

IN THE HIGH COURT OF DELHI AT NEW DELHI

CS (OS) No. 3244 of 2011

Reserved on: July 2, 2013

Decision on: July 22, 2013

SUN PHARMACEUTICALS INDUSTRIES LTD. Plaintiff
Through: Mr. Sachin Gupta and Mr. Vikrant
Nagpal, Advocates.

versus

MUKESH KUMAR P. & ORS. Defendants
Through: Mr. Abhishek Malhotra and Mr. Angad
Singh Dugal, Advocates.

CORAM: JUSTICE S. MURALIDHAR

J U D G M E N T

22.07.2013

1. This suit has been filed Sun Pharmaceuticals Industries Limited ('SPIL') against Mr. P. Mukesh Kumar, the proprietor of M/s. Idalis (a division of Marx Remedies) (Defendant No.1), M/s. Marx Remedies (Defendant No.2), Invision Medi Sciences Pvt.Ltd. (Defendant No.3), M/s. Chimak Health Care located at Solan in Himachal Pradesh (Defendant No.4) and M/s. Visions located at New Delhi (Defendant No.5) for a permanent injunction restraining the Defendants from infringing the Plaintiff's trade mark AMLOBET, passing off, rendition of accounts and delivery of the infringing goods of the Defendants etc.

2. The case of the Plaintiff is that it coined the mark AMLOBET from the

salt Amlodipine and Atenolol used in treatment of high blood pressure and prevention of chest pain. Exhibit PW 1/4 is a photograph of the Plaintiff's medicine being sold and marked as AMLOBET. On 14th October 1996 the Plaintiff obtained a drug licence to manufacture medicines under the aforementioned mark. It has been extensively and commercially used since then. Exhibit PWs 1/6, 1/7 and 1/8 are invoices of the Plaintiff for the years 1998 to 2011 which show sales of AMLOBET. The certificate from the Chartered Accountant ('CA') certifying the annual sales and promotional expenses for the period 2000 to 2011 has been exhibited as PW 1/11. The original literature and packaging material has been exhibited as PW 1/5. Trade mark registration was granted for the mark AMLOBET in favour of the Plaintiff under No. 745615 in Class 5 on 18th June 1997. The registration certificate is marked as Exhibit PW 1/10.

3. The case of the Plaintiff is that Defendants 1 to 3 who are located in Bangalore are marketing a similar medicine under the mark AMLOVATE. The said medicine is manufactured by Defendant No.4 at Solan in Himachal Pradesh. The printing of the promotional material of the product, and in particular the leaflets, is being carried out by Defendant No.5 located in New Delhi. The Plaintiff states that it came across an application for registration of the trade mark AMLOVATE in favour of Defendant No.1 under No. 1964725 published in the Trade Mark Journal No. 1463 dated 20th December 2010. The application was on 'proposed to be used' basis. The Plaintiff tried to locate the Defendants' medicine under the aforementioned mark AMLOVATE. However, it could not find said medicine selling in any market or advertised in any trade journal. Accordingly, on 8th January 2011

the Plaintiff requested Defendant No.1 to withdraw its trade mark application. The Plaintiff then filed a notice of opposition in Form TM-5 dated 11th March 2011 before the Trade Mark Registry stating that the Defendant's mark was in breach of Sections 9(1)(a), 9(2)(a), 11(1) and 11(3)(a) of the Trade Marks Act, 1999 ('TM Act'). Defendant No.1 filed a counter affidavit dated 15th July 2011 in Form TM-6 in the Trade Marks Registry. It contended that the Plaintiff was seeking a monopoly on the prefix 'AMLO'. Defendant No.1 filed two invoices of sales and a pamphlet along with one invoice issued by Defendant No.5 for printing of the leaflets.

