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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% **Date of Decision : August 06, 2014**

+ **CS(OS) 3271/2012**

PFIZER PRODUCTS, INC Plaintiff

Through : Mr.Julian George, Adv.

versus

MITTAL NATHALAL PATEL & ORS. Defendants

Through : Mr.Rajeshwar H., Adv.

CORAM:

HON'BLE MR. JUSTICE G.S.SISTANI

G.S.SISTANI, J. (Oral)

1. Plaintiff has filed the present suit for permanent injunction restraining infringement of Trademark 'VIAGRA', passing off, rendition of accounts, delivery up and damages against the defendants.
2. Summons in the suit and notice in the application were issued on 16.11.2012. Defendants entered appearance on 17.12.2012 and sought time to file the written statement. As the Defendants did not file the written statement, on 1.4.2013, costs of Rs 10,000 was imposed on Defendants and their application under Order VIII Rule 1 CPC was allowed. On 24.9.2013 it was submitted by

counsel for the Defendants that Defendants have discontinued manufacturing and marketing the products under the Trademark/name 'FILAGRA' and parties were exploring the possibility of a settlement. None appeared for Defendants on 11.7.2014 and on 22.07.2014 counsel for the Defendant made a statement that she has not received any instructions from the Defendants. Counsel for the plaintiff prays that the defence of the defendant be struck off and a decree may be passed. Since no written statement has been filed despite opportunities granted nor cost imposed vide order dated 1.4.2013 paid, the defence of the defendant is struck off and the plaintiff is entitled to a decree under Order VIII Rule 10 CPC.

3. The Complaint is duly supported by the affidavit of Ms Anamika Gupta, Constituted Attorney of the Plaintiff. It has been averred in the complaint that the plaintiff is a wholly owned subsidiary of Pfizer Inc and the term Plaintiff shall hereinafter include Pfizer Inc, its subsidiaries, affiliates and sister concerns. It is also been averred that the Plaintiff is a global research-oriented pharmaceutical company and has been responsible for discovering and developing innovative, value-added products that improve the quality of life of people around the world and help them enjoy longer, healthier and more productive lives. It

has further been averred that the Plaintiff, as one of the world's leading healthcare companies, markets several drugs that are sold under different brand names owned exclusively by the Plaintiff. The Plaintiff has invested enormous sums of money in its aforesaid activities and in the process has created a global reputation for the high quality and efficacy of its pharmaceuticals and that the Plaintiff has the four business segments – pharmaceutical, consumer, nutritional and animal --and its products are available in more than 150 countries.

4. Further, as per the Plaint, in the year 1998, the Plaintiff launched VIAGRA (Sildenafil Citrate), a revolutionary product for the treatment of male erectile dysfunction (hereinafter referred to as 'ED'). A copy of the approval letter dated March 27, 1998, which was issued to the Plaintiff by the U.S. Food and Drug Administration [FDA], approving its new drug VIAGRA and a list of the drugs approved in March 1998 made available to the public by the FDA wherein VIAGRA have been filed along with the plaint. It may be noted that the Plaintiff's trademark "VIAGRA" is a fanciful and coined word having no denotative meaning.
5. It has further been averred in the plaint that as a part of its marketing strategy, the Plaintiff decided to adopt a unique and

unusual colour and shape for its VIAGRA product, namely, a distinctive blue diamond-shaped tablet and, consequently, the unique and distinctive combination of blue colour and diamond shape of the Plaintiff's VIAGRA product is an inherently distinctive trade dress (hereinafter the "blue diamond-shaped tablet trade dress"). The consuming public and the trade associate the blue diamond tablet trade dress as a product of the Plaintiff Company alone.

6. It has also been averred that the product VIAGRA has attracted enormous media attention, including both a cover story in the *Newsweek* magazine and discussions in popular TV programs. The FDA approval in the U.S. in March 1998 was also widely covered in the media, including front-page coverage in the *New York Times* the following day and feature articles in other major publications such as *USA Today*. It has further been averred that by virtue of this extensive publicity and the post-approval advertising and promotion of Plaintiff, the trademark "VIAGRA" has become famous and well known throughout the world as designating and connoting the Plaintiff's brand of oral therapy for ED.

