

THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment Reserved on: 23.11.2010
Judgment Pronounced on: 29.11.2010

+ **CS(OS) No. 2244/2007**

PFIZER PRODUCTS, INC & ANR

.....Plaintiff

- versus -

VIJAY SHAH & ORS.

.....Defendant

Advocates who appeared in this case:

For the Plaintiff: Ms. Aarshia Behl, Adv.

For the Defendant:

CORAM:-

HON'BLE MR JUSTICE V.K. JAIN

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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 Digest? | Yes |

V.K. JAIN, J

1. This is a suit for grant of permanent injunction, rendition of accounts and damages. Plaintiff No. 1 is a wholly owned US subsidiary of Pfizer Inc., whereas plaintiff No.2 Pfizer Limited is the Indian Subsidiary of Pfizer Inc. Pfizer is a large multinational pharmaceutical company which enjoys a global reputation for the high quality and

efficacy of its product. The research and development budget of Pfizer was estimated at about US\$ 7.5 billion in the year 2004 and it manufactures a number of pharmaceuticals products, including vitamin, supplements, antibiotics and cardiovascular products. COREX is one of the top selling products of the plaintiff and is a highly sought after drug for treatment of cough and in allergic or infective conditions of the respiratory passage. This product is being sold in India since 1964 and the mark COREX is registered in India since 1963 in Class 5 vide Trademark No. 213825. The trade mark is owned by plaintiff No.1 Pfizer Product Inc.

2. Defendant No.1 is the Managing Director of defendant No.2 Stallion Laboratories Pvt. Ltd. It is alleged in the plaint that recently the plaintiffs came to know that defendant No.2 was manufacturing and marketing a cough syrup under the mark SOREX which is similar to the mark of the plaintiff-company. It is further alleged that the product being manufactured and sold by defendant No.2 has an identical label, packaging and get up. The product is being manufactured by defendant No.2 and marketed by defendant No.3. The defendants, according to the plaintiffs,

have thus adopted a mark which is deceptive similar to their registered mark COREX and are thereby trying to ride upon the goodwill and reputation of the plaintiffs. It is also alleged that there is likelihood of the customers getting induced to believe that the product offered by the defendants was of the same quality as the products of the plaintiff-companies are and they may also believe that the defendants have some connection or association with the plaintiff-companies or have licensed or authorized the product being sold by the defendants under the trademark SOREX. The plaintiffs have, therefore, sought injunctions, restraining the defendants, their officers, directors, agents, franchises, licencees, etc. from the manufacturing, marketing or advertising any product under the mark SOREX or any other mark which is identical or deceptively or confusingly similar to plaintiff No.1's registered trademark COREX. They have also sought injunction against reproduction and/or use of plaintiff No.1's trade dress comprised of get up, lay out, colour scheme and arrangement of features in product packaging for its syrup COREX. They have also sought rendition of accounts for the profit earned by the defendants by infringing plaintiff's trademark and by

passing off their goods as the goods of the plaintiff. They have also sought damages amounting to Rs 20,02,000/- from the defendants.

3. Defendant Nos.1 and 2 did not come forward to contest the suit. Defendant No.3, however, filed written statement, contesting the suit. It is alleged in the written statement of defendant No.3 that there are vast difference in their product and the product of the plaintiff-companies with respect to the product, bottle, cap, printing, colour combination, contents on the label, packing, size of bottle and colour of liquid, etc. The following differences in the product of the plaintiffs and the product of the defendants have been pointed out in the written statement:-

(a) The name of the plaintiffs' product is COREX. On the other hand the defendant's products name is SOREX and the same is not registered.

(b) The product (liquid in bottle) of the COREX is pinkish in colour while the colour of the product (liquid in bottle) is brownish in colour.

(c) On the cap of the bottle of the COREX the name of the manufacture i.e. "Pfizer" is printed in white with blue background while on the cap of the SOREX the name of the

marketing agent i.e. the defendant No.3 is written as “Petrosolv” which is printed in black with silver background.