4. The case of the Plaintiff is that the adoption by Defendant No.1 of the mark AMLOVATE is dishonest since it knew that the Plaintiff was using the trade mark AMLOBET since 1996. It is pointed out that the Defendants have adopted AMLOVATE with combination of alphabet of numerals being 'L', 'A' and '5' such as AMLOVATE-5, AMLOVATE-L and AMLOVATE-A which is generic and indicative of the salt and/or quantity of salt. It is submitted that the trademark AMLOVATE is 'non-distinctive'. A cease and desist notice was issued by the Plaintiff to the Defendant on 2nd December 2011 asking it to stop using the trade mark AMLOVATE and to withdraw its trade mark application. By reply dated 7th December 2011, Defendant No.1 has refused to comply with the terms of the said legal notice. In the aforementioned circumstances, the present suit was filed on 20th December 2011. The case of the Plaintiff is that the adoption of the trademark AMLOVATE by Defendants would cause confusion and deception as the rival marks are phonetically and structurally similar and likely to be confused with each other on account of imperfect recollection of

the Plaintiff's trademark; the competing/rival marks are used for the same treatment i.e. high blood pressure and both drugs contain the same salt; the imperfect recollection of the competing trade marks may lead to confusion even amongst physicians and chemists despite the drugs being scheduled drugs and consumers may assume one to be a variant of another, both originating from the Plaintiff. It is stated that the use of the trademark AMLOVATE by the Defendants is deceptively similar to the Plaintiff's trademark AMLOBET and constitutes infringement of the Plaintiff's registered trademark. The Plaintiff has been using the registered mark in India since 1997 and any unauthorised use of the said mark or any other identical or similar mark would lead to erosion of the distinctiveness of the registered trademark AMLOBET and constitutes infringement under Section 29 of the TM Act. A case is also made out for passing off an unfair competition.

5. Summons in the suit were directed to issue on 21st December 2011. While directing notice to issue in IA No. 20721 of 2011 under Order XXXIX Rules 1 and 2 CPC on the same date, the Court passed an ad interim ex parte order restraining the Defendants from using the trademark AMLOVATE in relation to the medicinal preparations, or any other trade mark as may be deceptively similar with the trade mark AMLOBET of the Plaintiff amounting to its infringement.

6. On 4th October 2012, the following issues were framed:

“1. Whether the Defendants have infringed the registered trade mark AMLOBET of the Plaintiff by using the mark AMLOVATE/AMLOVATE-A? **OPP**

2. Whether the Defendants are passing off their goods as those of the Plaintiff by using the mark AMLOVATE/AMLOVATE-A? **OPP**

3. Whether this Court has territorial jurisdiction to try the present suit?

OPD

4. Whether the Plaintiff is entitled to damages and if so to, what amount and from whom? **OPP**

5. Relief.”

7. A Local Commissioner ('LC') was appointed for recording the evidence. In the affidavit of Mr. Hani Rizvi (PW-1) dated 9th November 2012, the averments in the plaint were re-affirmed and the documents relied upon marked as exhibits. The affidavit by way of evidence dated 21st February 2013 of Mr. Ashok S. Mutha, the authorised representative of Defendant No.3 was filed marking Exhibits D-1/1 to D-1/4.

8. The case of the Defendants is that their product AMLOVATE has been derived from the generic salt/word 'AMLO' which is a drug commonly used all over the country in relation to the treatment of high blood pressure and angina. The generic salt 'AMLO' commonly used by the parties is also used by various other manufactures of similar generic drugs. Further it is stated that the drug is a schedule H drug available only through a valid prescription. The sales promotion and extensive activities for development of the product under the trademark AMLOVATE since 2010 and the invoices raised by Defendant No.2 in respect of AMLOVATE-A and AMLOVATE-5 tablets are Exhibit D 1/4.

9. The cross-examination of the Plaintiff's witnesses took place on 7th December 2012. There was no question put to the witness on the veracity of the certificate issued by the CA (Exhibit PW 1/11). The accuracy of the sales figures of the Plaintiff as depicted in the said certificate remains uncontroverted.