7. It has further been averred in the plaint that the Indian magazine 'Business Week' dated August 4 2003, carried a research paper

produced by Interbrand, regarding a survey conducted by them upon the Top 100 brands in the world. The Plaintiff featured at the 28th position of the said list. It has also been averred that the comments next to the Plaintiff's name are "A master acquirer and marketer, it leveraged a stable of top selling drugs that includes LIPITOR and **VIAGRA**, the world's sales leader". The Interbrand survey carried in the Business Week August 9 – 16, 2004 edition, places the Plaintiff at the 29th position, with the following words describing the company and its products: "The pharma industry's powerhouse, with 11 products each expected to top \$ 1 Billion in annual sales this year.' The same survey valued the Pfizer brand at US \$ 10.635 Billion for the year 2004. It has further been averred that the same survey of the year 2005 and 2006 places the Plaintiff at the 31st and 38th position, respectively.

8. It has also been averred in the plaint that apart from extensive coverage in the Indian press, the trademark "VIAGRA" has also been extensively covered in many major international magazines, which are widely circulated and read in India as well. It has further been averred that the product VIAGRA has been discussed at length in a number of medical books, journals and magazines including Newsweek, Fortune, Money, Business

Week, Forbes, The Associated Press, Dow Jones News Service, The Times of London, Financial World, New York Times, and USA Today. These books, journals and magazines are also circulated and read by persons, including medical professionals, in India. It has also been averred that the overwhelming reputation and goodwill in relation to the trademark “VIAGRA” had therefore spilled over into India even prior to launch of the VIAGRA product in India, on 18th December, 2005. The documents/extracts reflecting the reputation and goodwill of the Plaintiff’s trademark “VIAGRA” have been filed along with the plaint.

9. Further, as per the plaint the annual worldwide sales figures of VIAGRA till the filing of this suit are as follows:

YEAR	Worldwide Revenues million US Dollars
1998 (Year 1)	788 million
1998 (Year 2)	1.016 billion
2000 (Year 3)	1.344 billion
2001 (Year 4)	1.518 billion
2002 (Year 5)	1.735 billion

2003 (Year 6)	1.879 billion
2004 (Year 7)	1.678 billion
2005 (Year 8)	1.645 billion
2006 (Year 9)	1.657 billion
2007 (Year 10)	1.764 billion
2008 (Year 11)	1.934 billion
2009 (Year 12)	1.892 billion
2010 (Year 13)	1.928 billion
2011 (Year 14)	1.981 billion
RUNNING TOTAL	22.759 billion

It
has been
averred

in the plaint that the aforesaid figures are taken from the Annual Reports of the Plaintiff.

10. It has further been averred in the plaint that the trademark “VIAGRA” has been registered and/or is pending registration in more than 150 countries around the world and the plaintiff’s trademark “VIAGRA” is registered in India, since 18.07.1996, details of which are as under:

Trade Mark	Registration Number	Class	Goods
VIAGRA I	710135	5	Pharmaceutical compound for treating erectile dysfunction

has been averred in the plaint that the said registration has been renewed within time and is valid and subsisting. The legal proceeding certificate pertaining to the trademark “**VIAGRA**” has been filed along with the plaint.

11. Further, as per the Plaint, the Plaintiff has filed an application for the registration in India as a trademark of the 3-dimensional blue diamond-shaped tablet, and the same is pending registration. In addition, the distinctive 3-dimentional blue diamond-shaped tablet is a registered trademark in the following countries:

- Algeria, Argentina, Australia, China, Colombia, Cyprus, Czech Republic, Ecuador, Egypt, El Salvador, Guatemala, Hungary, Indonesia, Israel, Latvia, Libya, Malta, Mexico, Morocco, Nicaragua, O.A.P.I., Panama, Paraguay, Philippines, Romania, Russia, Saudi Arabia, Slovak Republic, Slovenia, South Africa, South Korea, Taiwan, Ukraine, United Arab

Emirates, United States, and Venezuela. Copies of the aforesaid registration certificates are filed along with the present proceedings.