(d) On the side of the cap of bottle of COREX arrow mark with word TURN in capital words is printed in blue ink to show how to open the cap of the bottle, while on the side of the cap of the bottle SOREX arrow mark in cross of the bottle with word “TO BREAK SEAL AND TO OPEN_(INSCREW)___THIS WAY” is printed in black ink.

(e) On the cap of the COREX there is a straight line going upwards in blue colour. On the other hand there is no such line appearing on the cap of the SOREX.

(f) On the side of the cap of the bottle of COREX the word “E” is printed in blue ink. On the other hand there is no such word printed on the side of the cap of SOREX.

(g) The bottle of the COREX is available in all the sizes however the bottle of the SOREX was only available in 100 ml bottles.

(h) On the first part of the label on COREX bottle, logo of the COREX is printed. However on the first part of the label of the SOREX bottle no logo is printed.

(i) On the third part of the label of COREX bottle the name is printed as **Rx COREX *** in **black ink** while on the

third part of the bottle of the SOREX the name is printed as **NRx SOREX in Violet ink.**

(j) On the bottom of the label of COREX it is written in box in red ink **“For sale in India only”**. On the other hand on the bottom of the label of SOREX bottle it is written in **black “SHAKE WELL BEFORE USE”**. Thus there is a huge difference in the cap and also in the label of both the products.

4. It is also stated in the written statement of defendant No.3 that SOREX is a narcotic, prescription drug for which prescription of a doctor is a must. It has also been claimed in the written statement that production of SOREX was stopped long back and, therefore, its marketing was also stopped from July, 2007.

5. Defendants 1 and 2 were proceeded ex parte vide order dated 24th March, 2008, whereas defendant No.3 was proceeded ex-parte on August, 26, 2008 after it had filed written statement.

6. The plaintiffs have filed affidavit of Ms Anamika Gupta constituted attorney of the plaintiff-companies in support of their case. In her affidavit, Ms Anamika Gupta has supported, on oath, the case set up in the plaint and

has stated that plaintiff's product under the mark COREX is being manufactured in India since 1964 and plaintiff No.1 is the registered proprietor of the trademark COREX, by virtue of trademark Registration No. 213825 in respect of medical preparation being an expectorant. She has also stated that defendant No.2 is engaged in the business of manufacturing pharmaceutical products, whereas defendant No.3 is marketing the products manufactured by defendant No.2. She has further stated that in October, 2007, the plaintiffs received information regarding manufacturing and sale of SOREX and came to know that this product is being manufactured by defendant No.2 and marketed by defendant No.3. According to her, not only the product SOREX has a visual, structural and phonetic similarity to the plaintiffs trademark COREX, but it also has an identical get up, lay out, arrangement of words and colour scheme as that of plaintiff product COREX.

7. Ex. P-2 is the copy of the certificate issued by Trademark Registry, Government of India, whereby COREX was registered as the trademark of CHAS.PFIZER & COMPANY Inc. in respect of medicinal preparation being an expectorant w.e.f. 15th February, 1963. It was not disputed

by defendant No.3 in the written statement filed by it that COREX is the registered trademark of CHAS.PFIZER in India.

8. The case of the plaintiff against the defendants is based upon infringement of their registered trade mark as well as on passing off. Section 28 of Trade Marks Act, 1999 gives to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act. In a case based on infringement of this statutory right it is necessary for the plaintiff to prove that his registered trade mark has been used by the defendant, though no such use is required to be established in an action for passing off. It is also a settled proposition of law that if the defendant resorts to colourable use of a registered trade mark such an act of the defendant would give rise to an action for passing off as well as for infringement. In an action based upon infringement of a registered trade mark if the mark used by the defendant is visually, phonetically or otherwise so close to the registered trade mark of the plaintiff that it is found

to be an imitation of the registered trade mark, the statutory right of the owner of the registered trade mark is taken as infringed.