Issue No.1:

10. The Defendants do not deny that the Plaintiff's mark AMLOBET is registered in its favour under No. 745615 in Class 5 of the Schedule to the TM Rules. Under Section 28, the Plaintiff is the registered proprietor and has the right to extensive use thereof. There is no challenge to the validity of the Plaintiff's trademark registration. Section 29 of the TM Act requires examination whether in fact the trademark adopted by the Defendant is deceptively similar to the registered trademark of the Plaintiff. The two competing marks in this case are AMLOBET of the Plaintiff and AMLOVATE of the Defendants. There is no dispute that 'AMLO' is generic and derived from the salt Amlodipine. The Plaintiff has repeatedly stated that it is not claiming any monopoly in 'AMLO' and has no objection to its use as long as it is not deceptively similar to its trademark AMLOBET. The Plaintiff acknowledges that there are other medicines being sold in the market viz., AMLODIN, AMLOPIN, AMLOC, AMLOGARD, AMLOR, AMLONE etc. It is conceded that 'AMLO' is common to trade and there are 250 applications with the prefix 'AMLO' in Trade Mark Registry. As held by the Supreme Court in ***Corn Products Refining Co. v. Shangrila Food Products Ltd. AIR 1960 SC 142*** "the presence of a mark in the register does

not prove its user at all. It is possible that the mark may have been registered but not used.”

11. The two marks have to be compared as a whole. The legal position in this regard is well settled as explained in *Durga Dutt v. Navaratna Pharmaceuticals AIR 1965 SC 980* which was followed by this Court in *United Biotech Pvt.Ltd. v. Orchid Chemicals 2012 (50) PTC 433 (Del) (DB)*. In the latter judgment, the Division Bench affirmed the view of the Single Judge in *United Biotech Pvt. Ltd. v. Orchid Chemicals 182 (2011) DLT 20* in which it was observed as under:

“Where the pharmaceutical products are sold with the deceptively similar marks and are likely to cause confusion in the mind of an average consumer with imperfect recollection then a strict test must be applied to them to ascertain the deceptive similarity.”

12. In the present case there is phonetic similarity when both marks are pronounced. There is also a structural similarity in the marks. The two drugs are prescribed for treating the same symptom viz., high blood pressure. They may be scheduled drugs sold on prescription. However, that makes even stricter the test of deceptive similarity leading to confusion in the mind of an average customer. A comparison of the two marks AMLOBET and AMLOVATE as a whole lends support to the Plaintiff’s case that there is an overall structural and phonetic similarity between the marks when examined from the point of view of a man of average intelligence and imperfect recollection. It is likely that one drug could be confused for the other. In

Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd. AIR 2001 SC

1952, the Supreme Court held:

“33. In a country like India where there is no single common language, a large percentage of population is illiterate and a small fraction of people know English, then to apply the principles of English law regarding dissimilarity of the marks or the customer knowing about the distinguishing characteristics of the plaintiffs goods seems to over look the ground realities in India. While examining such cases in India, what has to be kept in mind is the purchaser of such goods in India who may have absolutely no knowledge of English language or of the language in which the trade mark is written and to whom different words with slight difference in spellings may sound phonetically the same. While dealing with cases relating to passing off, one of the important tests which has to be applied in each case is whether the misrepresentation made by the defendant is of such a nature as is likely to cause an ordinary consumer to confuse one product for another due to similarity of marks and other surrounding factors. What is likely to cause confusion would vary from case to case. However, the appellants are right in contending that where medicinal products are involved, the test to be applied for adjudging the violation of trade mark law may not be at par with cases involving non-medicinal products. A stricter approach should be adopted while applying the test to judge the possibility of confusion of one medicinal product for another by the consumer. While confusion in the case of non-medicinal products may only cause economic loss to the plaintiff, confusion between the two medicinal products may have disastrous effects on health and in some cases life itself. Stringent measures should be adopted specially where medicines are the medicines of last resort as any confusion in such medicines may be fatal or could have disastrous effects. The confusion as to the identity of the product itself could have dire effects on the public health.”

13. Issue No.1 is answered in the affirmative that the Defendants have indeed infringed registered trademark AMLOBET of the Plaintiff by using the mark AMLOVATE/AMLOVATE-A.