Whereas, trade mark applications are pending in respect of the 3-dimensional blue diamond-shaped tablet in the following countries:

- Benelux, Brazil, Canada, Croatia, Dominican Republic, Estonia, India, Japan, Malaysia, Thailand and Tunisia.

12. It has further been averred in the plaint that since 2005, the trademark “VIAGRA” and the distinctive blue diamond-shaped tablet trade dress have continuously and uninterruptedly been used by the Plaintiff in India and the same are recognized by consumers and the trade as a product originating from the Plaintiff alone. In addition, the Plaintiff has vigilantly initiated appropriate proceedings to defend its statutory and common law rights in the mark “VIAGRA” and the distinctive blue diamond-shaped tablet trade dress, and Indian courts have upheld the statutory and common law rights of the Plaintiff in the same.
13. Further, as per the plaint, in April 2012, the Plaintiff was alerted to trademark application nos. 2315090 and 2315091 for labels

containing the mark “FILAGRA” in class 5, filed without any territorial restrictions, in the name of the Defendant No. 1. Upon conducting investigations, the Plaintiff learnt that the Defendant No.1 is manufacturing and selling sildenafil citrate products under the mark FILAGRA, through the Defendant No.2 entity. The Plaintiff further learnt that the Defendant No. 2 is carrying out the aforesaid activity in active concert with the Defendant No. 3.

14. It has been averred in the plaint that earlier in August 2011, the Plaintiff instituted suit proceedings, being CS (OS) No. 2027 of 2011, alleging trademark infringement and passing off against the Defendant No.3, which was manufacturing and selling sildenafil citrate products under the mark “VILAGRA” and had also imitated the blue diamond shaped tablet trade dress of the Plaintiff’s VIAGRA. The suit was thereafter, settled between the Plaintiff and the Defendant No. 3 and decreed through order dated 14th December 2012, in terms of the joint application under Order 23 Rule 3 of the Code of Civil Procedure, 1908, filed in the said suit. It has further been averred that the Defendant No.3 has breached the decree of permanent injunction passed in CS (OS) 2027 of 2011, by manufacturing/marketing the product FILAGRA, in connivance with the Defendant No.1 and 2. Copies

of the compromise application and the order dated 14th December, 2012 passed in CS (OS) 2027 of 2011 have been filed along with the plaint.

15. It has further been averred in the plaint that the Plaintiff addressed a legal notice dated 16th June, 2012, to the Defendant No.2 through its counsels, calling upon the Defendant No. 2 to cease and desist from infringing the trademark rights of the Plaintiff. The Plaintiff also addressed a legal notice dated 21st June, 2012, informing the Defendant No. 3 that its act of aiding and abetting the infringing activities of the Defendant No.2 amounts to contempt of the decree passed by this Hon'ble Court in CS (OS) 2027 of 2011 and also infringes the trademark rights of the Plaintiff. Although the Defendant No. 3 admitted to its involvement in the manufacture/marketing of the impugned product FILAGRA, through its reply dated 3rd July, 2012, it disclaimed any similarity in the nature of the product FILAGRA with the Plaintiff's product VIAGRA. The Plaintiff through its response dated 17th July, 2012, informed the Defendants that both the Plaintiff's product VIAGRA and the Defendants' FILAGRA are identical in nature as they contain the same active ingredient, i.e. sildenafil citrate.

16. Further, as per the plaint, the Plaintiff further proposed to settle the dispute amicably on the Defendants' furnishing undertakings on their respective letterheads, stating that they shall forthwith cease and desist from manufacturing/marketing their products under the mark FILAGRA or any other mark deceptively similar to the Plaintiff's trademark VIAGRA and not to adopt a tablet colour and shape identical/similar to the distinctive blue diamond shaped tablet trade dress of the Plaintiff's VIAGRA. The Defendants however, in their reply dated 14th September, 2012, baselessly insisted on an independent laboratory testing of the products VIAGRA and FILAGRA. It became evident from the unreasonable stand taken by the Defendants that they have no real intention of settling this matter amicably.
17. I have heard counsel for the plaintiffs and carefully perused the plaint which is duly supported by an affidavit as also the documents which have been placed on record. Despite time granted, the defendants have chosen not file the written statement to controvert the averments made in the plaintiff. The plaintiffs Trademark 'VIAGRA' is registered in India since 18.7.1996 and stands registered in more than 150 countries. Plaintiffs have been able to establish that since 2005, the Trademark 'VIAGRA' has continuously and uninterruptedly been used by the plaintiff in

