

Date of Decision: 21st April, 2008

+ **CS(OS) 1001/2005**

MACLEODS PHARMACEUTICALS Plaintiff
Through Mr.Sandeep Mittal with Ms. Deepali,
Advocates.

versus

ZANEKA PHARM Defendant
Through None.

CORAM:**MR. JUSTICE S. RAVINDRA BHAT**

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| 1. | Whether reporters of local papers may be allowed to see the judgment? | YES |
| 2. | To be referred to the Reporter or not? | YES |
| 3. | Whether the judgment should be reported in the Digest? | YES |

Mr. Justice S. Ravindra Bhat (Open Court)

1. In these proceedings, the plaintiff seeks decree for permanent injunction and damages for passing off rendition of accounts etc. against the defendant.

2. According to the plaint averments, the plaintiff engages itself in the business of manufacture and sale of pharmaceutical products and medicinal preparations under various formulations. It claims to own and mark the tablet as "DOMIZOL". It is averred that the trade mark was adopted and after it was conceived in March,

2002, in respect of Omeprazole magnesium equivalent to Omeprazole being 10mg. The tablet is sold in 10mg. and 20 mg. potency. The plaintiff claims to use the trade mark continuously and extensively after March, 2002. The plaintiff further avers that it filed an application for registration of the said trademark "Domizol" under No.1071053 in class-5 of the 4th Schedule to the Trade and Merchandise Marks Act, 1958, on 21.12.2001. Its application was allowed on 1.6.2005. The plaintiff, therefore, avers it is the exclusive owner of the trade mark.

3. It is claimed that the plaintiff came across an advertisement under Section 20(1) of Trade and Merchandise Marks Act, 1999 in the Trademark Journal dated 14.10.2003 where the defendant No.1 had claimed for registration of the trade mark Domizole. The said advertisement contained a statement that the defendant had proposed to use the said mark. The plaintiff claims to have filed notices of opposition to the application for registration of the trade mark on 7.4.2004, resisting the registration of the defendant's trademark Domizole as amounting to infringement as well as passing off its mark. The plaintiff, in the circumstances, avers that it caused a legal notice to the defendant No.1 dated 29.9.2004 calling upon it to desist from using trade mark Domizole as it was deceptively similar to the plaintiff's trademark and in any event infringe the

plaintiff's trade mark "Domilzol".

4. The plaintiff claims that the defendant did not heed the request and, therefore, it has sought for the relief. Besides claiming a decree for perpetual injunction, the plaintiff has also sought for damages quantified at Rs.10 lakhs.

5. After summons were issued, the defendant entered appearance and filed its written statement on 1.6.2002. Its defence is that of an honest bona fide prior user of the mark Domizole. Apart from relying on the application for registration of the said mark Domizole, defendant also avers that registration was obtained from the Drug Controller, Panipat on 21.12.2001 through its then manufacturer M/s.HIS Pharmaceuticals Pvt. Ltd. It avers that the said concern sold entire stocks of the medicinal preparations under the trade mark DOMIZOLE to the defendant exclusively. The defendant further denies the plaintiff's right to exclusivity and claims to have been recipient of substantial profits of the product in question. It avers in paragraph 10 for the year 2001-02, the sales figures were to the extent of Rs.58,000/-; for the year 2002-03, the sales figures were Rs.8,32,000/- and for the next year 2003-04, it was Rs.7,18,000/-.

6. During the course of the proceedings, on several dates, the parties had requested and obtained adjournment on the ground of exploring possibilities for an amicable settlement. Subsequently, the

defendant stopped appearing and went unrepresented. In the circumstances, the defendants were proceeded ex-parte by order dated 18.5.2007. They did not join the proceedings at any stage thereafter.