9. Ex.P-3 is the photograph of the product of the plaintiff-company, whereas Ex.P-4 is the photograph of the product of the defendant-company. A comparison of the two products reveals the following similarities in the product being manufactured by the plaintiff and the product being manufactured by defendant No.2 and marketed by defendant No.2:-

(i) the colour scheme of the label, affixed on the bottles is identical, dark blue, light blue and white being the colour used in both the labels; (ii) the get up of the two labels is identical; (iii) there is a broad dark blue strip/portion followed by a narrow light blue strip and white lower portion in both the labels; (iv) design of the font used on the two labels appears to be identical (v) the colour of the bottles is brown for both the products (vi) the name of manufacturer/marketer has been printed on the top in both the labels (vii) the description of the drug, given on the two labels, is absolutely identical being anti-allergic, anti-tussive and for dry cough, and (viii) the placement of MRP, Batch

No., manufacturing date and expiry date is on the left side in both the labels.

10. In a case of passing off, however, if the defendant is able to establish that on account of packaging, get up and other writing on his goods or on their packaging, it is possible to clearly distinguish his goods from the goods of the plaintiff, he may not be held liable.

11. It is difficult to dispute that the SOREX is phonetically so close and similar to the word COREX that it may not be possible for an ordinary buyer of a cough expectorant to distinguish the product of the plaintiff from the product of the defendant.

12. I have considered the differences identified in the written statement of defendant No.3. I find that the differences brought out by defendant No.3 are rather trivial and are not sufficient to enable a customer of average intelligence to distinguish the cough syrup being manufactured and sold by the plaintiff under the name COREX from the cough syrup being manufactured and sold by the defendants under the name SOREX.

13. The defendants, while adopting the name for their product, need to act honestly and bona fide and not with a

view to encash upon the goodwill and reputation of the plaintiff-company. A fraudulent or deceptive copying of the trademark owned by another person also amounts to a false misrepresentation to the public which needs to be protected against such misrepresentation. A competitor cannot usurp the goodwill and reputation of another by adopting a mark similar to the established mark of its competitor and thereby cause injury to the reputation and business of that person. With the passage of time, a certain reputation comes to be associated with a brand name on account of the quality of the product sold under that brand and/or the investment made by the owner of that brand in brand building and advertising. Any attempt on the part of another person to enrich upon the brand value generated by another person needs to be curbed by the Court as and when the aggrieved party approaches the Court in this regard.

14. The question as to whether the two competing marks are so similar as to be likely to deceive or cause confusion has to be approached from the point of view of a man of average intelligence and imperfect recollection and not from the point of view of an educated person who is well

placed in life. The Courts also need to ensure that there is no confusion in the mind of the consumer as to the source of the product which he is buying. The customer needs to be assured that he buys the same product which he prefers and identifies by its name. From the view point of the manufacturer of the product also, it is necessary for him to ensure that his business interests are not harmed by another manufacturer, by clever manipulations and machinations, such as colourable use of a name or device by his competitor.

15. We cannot be oblivious to the fact that despite statutory requirements, the chemist and druggist in our country do not hesitate in selling drugs such as cough syrups and expectorant, without insisting upon prescription by a medical practitioner, even if such a prescription is statutorily required. Drug such as cough syrups are available over the counter and without production of a medical prescription, not only in metropolitan cities, but only in small towns and villages. The persons living in small towns and villages and possessing average intelligence may not like to take the trouble of meticulously examining the label of the cough syrup which they find in the shop

when the names of the two products are phonetically similar and the packaging of the product and other distinguishing features, if any, are not adequate to enable him to distinguish the product which he finds in the shop with the product which he intends to purchase. Considering the phonetic similarity between the name COREX and SOREX and a number of similarities in the packaging and label and the products being manufactured and sold by the plaintiffs as well as the products being manufactured and sold by the defendants, both being cough syrups, there is a strong likelihood of customer possessing an average intelligence and particularly those living in small towns and villages buying the product of the defendants on the assumption that they were buying the product of the plaintiff, which is reputed and well-known cough syrup.