India and the same are recognized by consumers and the trade as a product originating from the plaintiff alone. On the basis of wide coverage received by the product of the plaintiff sold under the trademark “VIAGRA”, in many major Indian and international magazines, medical books, journals etc, and also on the basis of enormous turnover generated by the plaintiffs for years under the trademark VIAGRA, the plaintiffs have been able to prove that they have built up an unparalleled reputation and goodwill with respect to their trademark “VIAGRA”.

18. In the case of *Mind Gym Ltd.v. Mindgym Kids Library Pvt. Ltd* CS (OS) 1029/2013, decided on 21.03.2014, plaintiffs who were carrying on business under the trade mark ‘MIND GYM’ sought permanent injunction against the defendants restraining them from infringing and/or passing off the plaintiff’s rights by using the trademark ‘MINDGYM’ as part of latter’s corporate name/trademark. Following observations were made by the court:

“9.....

(ii) In the case of *Evergreen Sweet House Vs. Ever Green and Ors.*, 2008 (38) PTC 325 (Del), it was observed as under:

15. A mark, is said to be deceptively similar to another (Section 2(1) (h), Trademarks Act, 1999) if it so nearly resembles that other mark as to be likely to deceive or cause confusion. Section 29(1) deals with

a situation where the defendant uses a mark, which is identical or deceptively similar to that of the plaintiff, in respect of the same goods or services, and in such manner that it is likely that such use is taken as being an use as a trademark. This amounts to infringement. To fall within Section 29(1), the defendant's use of the mark must be so that it is likely that the public assumes that the said mark is used as a trademark. Section 29(2) deals with three situations; one where the defendants mark is identical to that of the plaintiff and in respect of similar goods. Two, where the marks are similar and in respect of goods which are identical or similar. Three, the marks as well as the goods are identical. Infringement does not take place if only one of the three ingredients are satisfied; the plaintiff has to prove that use by the defendant is likely to cause confusion on the part of the public or is likely to have an association with the registered mark.

[Emphasis Supplied]

19. Having regard to the documents on record and comparing the impugned trademark of Defendant 'FILAGRA', I am of the view that the impugned Trademark of Defendant is deceptively similar to the Plaintiff's well known trademark 'VIAGRA'. The Defendant No. 3 merely replaced the alphabet 'V' in its earlier restrained trademark VILAGRA with the alphabet 'F', which does not in any way alter the overall similarity as compared to the Plaintiff's well-known trademark 'VIAGRA'. The Defendants have not only adopted a mark which is phonetically as well as visually similar to the Plaintiff's trademark "VIAGRA", but have also adopted a tablet colour and shape for

its product FILAGRA that is virtually identical to the trade dress of VIAGRA, i.e., the distinctive blue diamond-shaped tablet trade dress. In light of the adoption of a virtually identical mark including virtually identical tablet colour and shape, the Defendants' product FILAGRA would be easily mistaken or passed off as the Plaintiff's product VIAGRA.

20. Also the malafides of the Defendants are writ large from the fact that Defendant no. 3, despite of being restrained by the decree passed in CS (OS) No. 2027 of 2011, is manufacturing/marketing a product under the mark FILAGRA, which is virtually identical to its earlier restrained mark VILAGRA, in active concert with the Defendant No. 1 and the Defendant No. 2. Also, the manner in which the Defendants have copied and imitated the Plaintiff's blue diamond-shaped tablet trade dress clearly reflects that the Defendants believe, recognize and acknowledge the reputation and goodwill of Plaintiff and have made every effort to come as close as possible to the Plaintiff's product VIAGRA for their identical/similar sildenafil citrate tablets. Thus, plaintiffs have established that the Defendants are causing infringement of rights in the Trademark of the plaintiffs.
21. The plaintiff has also claimed damages on account of illegal activities of the defendant along with delivery up of the goods

bearing the impugned trade mark, or any other deceptively similar mark. The plaintiff has also prayed for rendition of accounts of profits earned by the defendant on account of use of the impugned trade mark.