7. The plaintiff, in support of its case has relied upon the evidence of Shri Rajesh Kabu, PW-1 who filed his affidavit on 18.1.2008. The said witness also deposed before the Court on 19.3.2008 and exhibited the affidavit as Ex.PW-1/A. PW-1 has supported the averments in the plaint and has also marked the documents. These include PW/A-2, which are copies of the plaintiff's product DOMIZOL. In addition, the plaintiff has relied upon PW/A-3, which is the description of the said tablet DOMIZOL, and contain a list of products along with the description of their manufacturers of Domperidone and Omeprazole which chemical formulations, marked by the plaintiff under the trade mark DOMIZOL. The plaintiff has also produced a certified copy of the registration dated 1.6.2005 as PW/A-4. PW/A-5 are invoices evidencing the sale of the plaintiff's product on 27.3.2002 and 31.3.2002. PW-1 has also exhibited a list showing the plaintiff's sales turnover for the year 2002, 2003 and 2004. According to the claim in these documents, the sales have been increasing exponentially and are to the tune of Rs.1.07 crores. The plaintiff has also produced the advertisement for the defendant's

product in the Trademark Journal dated 14.10.2003, which clearly mentions that an application was preferred by it on 14.6.2002. In addition, the plaintiff has filed the copy of its opposition as Ex.PW/A-8.

8. The Court has considered the materials on record. The defendant has been set down ex-parte and is un-represented. In any event, its claim is that it was an honest bona fide prior user of the said trade mark DOMIZOLE. It also generally denies that the said mark amounts to an infringement of plaintiff's trade mark. However, it has not chosen to prove or produce any document or adduce any oral evidence.

9. The plaintiff has produced evidence in support of its claim as the owner of the trade mark DOMIZOL, by relying on registration certificate dated 1.6.2005. The said Certificate mentions that the registration is valid from 1.1.2002, i.e. the date when the plaintiff sought for it.

10. Besides, the plaintiff has also produced copies of its products as Ex.PW/A-1 and Ex.PW/A-2. In support of its claim that the product has been sold and the trade mark is being used, the plaintiff has relied upon Ex.PW/A-5 and PW/A-6, which are invoices for the period March, 2002. The plaintiff has also produced the defendant's mark Domizole. It bears a close and confusing similarity with the plaintiff's mark.

11. In a case where the plaintiff alleges the infringement of its registered mark, it is under an obligation to show that the mark of the defendant is deceptively or confusingly similar as to mislead members of the general public into believing it to be that of the plaintiff. The element of dishonesty is an essential ingredient in every action for infringement in case of pharmaceutical products. Discussing the law on 'deceptive similarity', the Supreme Court in **CADILA HEALTH CARE LTD. VS. CADILA PHARMACEUTICALS LTD.**, 2001 (5) SCC 73, enlisted the following factors to be considered:-

"35(a) The nature of the marks i.e. whether the marks are word 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 trade marks.

(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.

(g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

It also observed that:-

"32. Public interest would support lesser degree of proof showing confusing similarity in

the case of trade mark in respect of medicinal products 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."

12. In the present case, the two competing marks are DOMIZOL (which is owned by the plaintiff) and DOMIZOLE which is used by the defendant. The defendant has not been able to show that it was using the trade mark in a bona fide manner or before the plaintiff, to fall within the exception spelt out in Section 34, which enables prior user to continue using the mark, if it were using the trade mark in question before its registration or used by the plaintiff. On the other hand, the plaintiff has been able to show that it has been continuously using the mark since March, 2002; it also obtained the registration in June, 2005. In terms of provisions of Trade Mark Act, the registration relates back to the date of application, i.e. 1.1.2002.

13. Having regard to the conspectus of this case, the Court is satisfied that the plaintiff has been able to prove infringement of its

mark by the defendant. However, as far as the question of damages are concerned, besides the material already produced, the plaintiff has not been able to show by any empirical method, or objective materials, the probability of its losses or assessable loss on account of its defendant's use of the mark. For these reasons, the claim for damages cannot succeed.

14. In view of the above discussion, the plaintiff is entitled to relief in terms of paragraph 23(a) of the plaint. A permanent injunction restraining the defendants from using the trade mark DOMIZOLE or any other trade mark deceptively similar to the plaintiff's mark is hereby issued.

15. The suit is accordingly decreed in terms of paragraph 23(a) of the plaint. Let a decree sheet be drawn. No costs.

APRIL 21, 2008
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S. RAVINDRA BHAT,J