ANAFORTAN and OXETOL were registered trademarks. Therefore, both were cases of infringement of trademarks. An additional factor in the case of AMAFORTEN was that the trademark was also registered in the name of the Defendant.

The Positive Analysis:

The case of *Cadila Health Care Ltd. Vs. Cadila Pharma Ltd*⁸ where the court gave a landmark judgment in relation to the deceptiveness and how it has to be considered if the said mark is deceptive or not. The case differentiated a normal mark and the trademarks related to the pharmaceutical industries and laid down how socially responsible the mark has to be. And further stated in the case of deception or confusion till what extent it would affect the people. The following were the standards and the scanners which were laid down for understanding the deceptivity of the mark compared to the other mark.

- 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 resemblances 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 good 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.**

⁸ AIR 2001 SC 1952.

The above factors which were stated in the case were also considered in the present case for understanding the deception. In *Cadila Health Care* it was further held: 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 Trademarks. 3rd Edition para 23.12 of which read 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."

The above analysis was directly applied in the case and all the factors were in fact well considered but the judgment in the cases said that because both the products belong to different formulations and they do not have anything common but "TOL" there was no consideration of infringement by the court.

The positive thing which about the case is that the efficiency of the courts are evident where the court did not try to support the bigger company which holds a more market value than the other company which is not very well known to the consumers. The court took a fair decision without effecting the businesses and making it clear that the confusion in the cases of pharmaceutical formulation cannot always be considered especially in the cases where the entire drug used in the formulation the reason for which the drugs can be used, the appearance along with the form which they said drug is produced is entirely different than each other.

The court also considered the fact how the drug reaches the patient in what circumstances and here in this case both the circumstances do not match which each other at all. Hence the confusion is minimal as for the drug to reach the patient there is a doctor chemist as a middle men who will not allow the consumer to get confused. That is the consumer need not to be literate or does not have actually have to understand the product in order to use it. As the drug would not reach the patient directly he will be well prescribed and guided. There are multiple levels the patients would go before actually consuming such medicine.

The following the court made a classes and how the product is different or similar to each other. Factors considered were Name of the product of the plaintiff OXETOL which was derived from oxcarbazepine and the Defendant's product name was derived from EXETOL, Word structure OXE ----TOL and EXI----TOL, Active ingredient in OXETOL is Oxcarbazepine and in EXETOL is Lactitol , the product form for OXETOL are Capsules, tablets for EXETOL it is blister Syrup or granules pack , the packaging of the product for OXETOL was Blister pack/ strip and for EXETOL it was Bottle or sachets . in the end Artwork/ graphics were considered which play a very crucial role in deception and confusion to the consumers and for both it was entirely different the OXETOL had Man with brain and EXETOL had Prominent diagram of intestine and related graphics.

This showed the factors which the court considered before giving the judgment which ruled out the deception and confusion. Multiple case laws were also taken into account before the court drew a conclusion like *Schering Corporation and others v. Alkem Laboratories Ltd.*⁹ The court clearly stated that the usage of the drugs though they belonged to the same schedule were different and also the main factor where one cannot be given without the administration .The court clearly swiped off the contention of infringements and said that when the price, the packaging and the usage is different even though the drugs have a deceptive similarity in relation to the name it would not be considered an act of deception. As the names of the formulations are always considered in the case of naming a said drug.

The Usage:

The most important factor which was considered by the court was the usage of the drug of the plaintiff and the defendant though both the drugs belonged to the same schedule i.e. the

⁹ 2010 (42) PTC 772 (Del).

schedule H still the formulations of the drugs were entirely different. The most prominent factor was both the drugs could not reach the consumer without a proper prescription.

A very well observation of the court which can be acknowledged is that the court does not treat a general product's trademark and the trademarks related to the pharmaceutical industry equally. In the first case the normal product will only give a consumer not so pleasant experience but in the later it could be a grievous danger to the consumer. This means that the court always treats both the scenarios differently in relation to the consumer's deception. The second important factor which the court considers is the "prescription" or the "usage" here the court does understand that even though it has given orders against the phonetically similar drugs which might belong to the same class of drugs i.e. the schedule still the deception or confusion probability is comparatively much more lesser than the actual consumer products as in this case there are experts who are involved like the doctor himself and in the drugs and where the medicine can be taken without any special supervision it is the prescription which is again works like a shield to the consumers who do not have much medical literacy which is seen by the pharmacist who gives them the prescribed doses prescribed by the doctor.