22. In the case of **Time Incorporated v. Lokesh Srivastava and Anr.,** 2005 (30) PTC 3 (Del) apart from compensatory damages of Rs.5 lakhs, punitive damages have also been awarded. It would be useful to reproduce paras 7 and 8 of the said judgment, which are as under :-

"7. Coming to the claim of Rs.5 lacs as punitive and exemplary damages for the flagrant infringement of the plaintiff's trade mark, this Court is of the considered view that a distinction has to be drawn between compensatory damages and punitive damages. The award of compensatory damages to a plaintiff is aimed at compensating him for the loss suffered by him whereas punitive damages are aimed at deterring a wrong doer and the like minded from indulging in such unlawful activities. Whenever an action has criminal propensity also the punitive damages are clearly called for so that the tendency to violate the laws and infringe the rights of others with a view to make money is curbed. The punitive damages are founded on the philosophy of corrective justice and as such, in appropriate cases these must be awarded to give a signal to the wrong doers that law does not take a breach merely as a matter between rival parties but feels concerned about those also who are not party to the lis but suffer on account of the breach. In the case in hand itself, it is not only the plaintiff, who has suffered on account of the infringement of its trade mark and Magazine design but a large number of readers of the defendants' Magazine 'TIME ASIA SANSKARAN' also have suffered by purchasing the defendants' Magazines under an impression that the same are from the reputed publishing house of the plaintiff company.

8. This Court has no hesitation in saying that the time has come when the Courts dealing actions for infringement of trade marks, copy rights, patents, etc. should not only grant compensatory damages but award punitive damages also with a view to discourage and dishearten law breakers who indulge in violations with impunity out of lust for money so that they realize that in case they are caught, they would be liable not only to reimburse the aggrieved party but would be liable to pay punitive damages also, which may spell financial disaster for them. In Mathias v. Accor Economi Lodging Inc., the factors underlying the grant of punitive damages were discussed and it was observed that one function of punitive damages is to relieve the pressure on an overloaded system of criminal justice by providing a civil alternative to criminal prosecution of minor crimes. It was further observed that the award of punitive damages serves the additional purpose of limiting the defendant's ability to profit from its fraud by escaping detection and prosecution. If a tortfeasor is caught only half the time he commits torts, then when he is caught he should be punished twice as heavily in order to make up for the reason that it is very difficult for a plaintiff to give proof of actual damages suffered by him as the defendants who indulge in such activities never maintain proper accounts of their transactions who they know that the same are objectionable and unlawful. In the present case, the claim of punitive damages is of Rs.5 lacs only which can be safely awarded. Had it been higher even this court would not have hesitated in awarding the same. The Court is of the view that the punitive damages should be really punitive and not flee bite and quantum thereof should depend upon the flagrancy of infringement." [See also ***Hero Honda Motors Limited v. Rafiq Memon*** [2012 (52) PTC 449 (Del.)]; ***Gora Mal Hari Ram Ltd. Vs. Ashique Exports*** [2012 (50) PTC 428 (Del.)]; ***Relaxo Rubber Limited and Anr. Vs. Selection Footwear and Anr.*** [1999 PTC 578].”

23. I am also of the view that the plaintiff has been able to establish a case for grant of damages. There is a larger public purpose involved to discourage such parties from indulging in such acts

of deception and, thus, even if the same has a punitive element, it must be granted. R.C. Chopra, J. has very succinctly set out in *Time Incorporated's case (supra)* that punitive damages are founded on the philosophy of corrective justice.

24. For the reasons stated above, the plaintiff has made out a case for grant of decree as prayed in the plaint. Accordingly, the order dated 06.08.2014 is confirmed and the suit is decreed in favour of the plaintiff and against the defendants. Punitive damages against Defendant No. 3 to the tune of Rs 4.00 lacs.
25. Decree sheet be drawn up accordingly.

(G.S.SISTANI)
JUDGE

AUGUST 06, 2014
dkb