Issue No. 2

14. The extensive use by the Plaintiff of the mark AMLOBET commercially, since 1997, has been proved by the Plaintiff through the invoices and the certificate of the CA which have remained unchallenged. The invoices produced by the Defendants show that they have been using the mark AMLOVATE only from May 2010. The Plaintiff is the prior user of AMLOBET. It is unlikely that being in the same trade and industry, the Defendants were unaware of the adoption and use by the Plaintiff of the mark AMLOBET for treating blood pressure. Therefore there is merit in the submission of the Plaintiff that the adoption by Defendants of a phonetically and structurally similar mark AMLOVATE more than a decade after the Plaintiff began marketing its product under the mark AMLOBET is dishonest.

15. It is sought to be contended by the Defendant that Exhibit PW-1/9 (Colly) are electronic printouts of the sale invoices mentioned in the certificate of the CA (Exhibit PW-1/11) and that the person issuing the certificate under Section 65B of the Indian Evidence Act, 1872 has not filed any affidavit in support of the said certificate and has not been examined and, therefore, the said exhibits do not have any evidentiary value.

16. Section 65B (4) provides for an alternative method of proving an electronic record by producing the certificate of a person in whose custody the computer device in which the document was stored in an electric form remained. In *Rakesh Kumar and Ors. v. State* 183 (2009) DLT 658, it was held that “sub-Section (4) of Section 65B provides for an alternative method to prove electronic record. Sub-section (4) allows the proof of the conditions set out in sub-Section (2) by means of a certificate issued by the person described in Sub-section 4 and certifying contents in the manner set out in the sub-Section. The sub-Section makes admissible an electronic record when certified that the contents of a computer printout are generated by a computer satisfying the conditions of sub-Section 1, the certificate being signed by the person described therein.” In other words, no oral testimony of the person issuing the certificate may be necessary unless there is challenge to the accuracy of the computer evidence on account of misuse of the system or operational failure or interpolation. Consequently, the aforementioned objection of the Defendants is rejected.

17. Issue No. 2 is answered by holding that the use by the Defendants of the mark AMLOVATE/AMLOVATE-A amounts to passing off the product of the Defendants as that of the Plaintiff.

Issue No.3

18. The case of the Defendants is that the Plaintiff does not carry on business within the territorial limits of this Court and that its website does not mention the Delhi Office. It is contended that the requirements of ‘carrying on business’ in terms of Section 134 of the TM Act is not fulfilled

in terms of the decision of the Supreme Court in *Dhodha House v. Patel Field Marshal Industries (2006) 9 SCC 41*.

19. In its replication, the Plaintiff has stated that it has been operating its office at Delhi both for sales as well as liasioning purposes. The Delhi office personnel are employed for obtaining necessary approvals from the various regulatory authorities based in Delhi without which it cannot carry on its business. It also has an exclusive carriage and forwarding agent Aditya Medi Sales Limited having its office at Delhi and its medicines are being sold in Delhi. The lease and licence agreement dated 31st May 2008 in relation to the Delhi office has been marked as Exhibit PW-1/2. The invoices Exhibits PW-1/6 to 1/8 reflect the sales of the Plaintiff's product in Delhi. In the circumstances, the Court negatives the plea of the Defendants that the Plaintiff is not carrying on business within the territorial jurisdiction of this Court.

20. Accordingly, issue No.3 is answered against the Defendants and in favour of the Plaintiff.

Issue No.4

21. The Plaintiff has not placed on record sufficient material to enable the Court to accept its plea for damages in the sum of Rs.20 lakhs. Consequently, the issue is answered against the Plaintiff. Nevertheless, the Plaintiff would be entitled to the costs of these proceedings.

22. The suit is decreed in terms of prayers (a), (b) and (c). A decree is also

passed directing the Defendants to render to the Plaintiff within eight weeks the accounts of the profits earned by them from the sale of AMLOVATE. The right of the Plaintiff to institute proceedings on that basis to recover the loss of profits is reserved. The suit is decreed in the above terms with costs of Rs.30,000 which will be paid by the Defendants to the Plaintiff within four weeks.

23. Decree sheet be drawn up accordingly.

JULY 22, 2013
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S. MURALIDHAR, J.