16. It was observed by Supreme Court in **Cadila Health Care Ltd. vs. Cadila Pharmaceuticals Ltd.** *2001 PTC 541 (SC)*, the Courts need to be particularly vigilant where the defendant's drug, of which passing off is alleged, is meant for curing the same ailment as the plaintiff's medicines, but the compositions are different. It was also observed that it is not uncommon that because of

lack of competence or otherwise, mistakes can arise, specially where the trademarks are deceptively similar. It was also noted by the Court that while examining such cases in India, what has to be kept in mind is that the purchaser of such goods may have absolutely no knowledge of English language or of the language in which the trademark is written and to whom different words with slight difference in spellings made sound phonetically the same.

17. The quality of the product of the defendants may not be as good as the quality of the product of the plaintiff. If that be so, the customer who buys the product of the defendants in the belief that he is buying the quality product of the plaintiffs discovers that the product purchased by him is not of expected quality and has not given him the relief which he expected on consuming it, he may form an opinion that the quality of the product of the plaintiffs has gone down. If that happens, it may adversely affect not only the reputation but also the business interests of the plaintiffs.

18. For the reasons given in the preceding paragraphs, I am of the considered view that the plaintiff is entitled to

injunction against the manufacture, sale and distribution of cough syrup of the defendants under the name SOREX or any other name/mark deceptively similar to the registered mark COREX of the plaintiff. Since the label used by the defendants for selling their product SOREX is deceptively similar to the label, being used by the plaintiffs for selling their product COREX and unless stopped, it is likely to create confusion and deception in the mind of the purchaser by inducing them to believe that they are buying the product of the plaintiff-company, it is necessary to grant injunction against use of that label. Though it has been claimed in the written statement of defendant No.3 that the production as well as marketing of cough syrup under the name SOREX has since been stopped, the possibility of the defendants resuming the production and sale of their product under the name SOREX or some other mark deceptively similar to the mark of the plaintiffs is a strong probability in case the injunction is not granted to the plaintiffs. Injunction is granted accordingly in favour of the plaintiff and against the defendant.

19. Though the plaintiffs have also sought rendition of account for the profits earned by the defendants by

infringing their trademark and passing off their goods as the goods of the plaintiff, this relief was not pressed during arguments. The plaintiffs, however, pressed for grant of damages to them. However, considering that the plaintiffs have not proved any actual damage to them and even otherwise it is not possible to work out the profits earned by the defendants and the damages sustained by the plaintiffs on account of use of the mark SOREX by the defendants, the plaintiffs are not entitled to actual damages. However, since the defendants have adopted a mark similar to the registered trademark of the plaintiff and they have been manufacturing and selling the cough syrup under that mark and also with a view to deter the defendants from indulging in similar acts in future, it is necessary that some punitive damages are awarded to the plaintiffs. I, therefore, award punitive damages in the sum of Rs 1 lac to the plaintiff against the defendants 2 and 3. As far as defendant No.1 is concerned, he being the only Managing Director of defendant No.2, the plaintiff is not entitled to any relief against him.

ORDER

The suit against defendant No.1 is hereby dismissed. Defendant Nos. 2 and 3 are hereby restrained from manufacturing, selling and distributing cough syrup under the name SOREX or any other name/mark deceptively similar to the registered mark COREX of the plaintiffs. They are also restrained from using the label Ex.P-4 or any other label deceptively similar to the label Ex.P-3 of the plaintiffs. They are also directed to pay punitive damages, amounting to Rs 1 lac to the plaintiffs. If the amount of damages is not paid within four weeks, they will also pay interest on that amount at the rate of 9% per annum from the date of this judgment. There shall be no order as to costs. Decree sheet be prepared accordingly.

(V.K. JAIN)
JUDGE

NOVEMBER 29, 2010
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