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.

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. v. West Coast Pharmaceuticals Works Ltd. & Anr*¹⁰.

¹⁰ 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. v. Intas Pharmaceuticals Ltd. & Ors.*¹¹ 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. v. Intas Pharmaceuticals Ltd. & Anr.*¹² 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.

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

Like in the case of *Dr Reddy's lab v. Reddy Pharmaceuticals* where the court drew an contention keeping in mind the well known mark and its market value but in this case the court first saw the intention of the defendant in this case the intention was clearly to deceive the public . the court felt that the quality of the medicines will go down if not allowed injunction the people have complete chance of deception and confusion . But when a bigger picture is brought in the first thing the court considers was if the mark was well known. This was established with the help of the market value of the company. But here despite of sun pharmaceutical being such a big company, court did not rule in favour of them . It is the efficiency of the courts which we can say which gave the company and the product which is lesser popular to survive in the competitive market.

¹¹ 2011 (47) PTC 433 (Del.).

¹² 2007 (34) PTC 18 (Del).

See, *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical*.¹³ Once the therapeutic indications are different, there can be no confusion and consequently no injunction. The case of Kaviraj Pandit a similar situation happened where the similarity and confusion conflict aroused but the court took into account “therapeutic indications”. The court stated that if therapeutic indications are different there is no case of confusion or deception. This principle was applied in this judgment was in relation to the therapeutic indications which was similar.

The Critical Analysis:

It can be well appreciated that the court did not allow mere ‘TOL’ to take away all the rights of the mark owner though “OXETOL” and “EXETOL” look deceptively similar. The court considered number of factors before drawing to the contention that both the marks cannot be considered “similar” and will not be “confused “with each other .As not just the usage but also the form they are manufactured is different. In this case, formulations of the drug were different but it is still lead to some similarity in the name. The court should consider the general formulations if granted to prevail in the market with a concurrent use there will be more cases where the name of the formulations thought different, might sound similar in relation to its trademarks especially when they are part of the same schedule. This similarity should not be allowed as the medical literacy in the consumers in India is negligible. Because job of the drug and liability does not end with the purchase. There can be certain circumstances where the patient or the consumers have bought both the drugs which have a deceptive similarity and might get confused during its consumption which can have a grievous result. The court and the manufacturers should not just try and protect their marks but should also consider the consumer’s situation in the case where the consumer is buying multiple similar sounding marks which will ultimately confuse them. The ‘prescription’ which the court is stating is not easily readable in almost all the cases. The printed prescription can be something which can be relied upon, but unfortunately in India it is not taking effect. Considering multiple facts before the judgment can be acknowledge which is completely in favour of the manufacturer but in similar cases the consumer should also be taken into account. The court should not merely consider the multiple principles in relation for establishing the deception of the mark but also the role and responsibility of trademark after the purchase as the medical literacy of the consumer and a situation like multiple drug

¹³ AIR 1965 SC 980.

purchase with the deceptively similar mark. But in this judgment there is a crucial aspect where one of the drugs cannot be taken without proper administration. Still the recommendations would be to give the prefixes and the postfixes to be distinctive rather than confusing.

Overall Analysis:

The overall judgment between the OXITOL and EXITOL was very remarking as it has both a positive as well as negative impact. It is positive in the account of the manager where the defendant's credibility and goodwill was not disturbed. The principles laid down in the *Cadila Health Care Ltd. Vs. Cadila Pharma Ltd*¹⁴ were well applied and the deception was ruled out. Now to try and understand the negative impact it would lie on the shoulders of the consumers where in any situation where the consumers end up buying both the drugs in an Indian scenario where the prescription is unreadable in most of the circumstances it can lead to vicious outcome. Because most of the formulations prevailing do have prefixes and postfixes with an edge of deceptivity. Instead of laying down technical factors for consideration of deception the court should actually understand and locate areas of deception in favour of the consumer and his pertaining knowledge.

In conclusion with analysis the court did a very efficient job by considering the defendants plea and understanding the factors where such a name or mark cannot be considered deceptive but the court should have an equal objective accountability towards consumers basic understanding and the real ground level pharmaceutical literacy prevailing.

¹⁴ AIR 2001 SC 1952.